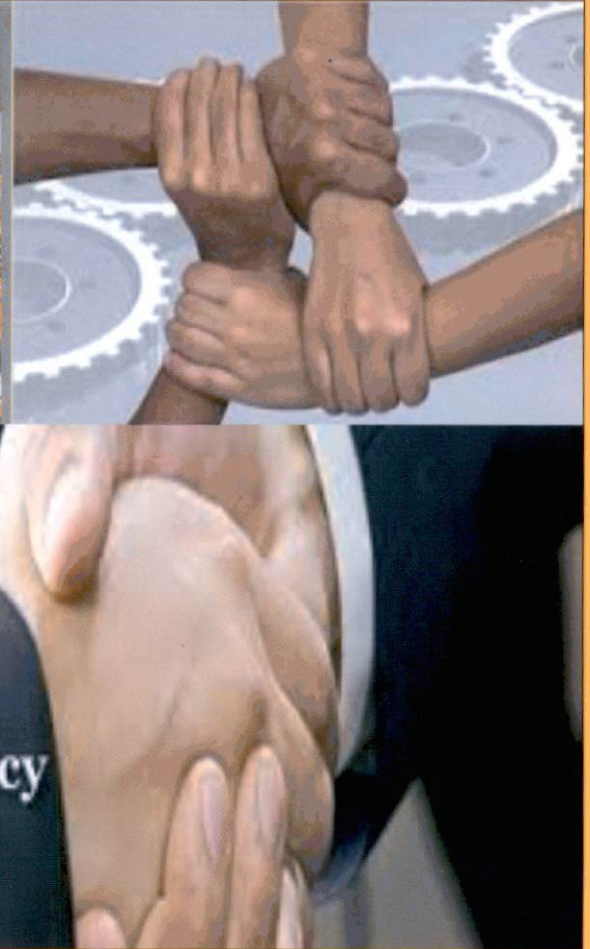
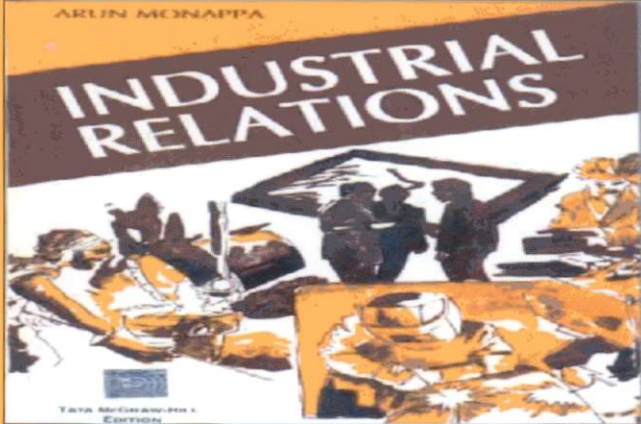


ಕರ್ನಾಟಕ ರಾಜ್ಯ
ಮುಕ್ತ ವಿಶ್ವವಿದ್ಯಾನಿಲಯ
ಮುಕ್ತಗಂಗೋತ್ರಿ, ಮೈಸೂರು - 570 006



**KARNATAKA STATE
OPEN UNIVERSITY**
MUKTHA GANGOTRI, MYSORE-570006

M.Com (Final)



Industrial Relations

- Grievance Procedure
- Disciplinary Procedure
- Equal Opportunities Policy
- Data Protection Policy
- Internet & Email Policy

COURSE-7

BLOCK:1-6

INDUSTRIAL RELATIONS

**DEPARTMENT OF STUDIES AND RESEARCH
IN COMMERCE**

KSOU NATIONAL INTERNATIONAL RECOGNITION



Karnataka State Open University (KSOU) was established on 1st June 1996 with the assent of H.E. Governor of Karnataka as a full fledged University in the Academic year 1996 vide Government notification No./EDI/UVV/dated 12th February 1996 (Karnataka State Open University Act – 1992). The Act was promulgated with the object to incorporate an Open University at the State Level for the introduction and promotion of Open University and Distance Education Systems in the education pattern of the State and the Country for the Co-ordination and determination of standard of such systems.

- ❖ With the virtue of KSOU Act of 1992, Karnataka State Open University is empowered to establish, maintain or recognize Institutions, Colleges, Regional Centres and Study Centres at such places in Karnataka and also open outside Karnataka at such places as it deems fit.
- ❖ All Academic Programmes offered by Karnataka State Open University are recognized by the Distance Education Council (DEC), Ministry of Human Resource Development (MHRD), New Delhi.
- ❖ Karnataka State Open University is a regular member of the Association of Indian Universities (AIU), New Delhi, since 1999.
- ❖ Karnataka State Open University is a permanent member of Association of Commonwealth Universities (ACU), London, United Kingdom since 1999. Its member code number: ZKASOPENUINI.
- ❖ Karnataka State Open University is a permanent member of Asian Association of Open Universities (AAOU), Beijing, CHINA, since 1999.
- ❖ Karnataka State Open University has association with Commonwealth of Learning (COL), Vancouver, CANADA, since 2003. COL is an intergovernmental organization created by commonwealth Heads of Government to encourage the development and sharing of open learning distance education knowledge, resources and technologies.

Higher Education To Everyone Everywhere

PREFACE

Dear Student,

As you know, an entrepreneur starts a business or industry with the objective of earning reward for his own efforts. It is the foremost duty of such entrepreneurs to organise the various factors of production, namely, land, labour, capital and organisation properly. The entrepreneurs have the competency to manage land and capital as the same is inanimate factor. Whereas labour being, an animated factor demands proper focus from the management. Labour is an asset of the organisation as such they expect fair deal in the hands of the management. Industrial democracy, Industrial peace etc., are imperative to achieve the overall objectives of the company. The companies which could maintain the industrial peace will have no botheration of the conflict, strike, lockout and militancy. For instance Honda, Hyundai, Renault, IBM and TATA have provided absolute industrial peace, hence their growth rate is unassumed. Maruthi-Suzuki joint venture, Toyota and Kingfisher Airlines have faced industrial conflict. As a result slow growth has been registered in Maruthi -Suzuki and indefinite lockout has been declared in case of Kingfisher Airlines. It is therefore very essential for the management to ensure industrial democracy, so as to enable both management and employees to work on co-partnership.

Industrial Relation is one of the papers of M.Com (Final). The study material will give an insight of the study material. Feel free to write to the Department to upgrade the quality of study material.

With best wishes

Truly Yours
Prof. Jagadeesha
Chairman
DoS & R in Commerce
Karnataka State Open University
Mukthagangothri, Mysore – 06.

Course Design and Editorial Committee

Prof. M.G. Krishnan
Vice-Chancellor & Chairperson
Karnataka State Open University
Mukthagangotri, Mysore – 570 006

Prof. Vikram Raje Urs
Dean (Academic) & Convenor
Karnataka State Open University
Mukthagangotri, Mysore – 570 006

Chairman

Prof. Jagadeesha
Chairman, DOS & R in Commerce
Karnataka State Open University
Mukthagangotri, Mysore – 570 006

Course Editor

Course Co-ordinator

Prof. Jagadeesha
Chairman, DOS & R in Commerce
Karnataka State Open University
Mukthagangotri, Mysore – 570 006

Course Writer

Course-II

Sri. Siddegowda, Lecturer in Commerce,
KSOU, Mysore

Block-I, IV & VI

Prof. K.G. Ramakrishna, Professor and Chairman,
DoS&R in Commerce, KSOU, Mysore

Block-II & III

Dr. M.S. Yathish Chandra,
Assistant Professor in Management,
KSOU, Mysore

Block-V

Publisher

Registrar
Karnataka State Open University
Mukthagangotri, Mysore – 570 006

Developed by Academic Section,

Karnataka State Open University, Mysore. 2014

All rights reserved. No part of this work may be reproduced in any form, by mimeograph or any other means, without permission in writing from the Karnataka State Open University.

Further information on the Karnataka State Open University Programmes may be obtained from the University's office at Mukthagangotri, Mysore – 570 006

Printed and Published on behalf of Karnataka State Open University, Mysore-6 by **Registrar (Administration)**



Karnataka State Open University
Mukthagangothri, Mysore-570 006

M.Com (Previous)
Industrial Relations
Course - VII

SYLLABUS

COURSE VII

INDUSTRIAL RELATIONS

Course -1 Industrial Relations System: Industrial Relations System-Meaning-Objectives-Scope-Dunlop Model of Industrial Relations-Industrial Relations in India-State and Industrial Relations-Labour policy-Tripartite Consulations – Indian Labour Conference –Standing Committee of Indian Labour Conference –Central and State Government Machinery for Labour Administration in India.

Block -2 Industrial Disputes: Industrial Disputes – Concept-Causes of Industrial Disputes-Dynamics of Industrial Disputes-Forms of Industrial Disputes – Preventive and Settlement Machinery of Industrial disputes in India-Brief study of Industrial Disputes Act – 1947.

Block – 3 Collective Bargaining: Collective Bargaining – Objectives-Methods-Management for Negotiations-Union Organisation for Bargaining – Negotiation Process- Issues in Bargaining- Multi Union Problems in bargaining-Collective Bargaining in India-Administration of Collective Bargaining Agreements-Status of Collective Bargaining in India-Recommendation of National Commission on Labour.

Block – 4 Trade Unionism: Trade Unionism – Theories of Trade Unionism- Principles, Philosophy and Policies of Indian Labour-Growth of Trade Unionism in India-Management of Trade Unions in India-Structure of Trade Unions-Problems of Trade Unions-Measures to improve the Functioning of Trade Unions in India-A brief study of the trade Unions Act 1926.

Block – 5 Workers Participation in Management : Introduction and Concept-Determinants of Workers Participation in Management-Workers Participation in Management in India

Block-6 India and ILO: Introduction and Establishment – Aims and Objectives of ILO-Structure and Governing Body of ILO- International Labour Office-Functions – Conferences and Meetings.

Reference Books:

1. John T.Dunlop: 'Industrial Relations Systems', Henry Holt and Co.New York
2. Flanders Allen : 'Trade Unions' - The English Language Books Society, London.
3. Loyd G. Reynolds- 'Labour Economics and Labour Relations', Prentice Hall of India of Pvt. Ltd. New York.
4. Daniel Quinn Mills: 'Labour Management Relations' "Mc Graw Hill Book Company, New York.
5. Mary Sqr: 'Collective Bargaining', Asia Publishing House, Bombay.
6. R.Stagner and H. Rosen: 'Psychology of Union, Management Relations'. Travistock Publication Ltd. London.
7. Saxena R. C. : 'Labour Problems and Social Welfare'. K.Nath and Co.Meerut.
8. Sharma. A. M : 'Aspects of Labour Welfare and Social security', Himalaya Publishing House, Bombay.
9. Memoria. C. B : 'Dynamics of Industrial Relations in India'. Himalaya Publishing House, Bombay.
10. Bhagoliwala. T.N. 'Labour Economics and Labour Relations': Sahitya Bhawan, Agra.
11. Sharma S.N : 'Labour and Industrial Laws'. Allahabad Law Agency, Allahabad.
12. Hopkin R. R. : 'A Hand Book of Industrial Welfare', Oxford, IBH Publishing Company, New Delhi.
13. Muniramappa. C.M. Shankariah. A and Kamaraju Panthula N : 'Personnel Management and Industrial Relations' 'Excel Publications, New Delhi.



M.Com (Final)
Course – VII
INDUSTRIAL RELATIONS

		Page No.
BLOCK - I :		
Unit - 1 :	Meaning, Importance and I.R.Scenario in India	01 – 09
Unit - 2 :	Industrial Relations-2	10 – 16
Unit - 3 :	Labour Administration and Labour Policy	17 – 26
BLOCK - II :		
Unit - 4 :	Industrial Disputes	27 – 33
Unit - 5 :	Forms of Industrial Disputes	34 – 46
Unit - 6 :	Settlement of Industrial Disputes	47 – 60
BLOCK - III :		
Unit - 7 :	Meaning-Objectives, Methods of Collective Bargaining	61 – 69
Unit - 8 :	Functions of Collective Bargaining and Negotiation Process	70 – 78
Unit - 9 :	Collective Bargaining in India	79 – 90
BLOCK - IV :		
Unit - 10 :	Trade Unionism	91 – 103
Unit - 11 :	Theories and Structure of Trade Unions	104 – 111
Unit - 12 :	Problems of Trade Unions	112 – 119
Unit - 13 :	Trade Unions Act-1926	120 – 126
BLOCK - V :		
Unit - 14 :	Worker's Participation in Management	127 – 138
Unit - 15 :	Worker's Participation - Indian Scenario	139 – 156
BLOCK - VI :		
Unit - 16 :	International Labour Organisation-I	157 – 164
Unit - 17 :	International Labour Organisation-II	165 – 172

UNIT 1 : MEANING, IMPORTANCE AND I.R. SCENARIO IN INDIA

Structure.

- 1.0 Objectives
- 1.1 Introduction
- 1.2 Meaning and Definition
- 1.3 Characteristics of Industrial Relations
- 1.4 Objectives of Industrial Relations
- 1.5 Importance of Industrial Relations
- 1.6 Industrial Relations Scenario in India
- 1.7 Let us sum up
- 1.8 Terminal Questions
- 1.9 Books for reference

1.0 OBJECTIVES

After studying this Unit you will be able to

- * Give the meaning of Industrial Relations
- * Explain the various factors which influence on Industrial Relations
- * Explain Industrial Relations Scenario in India

Meaning, Importance and Industrial Relations Scenario in India

1.1 INTRODUCTION

Every person (Entrepreneur) started a business or an industry with the objective of earning some amount of reward for the efforts what they put to organized and to make use of ingredients which are known as factors of production (i.e., land, labour and capital) to achieve the objective with which he started the business it is obligatory on the part of all the entrepreneurs to carryout the activity efficiently and effectively and to make use of the recourses organized to the fuller extend which bears to higher production one productivity. In addition to all the factors of production one more thins is essential i.e., Industrial Relation that to good Industrial relation.

1.2 MEANING AND DEFINITION

Now let us try to understand what the Industrial Relation is to understand what it is let us look into some accepted and most popular definitions in this regard.

According to **J. Henry Richardson** "Industrial relation is an art, the art of living together for the purposed of production".

In the words of **Bethel and others** "Industrial relation is that part of management which is concerned with the manpower of the enterprise whether machine operator, skilled worker or manager".

According to **Agnihotri** "The term industrial relation explains the relationship between employee and management which stem directly or indirectly from union employer relationship".

According to **Dale Yoder**, industrial relation is a "whole field of relationship that exists because of the necessary collaboration of men and women in the employment process of an industry".

In the words of **Prof. Dunlop** "industrial relations system is an arilytical enquiry into the structure and process of the dynamics of relations between management, workers and the government".

According to **ILO** "Industrial relations deal with either the relationship between the state, employer and workers' Organizational the relation between the occupational organization themselves".

In the words of **C.B. Kumar** "Industrial relations are broadly concerned with bargaining between employers and trade union on wages and other terms of employment. The day to day relations, within a plant also constitute one of the important elements and impinge on the broader aspects of industrial relations".

According to **T.N. Kapoor** "The term industrial relations should be understood in the sense of labour management relations as it percolates into a wider set of relationship touching extensively all aspects of labour such as union policies, personnel policies and practices including wages, welfare and social security, service conditions, supervision and communication, collective bargaining etc., attitudes of parties and government action on labour matter".

From the analysis of above definitions we can summaries the concept of Industrial Relation in the following way.

The existence of employee and employer gives rise to the establishment of Industrial Relation. If there is no demarcation industrial relations has no scope. Industrial relation establishes, the required skill and attitudes in both the employee and the employer to get the Co-operation of each other's. The objective of this is to create a better understanding between employee and the employer to create a good work environment. It reflects the personnel policies of the organization and attitude of the employees unions towards the management.

1.3 CHARACTERISTICS OF IR

From the analysis of above definitions we can list out the following characteristics features.

- 1) It is the out come of employment relationship in an organization.
- 2) It improves the skills and methods of adjusting and co-operating with each other.
- 3) Industrial relation system creates complex rules and regulations to maintain harmonious relations.
- 4) Government play a dominant role in shaping Industrial Relations through laws, rules, agreements, awards etc.,
- 5) The Chief parties to industrial relations are: employees and their organizations, employer and their associations and the Government.

1.4 OBJECTIVES OF INDUSTRIAL RELATIONS

As we have understood the meaning and characteristics of Industrial Relations now let us try to understand objectives of Industrial Relations.

In the words of **Krikaldy** "industrial relations in a country are in intimately connected with the form of its political government, and the objectives of an industrial organization. He divides the objective of Industrial Relation into four kinds.

- 1) To improve the economic conditions of workers in the existing state of industrial management and political government.
- 2) To establish government control on industries to regulate production and industrial relations.
- 3) To make the state as employer through socialization and non-socialization.
- 4) To create proprietorship of the workers in the industries in which they are working.

However, we can list out the following as the important objectives of Industrial Relations in addition to the primary objectives of establishing healthy relations between employers and employees.

- 1) To safeguard the interests of employees and employers by securing mutual understanding and good work.
- 2) To create good relationship between workers and management which helps to avoid industrial conflicts. Harmonious relationship is essential to increase productivity of workers.
- 3) To increase and improve production and productivity which is helpful in avoiding high labour turnover and frequent absenteeism.
- 4) To encourage workers participation in management which helps to establish industrial democracy.
- 5) To frame the acceptable policies in respect of wages, fringe benefits, better working conditions and thereby to avoid the occurrence of strikes, lockouts and gheraos which caused industrial damages and economic loss.
- 6) To encourage healthy trade unionism and better relationship between union and the management.
- 7) To promote human rights, freedom, discipline, collective bargaining and democratic working atmosphere.

1.5 IMPORTANCE OF INDUSTRIAL RELATIONS

Industrial peace or good Industrial Relation is essential for smooth conduct of industrial activities. The importance of Industrial Relation or industrial peace can be understood from the following explanation.

1. Industrial conflict can be avoided: When there is a good Industrial Relation between labour and management, dis-satisfaction, difference of opinion about the management in the minds of the workers, and vice-versa, which is known as industrial conflict can be, avoided.

According to survey conducted by John Muldon 25% of the managers time is devoted to resolve the conflict. If there is no conflict this time devoted to resolve the conflict can be used for productive purposes. The main cause for the occurrence of industrial conflict is the non-existence good Industrial Relation.

2. Production and productivity increases: When there is a conflict workers work for the sake of working, they don't bother about the results and wastage of inputs. So the production and productivity will be on the lower side.

(Production means mere conversion of input into output. Productivity means efficiency of production. It represents the ratio of input and output.) On the other hand when there is good Industrial Relations people in the organization work with commitment. When they work with commitment and dedication wastages can be avoided and it affects productivity positively.

3. Workers participation in management is possible: - When there is harmonious relationship every one has confidence in others (one believes the other). When we come across this situation people (workers) give suggestions to improve the performance of the organization, people involve themselves whole-heartedly in making effective decisions. It is essential to avoid industrial conflict, dispute and all aftermath consequences, which affects the organizations performance adversely.

4. When workers are involved in decision-making: When conflict is avoided question of strikes, lock outs which is injurious to the health of the organisation does not arise.

5. When there is harmonious relation which is a cause for higher productivity leads to the production of a cost effective product. When the organization is able to produce a cost effective product, it can offer it to the market at a reasonable price. It helps the organization to become a market leader and helps the society to get the product or service at a reasonable price. When these through are available at reasonable price every one can use these product. As a result standard of living of the society improves.

6. The objectives of every nation is to achieve economic development. Rapid economic development is possible only when there is development in the industrial sector. The development of industrial sector is possible only when there is harmonious relationship or industrial peace.

1.6 INDUSTRIAL RELATIONS SCENARIO IN INDIA

As we have studied the importance of good industrial relation now let us try to understand what was and what is industrial relations scenario in our country. For our convenience we can classify the evolution of industrial relations into following stages.

1. Primitive stage: During this stage people produce goods for their consumption. At this stage all the activities were performed by the family members under the supervision of elderly person or head of the family. As everything is direct during this period, the management was very easy.

2. Agrarian economy: during this stage the ownership of the property was shifted from group to individuals. There was a huge gap between haves and havenots workers were treated as slaves. There was no Government intervention to regulate industry or industrial relations.

3. Serfdom stage: Because of feudalism serfdom developed. Serfs were considered as less intellect, ignorantly deprived and without personal ethics. There was no difference between slaves and these people, they were treated as unfortunates and born to do the Jobs of rich people.

4. Handicrafts stage: Due to decline in feudal system and the development of cities, trade and commerce craftsmanship develops. During this stage some specialized craftsman in shoe making, pottery and blacksmithy, started producing in their own houses or factories with the help of family members or students who seeks to learn the art. The master craftsman used to keep apprentices with them by giving free boarding and lodging for which the students are expected to do all sorts of work. The master craftsman enjoyed highest status even after the apprentice became independent craftsman. The centres started by master craftsman are called guilds. These guilds started regulating quality, price and also started providing required facilities to the workers.

5. Cottage industries stage: During this stage some master craftsmen and capitalists started producing goods under a shelter with the help of hired craftsmen or family members with the advent of steam and power individuals started factories in small size with the help of other craftsmen, managements and family members.

6. Factory or mass production stage: During this stage because of the invention of power driven machineries some small and cottage industries started assembling under one shelter, which led to the way for formation of factories. These factories were started with the intention of achieving production on large scales, after this factory system became very popular with huge machines that replaced human hands, which is called industrial revolution.

In the factory system of production, management and operative works become different, decision-making becomes a specialized work. The employers who owned all the factors of production started exploiting workers. Employers during this stage were concerned only with the payment of wages; they were least bother about working conditions, health safety and after working hour's problems of workers. As a result of increased profit-motive human element in business became less important, workers were treated as machines and international relationship disappeared. Before going to study the industrial relations scenario after industrialization, it is imperative to study the effects of industrialization. Now let us look into the effects. Because of industrialization there was a lot of change methods of working, education, standard of living. The important effects are as follows:

- 1) Labour and manual working became secondary inform of new machines.
- 2) Specialization in operation and craftsmanship become popular and demand foreingners and technocrats increased.
- 3) Increased profits and hopes of materialistic progress led to more and more capital formation.
- 4) Working conditions and work discipline became very hard to follow, workers became dependent on employers.
- 5) Elaborate control, strict discipline and exploitation of worker by employer leads to the formation of unions to fight for the common cause.

Now let us discuss the Industrial Relations scenario by dividing the history of this (IR) into four stages. They are

- 1) Pre-British rule in India
- 2) Early British rule India
- 3) Pre-Independence and after first world war period
- 4) After independence.

Vedas in India have mentioned about the importance of good relations between members of a group or community for happiness. Kautilas's Arthashastra and edicts of Emperor Ashoka have highlighted the significance of having good relations with workers.

During the British rule a number of factories were started. Majority of the factories started during this period were concentrated in Bombay and Calcutta. The workers in these factories were the landless labourers. The number of people who have started factories were very less in number. There was no legislation to protect the interest of the workers. As a result capitalists started exploiting the workers. The weavers of Empress Mills of Nagpur started opposing the employers. This is the first indication of industrial unrest.

Frequent strikes, stoppage of work, lockouts and industrial disputes became common during this period in Bombay and Surat.

The first factories Act was enacted in the year 1881 but it fails to protect the interest of the workers. As a result a conference of workers was arranged. The conference urge for the enactment new factories Act as a result a new factories Act was passed in 1885 in place of the Act passed in 1881. The Act promoted the workers to make concrete efforts for the betterment of the workers. During this time many trade unions were established under the leadership of N.M. Lokhande and other freedom fighters. However, workers were less class conscious and lacking team and organizing spirit to fight for the common cause.

The First World War created the base for industrial labour unit and collective bargaining in India. During this period, workers unrest was expressed in the form of strikes and demonstrations. An eminent persons like Mahatma Gandhi, B.P. Wadia lead this strikes. As a result of the conventions and recommendations of ILO various enactments were made the important among them are Workmen compensation Act 1923. Trade Union Act 1926, Industrial Disputes Act 1947. A considerable number of trade unions were formed and labour federations like AITUC and INTUC were formed.

After independence tripartite conference was convened a number of resolutions giving importance and security to workers were passed. The Minimum Wages Act Factories Act. ESI Act, Bonus and other enactments were made. However, the aftermath of independence had not helped the workers in realizing their dreams which is evident in the increasing number of strikes lockouts and disputes in Indian Industries.

After, Globalization, major policies of the Governments were Pro-employer recent Supreme Court Judgment on the Tamilnadu issue leads to the reduction in number of strikes and lockouts. Employers started treating the Human Resource of the organization as an asset and many workers organizations started co-operating with the management instead of opposing for each and everything. As a result of all these the talented workers who are highly skilled have better opportunities on the contrary the average workers work in the organization under a conflicting situation.

1.7 LET US SUM UP

Industrial Relations in simple is nothing but the relationship between workers and management In the broader sense it comprises a relationship between the organization. Worker association the Government. It is very important from the point of view of an organization, workers and the nation as a whole. It helps to avoid industrial conflict, dispute. It helps attain high rate of production and productivity and turn helps to achieve industrialization, which is essential for achieving economic development.

We can understand the Industrial Relations scenario of our country by studying its status at various point of time i.e., during Pre-British rule, during the British rule, Pre-independence, after independence and after globalization.

1.8 Terminal Questions

- 1) Define Industrial relation. Explain the characteristics features of Industrial Relation.
- 2) What do you understand by Industrial Relation? Explain the importance of Industrial Relation.
- 3) Critically examine the Industrial Relations scenario in our country.

1.9 BOOKS FOR REFERENCE

- Dynamics of Industrial Relations in India - C.B. Mamoria and S. Mamoria
- Industrial Relations - A.M. Sharma
- Personel and Human Resource Management - P. Subba Rao

UNIT 2 : INDUSTRIAL RELATIONS - 2

Structure

- 2.0 Objectives
- 2.1 Introduction
- 2.2 Factors influencing on Industrial Relations or Determinants
- 2.3 Parties of Industrial Relations
- 2.4 Industrial peace or Harmonious I.R.
- 2.5 Causes for Poor Industrial Relations
- 2.6 Conditions for Congenial Industrial Relations
- 2.7 Dunlop's Approach to Industrial Relations
- 2.8 Let us Sum up
- 2.9 Terminal Questions
- 2.10 Books for reference

2.0 OBJECTIVES

After studying this unit you will be able to

- Explain the factors, which influence on Industrial Relations
- State the various participants Industrial Relations
- Give the meaning of Industrial peace
- Describe the causes for poor Industrial relations
- Explain the requisites to establish good Industrial Relations
- Evaluate the Dunlop's approach to Industrial Relations

2.1 INTRODUCTION

As we have discussed the meaning, Importance of Industrial Relations and Industrial relations scenario in our country, now let us discuss the various factors, which influence on Industrial Relation and various other aspects relating to this.

2.2 FACTORS INFLUENCING OR DETERMINANTS OF INDUSTRIAL RELATIONS

John T. Dunlop described Industrial Relation as a system, which depends on the relationship between three important factors, namely workers, and their organization, management and the Government, which establishes rules and regulates their relationship at the workplace. Hence, we can say that industrial relations is the product of the interaction between various factors that determines the personality of industrial labour, attitude and policies of the management and the type of Government. Thus Industrial Relations in a country is shaped by that country's social-economic, political, legal and technological factors. During the period of globalization of business and in case of multinational corporations, the relationship between employee and employer are influenced by various national and international variables. However, the following are the important factors, which play a major role in determining industrial relations.

1. Institutional factors: These factors include Government policy, labour legislations, voluntary courts, collective agreement, employee courts, employer's federations, attitude of workers, system of power, status etc.,

2. Economic factors: These factors include economic system, like capitalism, socialism mixed etc., the structure of labour force, demand for and supply of labour force etc.,

3. Technological factors: Mechanization, automation, rationalization and computerization are the important technological factors, which determine Industrial Relations

4. Social and cultural factors: As industrial relation is basically a social understanding between employee and employer, the prevailing attitudes, social setups, values, beliefs and traditions Jobs, training, performance appraisal, promotion, demotion seniority and wages, determine the state of relationship between employee and employer.

5. Political factors: Political systems, political parties and their ideologies determine the industrial relations. The differences in philosophies like communist, socialist, capitalist and mixed type moulds the industrial relations according to their own ideologies and objectives.

6. Governmental factors: Government policies, with regard to labour, industry, export and rules and regulations and the degree of government intervention in solving industrial disputes shapes the relationship between employee and employer.

2.3 PARTICIPANTS OR THREE ACTORS OF INDUSTRIAL RELATIONS

To study and understand the concept of Industrial Relations it is imperative to examine the rules of different parties to Industrial Relations, who cause unrest or peace in industry. The major parties to Industrial Relations in general and industrial peace in particular are as follows.

Government: Industrial Relations is imperative to achieve economic development in a planned economy like ours. Economic growth, removal of poverty or achievement of self-reliance are possible only when there is good relations between the partners of industries namely, workers and the owners. In order to maintain good relations, the Government of India explicitly, empathatically and repeatedly making attempts through its labour policies, industrial relations policy. The government tries to regulate the activities and behaviour of both employees' organization and employer's organization. Government plays a balancing role in this regard as it is a custodian of the nation.

Employers and their organizations: Industrial peace is imperative from the point of view of the management also. Because managers who are the owners or the representatives of all the resources started the organization with the intention of making handsome profit. If there are frequent and recurrence of industrial unrest reflects on the profit making capacity of the organization. Moreover in case of financially weak companies the unrest causes threat to their very survival, therefore managers or owners of all industries prefer peace to safeguard their resources and interest. As employer is a crucial factor in industrial relations it regulates the working relations through various rules, regulations and by enforcing labour laws. The employer's organizations protect the interest of the employers by pressurising the trade unions and the Government.

Workers and their organizations: Another important party to Industrial Relation is the workers and their organization (Trade unions). Even though workers and trade unions are not devotees to Industrial Relations they are not against to industrial peace. Workers associations play a dominant role in industrial relations. The workers associations are formed to protect the interest of the workers. The trade unions protect the interest of the workers by bringing pressure on management and the Government.

2.4 INDUSTRIAL PEACE OR HARMONIOUS INDUSTRIAL RELATIONS

Relations can be expressed in conflicting or integrating viewpoints. Thus Industrial Relations may be peaceful or turbulent. Industrial peace is a temporary truce between the two opponents namely employee and employer, which may collapse at the slightest provocation from any one of the parties. Industrial peace is the product of mutual understanding and concern to have good relations between employee and employer. Hence, enlightened management and the trade union are Pre-requisites for good Industrial Relations or industrial peace.

As we come across two parties with contradicting interest in the industrial system conflicts are natural. Industrial harmony is more elusive and positive power to avoid industrial conflicts. But industrial peace is a temporary phenomenon that indicates the absence of conflict, strikes, lockouts, gheroes and militancy.

Industrial Harmony is a positive and constructive approach to the solution of Industrial problems and disputes. Industrial peace may be aimed at an agreement between employee and employer to solve industrial conflicts. Industrial harmony is aimed at good industrial relation between the union and management that signify mutual trust, understanding and positive co-operation with conscious and constant efforts of both the party involved i.e., workers and management. Harmony is the result of willingness on the part of each to appreciate the needs and aspirations of other while expressing one's own requirements and expectations. The only power that can bring them together is the principle of complementarity. That is without one other will not work. Management plays a crucial role in controlling and sharing resources with the workers. It is imperative on the part of the management to satisfy the needs and expectations of the workers. The following factors determine the relationship between union and management.

- 1) Strength and ability of the management to satisfy needs and aspiration of workers.
- 2) Willingness on the part of the management in solving problems of workers.
- 3) Attitude of workers towards management.
- 4) The management styles and philosophies particularly towards managing labour.
- 5) Nature and size of the industrial conflicts in the industry level, enterprise level and success story of strikes.
- 6) Attitude and ideologies of trade unions and their leadership, ability and strength of trade union to fight for common cause and to argue in favour of the workers by presenting factual data across the negotiation table would determine the labour and management relations.

2.5 CAUSES FOR POOR INDUSTRIAL RELATIONS

As we have discussed the various determinantes concept of industrial peace, now let us try to discuss various reasons responsible for poor or restrained Industrial Relations.

Conditions for congenial Industrial Relations

It is very difficult to establish and maintain sound Industrial Relations. Certain conditions are very much essential for the establishment and maintenance of harmonious Industrial Relations They are:

1) Existence of strong, well organized and Democratic employees' unions: - We can expect sound Industrial Relations only when the bargaining power of both the parties i.e., workers and management is equal. A strong trade union can protect interest of the employee relating to wages, benefits job security etc.,

2) Existence of sound and organized employers unions: These associations are helpful for the promotion and maintenance of uniform personnel policies among various organizations and to protect the interest of weak employers.

3. Spirit of collective bargaining and willingness to resort to voluntary arbitration: The relationship between employee and employer will be congenial only when the differences between them are settled through mutual negotiations and consultation rather than through the intervention of third party. Collective bargaining is a process through which employee issues are settled through mutual discussions and negotiations through the give and take approach. If the issues are not settled through collective bargaining, they should be referred to voluntary arbitration but not to adjudication in order to maintain congenial relations.

2.6 DUNLOP'S APPROACH

Number writers have attempted to produce various models for Industrial Relations system. The credit for applying the systems concept to Industrial Relations goes to Prof. Dunlop of Harvard University. He analyses industrial relations systems as subsystem of the society. Dunlop's approach was designed to broaden the Industrial Relations horizon from collective bargaining to the full spectrum of present-day Industrial Relations. Dunlop has laid down a generalizes Industrial Relations framework which according to him " is designed to be applicable at once to three broad areas of Industrial Relations experience. They are as follows:

- 1) Industrial relations within an enterprise, industry or other segment of a country and a comparison among such sectors.
- 2) Industrial relations within a country as a whole and a comparison among countries.
- 3) Industrial relations and totality in the course of economic development. He has applied this framework to coal and construction industries.

According to Dunlop an Industrial Relations system at any one point of time in its development comprised of certain actors, certain contexts an ideology, which binds the industrial relations system together, and a body of rules created to govern the actors at the work place.

The actors are

- (1) a hierarchy of managers and their representatives in supervision.
- (2) a hierarchy of workers and any spokesmen.
- (3) specialized governmental agencies concerned with workers, enterprises and their relationships.

The significant aspects of the environment in which the actors interact are:

- (1) The technological characteristics of the work place and work community.
- (2) The market or budgetary constraints which impinge on the actors and
- (3) The locus and distribution of power in the society in large.

The actors in a given context, establish rules for the work place and community, including those governing the contract among the actors in an industrial relation system. This network of rules consists of procedures for establishing rules, the substantive rules and the procedures for deciding their application to particular situations. The establishment of these procedures and rules is the centre of attention in industrial relation system. Hence, the establishment and administration of these rules is the major output of the industrial relations system of industrial society.

Another element required to complete the analytical system is an ideology or a set of ideas and beliefs, commonly held by the actors, who helps to bind or integrate the system together and an entity.

The brief description of Dunlop's approach to industrial relations shows definite Pre-occupations with rules and rule making and thus shows a concern for order and for containment of conflict. This approach has influence several researchers like Andersen, Blain and others.

Several authors criticize this approach on several grounds. The important criticisms levelled against this approach are that, this approach does not give much importance to the nature and forces shaping the conflict.

2.7 LET US SUM UP

The important factors which influence on Industrial Relations can be broadly classified as Institutional factors, Economic factors, Technological factors, Socio-cultural factors and political factors.

The important parties to Industrial Relations are workers and their organizations, Employer's and their organizations and the Government. A peaceful or harmonious Industrial Relation is imperative for industrial as well as economic development.

Unsympathetic attitude of employers, favouritism in recruitment promotions etc., and frustration of employees are the important causes for the poor Industrial Relations.

Existence of strong and well-organized employees and workers associations, which resort to voluntary arbitration, is imperative for the establishment of congenial atmosphere.

Among several approaches to Industrial Relations the systems concept developed by Prof. John T. Dunlop of Harvard university is an important approach to Industrial Relations..

2.8 TERMINAL QUESTIONS

1. Explain the various factors, which influence on Industrial Relations
2. State the various parties of Industrial Relation and describe how these parties play their role.
3. Describe the causes for poor Industrial Relations.
4. Explain the factors essential for the establishment congenial Industrial Relations.
5. Write a note on Dunlop's Approach

2.9 BOOKS FOR REFERENCE

As in Unit – 2

UNIT 3 : LABOUR ADMINISTRATION AND LABOUR POLICY

Structure

- 3.0 Objectives
- 3.1 Introduction
- 3.2 Labour Policy
- 3.3 Tripartite consultations or Tripartite Labour machinery
 - 3.3.1 Indian Labour conference
 - 3.3.2 Industrial Committees
 - 3.3.3 Committee on conventions
 - 3.3.4 Steering Committee on wages
- 3.4 Labour Administration in India
 - 3.4.1 Historical background
 - 3.4.2 Administrative machinery at the National and State level
- 3.5 Let us sum up
- 3.6 Terminal Questions
- 3.7 Books for reference

3.0 OBJECTIVES

After studying this unit you will be able to

- Give the meaning labour policy
- Explain the various tripartite machinery
- Describe various machineries for labour administration at national and state level.

3.1 INTRODUCTION

As we have discussed various aspects of Industrial Relation now let us try to discuss about the concepts like Labour policy, Labour administration and various other aspects.

3.2 LABOUR POLICY

The term Labour Policy includes the treatment of Labour under constitutional, legislative and administrative acts. It is a means and instruments of implementation, various rules and practices. It is a 'blue print' to protect and promotes the working class. It derives its philosophy and content from the Directive principles of State policy. The government of India appointed a Committee in the year 1946 with the intention of bringing reforms imperative to protect the interest of the working class.

The main objectives of labour policy are as follows:

- (1) To make statutory prescription as far as minimum wages is concerned in several industries and occupations in an agriculture.
- (2) To take steps to secure minimum wages.
- (3) To frame legislations in relation to the hours of work, spread over weekly rest periods and holidays with pay.
- (4) To overhaul of Factories Act with the intention of imposing working conditions.
- (5) To revise the Mines Act with the intention of imposing working conditions
- (6) To make adequate provisions in relation to having, health, instance women's compensation, maternity benefits etc.,

According to National Commission on Labour the norm postulates of Labour Policy are as follows:

- (1) The State is the custodian of the interest of the community as the catalyst of "change" and welfare programmers.

- (2) Workers have right to oppose injustice through peaceful direct action.
- (3) Encouragement to mutual settlement, collective bargaining and voluntary arbitration.
- (4) Intervention of the state is imperative to ensure fair treatment to all parties.
- (5) Evolving partnership between employer and employees in a constructive endeavour to promote the satisfaction of the economic needs of the community in the best possible manner.
- (6) Ensuring fair wage standards and provision of several securities.
- (7) Co-operation for augmenting production and increasing productivity
- (8) Enhancing the status of the worker in industry.

The thrust of recent labour policy is towards creating a climate of healthy industrial relations and promoting an industrial culture conducive to improve efficiency, productivity and real wages.

3.3 TRIPARTITE CONSULTATIONS OR TRIPARTITE LABOUR MACHINERIES

It is a consultative machinery having three parties viz., Employers, Employees and the Government for mutual discussion and settlement of industrial disputes. The Government of India started the Indian Labour Conference in 1942, which brought together the representatives of workers, employer's and the government. The conference leads to setting up of tripartite machinery with 22 government, 11 workers and 11 employers' representatives.

The Objectives of Tripartite Labour machinery is as follows:

- (1) To bring the parties of an Industrial dispute together for a mutual settlement of differences in a spirit of co-operation and goodwill.
- (2) Promotion of uniformity in labour legislations.
- (3) Determination of procedures for the settlement of industrial disputes
- (4) Consultations on all matters of industrial interest affecting the country as a whole.

The machinery did not work properly till the country got independence due to illiteracy, migratory character and absence of organization amongst workers. With the commencement of plan period a greater emphasis was laid on more production which required a high degree of workers participation. This is turning needed the protection of the workers interests. As a base for all this Industrial Disputes Act of 1947 provided for the establishment of works committees at the plant level. The first plan laid a higher emphasis on Joint consultations to settle the industrial disputes amicably. But a serious works on this vital aspect was started with the commencement of the second plan and is confused in subsequent plans. Now the consultative machinery exists in the industrial set up at all levels viz., the plant, industry, state and national in different forms such as.

- (1) At the plant level in the form of Joint committees and joint councils.
- (2) At the industry level in the form of wage boards and industrial committees.
- (3) Labour advisory boards at the state level.
- (4) Labour conference and standing labour conference at the national level.

Hence, it can be seen the industrial relations in India have been shaped largely by principles and policies evolved through tripartite consultative machinery at the plant, industry, state and national levels.

3.3.1 Indian Labour conferences and Standing Labour Committee

Indian Labour conference ILC was constituted with the object of promoting uniform labour legislations, to draw procedures to settle industrial disputes amicably and to all matters of national importance relating to employers and employees.

ILC advises the state (Government) whenever it seeks the main function of standing Labour committee (SLC) is to consider and examine the questions referred by plenary conference or the Central Government. It give advise to, such questions after taking into account the suggestions made by various government, workers and employers.

The Central Government nominates the representatives from workers and employers after having consultations with the respective organizations.

The ILC meets every year but SLC meets as and when the necessity arises. Labour ministry prepares the agenda for these meetings after having thorough discussion with workers and employers organizations.

National Commission on Labour appreciated the contributions made by ILC and SLC in framing enactments on various subjects. The enactments which were enacted by the Government in consultation with the ILC and SLC are as follows:

- (1) Minimum Wage Fixation 1944
- (2) Introduction of Health Insurance Scheme 1945
- (3) Standing Employment order Act 1946
- (4) Industrial Disputes Act 1947
- (5) Minimum Wages Act 1948 etc.,

Workers education, workers participation in management, training wage policy, wage boards, the code of discipline, criteria and procedures for the recognition of unions are other important proposals processed by tripartite bodies.

3.3.2 Industrial Committees

The Industrial Committee was constituted in 1947 as per the decision taken in eight section of ILC. In this the representatives from both side is equal. They do not meet regularly. These committees provide a forum for the discussion of proposals to form legislations on various matters viz., labour policy and administration.

3.3.3 Committee on conventions:

This was set up in 1945. It is a three man tripartite committee. It was established to examine ILO conventions and recommendations, which have not sofar been ratified by India and to make, suggestions with regard to a phased and speedy implementation of ILO standards.

3.3.4 Steering committee on Wages:

It was established in 1956 as a study group on wages and was subsequently reconstituted as the steering committee on wages. This committee consists of representatives of State Governments, employers and workers and an economist.

The function of this committee are as follows:

- (1) Studying the trends in wages production and prices.
- (2) Planning for collection of material for drawing a wage map of India.
- (3) Drawing of reports from time to time for framing principles to guide wages forcing authority.

3.4 LABOUR ADMINISTRATION IN INDIA

As we have understood Industrial Relation, Labour policy, Tripartite machinery in the previous pages and let us discusses the labour administration in India. As we all know labour is an important factor of production. All the parties to Industrial Relations Government, Employers, and Workers organization should take proper care in the proper administration. For this purpose government should have a machinery of its own to look after the compliance of various laws passed by the government for the welfare of the workers by the employers.

3.4.1 Historical background of Labour Administration in India

Prior to world War-I there was little Co-ordination between the Central Government and the Provinces (the then states) on matters connected with labour welfare, as this issue has not gained much importance during that period. As the situation was not complex the government also did not bestow the much attention to create a machinery of its own to look into the labour problems. Positions of labour Commissioners were crated in Madras and Bengal for the first time in 1920. A Labour office Commissioners was set up in Bombay in 1921. A Labour Bureau was set up by Government of India

and provincial Governments. But such Bureau was abolished in 1923. Much of the activity connected with labour administration was being looked after the department of labour. The department was in charge of a member of the Executive council of the Governor General. The same pattern was developed in states also. Thus over a period of time labour administration has become an important activity of the Government.

It was in this background the "Royal commission on labour" has recommended for the setting up of the labour commissioner in all provinces and as a result such affairs were set up in industrially developed provinces the second world war gave much more importance for an effective and efficient layout administration. Many Provinces got labour officers under Labour Commissioners to whom the workers could represent and take their grievances, on the same pattern Government of India appoints a number of Regional Labour Commissioner and conciliation officer under the chief labour commissioner. They were entrusted with the responsibility of resolving the disputes between the labour and employers. Besides the Government also has appointed a number of labour welfare advisors in all the ordinance factories. An Advisory Board was established at the national level for the inspectors of factories in all the states. In addition a Labour Bureau was established in all the states. In addition a Labour Bureau was established in 1946. A network of employment exchanges and training institutes were set up patterned by government of India. Tripartite consultative machinery that emerged during the II World War period partly met the requirements of bringing a co-ordination between the employers and the employees in solving many industrial disputes. The need for efficient and effective labour administration was emphasized in all the plan documents during the successive plan periods.

3.4.2 Administrative machinery at the national and State Level

At the national level the Ministry of Labour and Employment looks after the administration of labour through the department of labour and other related departments. The ministry is mainly concerned with the subjects such as industrial employment and training, wages and salary, industrial relations, welfare of labour, social security of workmen. In addition to this it is responsible for lying down major policy decisions. The implementation of policy is the responsibility of State Government subject to the overall control and direction of the Central Government with the exception of labour employed in railways, mines, oilfields, banking and insurance corporations having branches in more than one state and all other undertakings which appear in the union list and where the Central Government retains the responsibility of labour relations. The central government co-ordinates the activity of state government in respect of all labour matters and tenders suitable advise as and when sought for. The other responsibility is the implementation of some Acts and attending to activities they are:

- (1) Administration of various Acts such as ESI, Employees Provident Fund and other welfare measures in respect of the workers working in mining and beedi rolling industry.
- (2) Providing training facilities to workers to improve their capacity of working and skills.
- (3) Acting as a nodal organization for all activities relating to ILO and International Social Security Association.

- (4) Co-ordinates the particulars of representatives in the meetings and conferences of ILO and ISSA.
- (5) Implementation of international labour standards and other recommendations of various international bodies
- (6) Providing assistance for the tripartite labour conferences and committees and the national conferences of ministry of labour and conferences of secretaries of labour.
- (7) Looking after the Immigration of India labour as per Emigration Act of 1983 to other countries and their return.

The following are the important aspects attached to the ministry:

(a) The Director General of Employment and Training, which looks into all matters in connection with employment of labour, and their training.

(b) The Chief labour commissioner who is responsible for the implementation of various acts enacted by Government of India. It is his duty to verify the membership of trade unions which have affiliation with Central Workers organizations.

(c) The Director of Labour Bureau is responsible for collection and publication of statistics and other information on employment, wage, Industrial disputes working conditions etc.,

In addition to the above there are some subordinate offices they are

(a) Director General of Mines Safety.

(b) The Chief Inspector of mines

The ministry has also certain autonomous corporations and organizations for a particular purpose in relation with the labour. The following are most important among them.

(1) **The ESI Corporation:** - It looks after the implementation of various provisions of ESI Act of 1948. The ESI Act provides for medical care and cash benefits in case of sickness and maternity and suitable compensation in case of employment injury.

(2) **The EPF organization:-** Employees provident fund organization is responsible for implementing the Provident Fund, Family Pension and deposit link insurance schemes.

(3) The National Safety Council has the responsibility of providing safety in all types of factories and establishments.

(4) **Central Board for worker Education:** It educates the workers to bring consciousness amongst workers about their rights and responsibilities.

(5) **The National Labour Institute:** It conducts action oriented research and provides training to floor level workers regarding trade union movement both in rural and urban areas as well as to officers in charge of industrial relations, Human Resources Management, labour welfare etc..

(6) **The Industrial relations machinery:** It is in charge of prevention of industrial disputes.

The ministry of labour and employment administers all matters relating to labour through the aforesaid chief and subordinate offices. The ministry of labour has vital role to play in a developing countries like ours in which we have millions of industrial and other types of workers. Hence, the government has the responsibility of looking into the welfare of the labour class through various laws.

Under the constitution of India, the states have the responsibility of labour administration particularly in relation to the legislation passed by the state. The state collects and compiliat various types of statistics and information relating to labour. The responsibility of the state in connection with labour administration is more because the state is required to play a major role in resolving industrial disputes, which will help to maintain law, and order situation. All the State Governments have independent departments of labour under the charge of cabinet rank ministers with a secretary and other workers and supporting staff. The 'Commissioner' is the top-level activities that are in charge of all matters pertaining to labour. Deputy and Assistant Commissioners, and Chief and inspectors of factories and boilers, Labour welfare and a big number of labour inspectors at the base level to assist the Commissioner in performing his functions.

Most of the states have chief Inspectors and Boilers to administer the "Factories Act of 1948" and the 'Indian Boilers Act 1923'. In addition to thus all state governments have commissioners for workmen's compensation under the workmen's compensation Act of 1923 and Registrar of trade unions under the Trade union Act 1926. The Commissioner and his deputies often combine their functions and look after them in more than one capacity. The State Governments appoint some competent authority for the strict enforcement of various provisions of minimum wages Act 1948. These authorities are also incharge of ascertaining from time to time the consumer's price index numbers applicable to persons covered by scheduled employments. The department is also incharge of disseminating information pertaining to labour and employment from time to time through various bulletins and Journals published by the department or by the Labour Bureau of Government of India. The officer's and authorities that are in charge of overall supervision of the department of labour have full power to deal with the situations as they come up keeping in view the industrial safety and health of the workers with the sole objective of maintaining good and harmonious industrial relations. Cordial Industrial Relation is imperative to achieve the twin objectives of higher production, productivity and labour welfare.

3.5 LET US SUM UP

As labour is an important factor among various factors of production it is required to administer it systematically. At the national level Central Labour Minister and various officials at various levels

look into the task. At the state level labour is administered through various Acts and bodies for which labour minister of the state is the head.

To settle the issues relating to labour machinery are formed which includes representatives of employees, employers and the Government, which is known as tripartite machineries. A "blueprint" containing constitutional, legislative and administrative Acts to project labour is known as labour policy.

3.6 TERMINAL QUESTIONS

- (1) Explain the labour administration machineries at National and State level.
- (2) Describe the Labour Administration in India.
- (3) Write a note on
 - (a) Labour Policy
 - (b) Indian Labour Conference
 - (c) Steering Committee

3.7 BOOKS FOR REFERENCE

Same as in Unit - I

NOTES

A series of horizontal dotted lines for writing notes.

BLOCK - II :

UNIT 4 : INDUSTRIAL DISPUTES

Structure

- 4.1 Objectives
- 4.2 Introduction
- 4.3 Meaning of Industrial Dispute
- 4.4 History of Industrial Dispute
- 4.5 Causes of Industrial Dispute
- 4.6 Consequences of Industrial Dispute
- 4.7 Methods of reducing of Industrial Dispute
- 4.8 Let us sum up
- 4.9 Terminal Questions
- 4.10 Reference books

4.1 OBJECTIVES

After reading this Unit you will be able to explain

- What is an Industrial Dispute?
 - History of Industrial dispute
 - Nature of Industrial dispute
 - Consequences of Industrial dispute
-

4.2 INTRODUCTION

The prompt and equitable settlement of labour disputes is an important basis for sound industrial relations and it is essential that the appropriate dispute settlement machinery exist to facilitate such settlement. A dispute creates problems and destroys health of the organization and industry. In India many industrial units have been sold an account of industrial disputes. Let us try to understand in detail about industrial disputes in this Unit.

4.3 MEANING OF INDUSTRIAL DISPUTE

The practical meaning and form of the concept of 'industrial disputes is unrest and discontent among the workers, in turn gives scope to a number of complicated situations and difficult problems. Generally the industrial disputes are the skill-over or a consequences of deterioration of relations between the workers and employers.

These disputes give rise to gherows, hostile demonstration and even sabotage. Due to industrial disputes the worker remains discontented and unable to keep the pace of production or put in his best efforts. This results in the loss of production.

Therefore, in the ultimate analysis, the employer stands to lose by the continuance of industrial disputes. India is a welfare state. Therefore, the Indian government has given special attention to the labour welfare. Much effort has been made to present and resolve undisputed conflicts and disputes.

4.4 HISTORY OF INDUSTRIAL DISPUTE

In India, the history of ID and industrialization in Co-eval, that is the conflicts in industry arose simultaneously with industrialization process. As a result of industrialization, large industrial complexes came into being involving expenditure of crores of rupees and involving employment of thousand of workers. In the beginning the supply of labour force far out stripped its demand. Due to easy and

plentiful availability of workers the employers engaged the workers on terms and conditions advantageous to them. The employers used to pay very meager wages to the workers and could hire and fire the workers at will. There were no laws providing security or service to the workers. But with the gradual rise in the number of labour force, numerous labour unions came into existence with the avowed aim of protecting the interests of the workers. With the independence of the country, many well-organized trade unions came into existence and some of these were accorded recognition by the government. These unions were regional.

The growth of trade unions had its reflection on the industrial conflicts; disputes and tensions the various trade unions brought forward the facts of conditions prevailing in the labour class before employers as well as the government. The government as a result of these representations issued many ordinances. In 1890, an ordinance was enacted concerning the conditions of the working class but at the time of independence the conditions of working class were miserable. After the world war I there was some awakening among the workers; they resorted to strikes and demonstrations in order to get a better deal from the employers. In 1929, a Board was set up by the government, government which was empowered to look into industrial disputes and make settlement thereof. In 1934, Labour welfare officers were appointed to look after the interest of workers. In 1950, an Appellate Tribunal Act was passed. In 1946, the Government of Bombay enacted the laws to promote trade unions among workers. After independence government of India started paying special interest and attention to the welfare of the working class. In 1974, a conciliation Board was created by law which was empowered to arbitrate the industrial disputes and whose decision was obligatory upon both the parties to the dispute.

4.5 CAUSES OF INDUSTRIAL DISPUTES

The Causes may be grouped into four broad categories.

a) Industrial factors:

Relating to employment, work, wages, hours of work, privileges conditions of employment and obligations of employers etc., other factors are – Attitude of workers and increasing prices and demand for increase in Allowances.

b) Management Attitude towards workers:

- i) Disinterest of Management to discuss with workers.
- ii) Management's unwillingness to recognize a particular Trade union.
- iii) Not involving the workers in decision-making.

c) Role of Government machinery:

- i) Not successful in implementing labour laws.
- ii) Inability of conciliation machinery to do its Job and employers and management's loss of confidence in that
- iii) Irrelevance of certain provisions of labour laws and role in the context of challenge of present industrial disputes and imperatives of development due to competitive environment.

d) Other causes:

- i) Affiliation of trade unions with Political parties, Political leadership thereby bringing pressure for accepting their demands.
- ii) Political instability and jobcentre-state relations contribute to industrial conflict.
- iii) Another factor is character crisis and values of trade union leaders.

In addition to the above-mentioned causes, union-management merit relations may lead to conflict in the following cases also.

a) Profit:

Both the parties agree for good profit for the organization. But unions feel that they are not getting enough benefits out of profits and generally contest the distribution of profit.

b) Security of Jobs:

Earlier organization's goal was to provide Jobs. It is now replaced by the concept of security of Job due to competitive environment.

c) Right to Manage:

Management would like to retain decision-making authorities and ward-off encroachment. However, unions urges for increasing bargaining issues.

d) Seniority:

Unions plead for seniority principle for promotion etc., and disregard ability as a factor. However, the managements resist seniority system in favour of productivity and merit.

e) Productivity:

Productivity is the result of labour, capital, technology and other factors. Workers want more compensation for more productivity.

4.6 CONSEQUENCES OF INDUSTRIAL DISPUTES

The important consequences of industrial disputes in India are the following:

- a) **Unrest:** Industrial conflicts and disputes lead to widespread unrest in social life and also disruption of political harmony and peace.
- b) **Economic loss:** The Industrial disputes are not only harmful to the industry involved but lead to all round economic depression. A closure of one industry leads to the reduction of demand of goods of other industries or traders. For example, closure of textile industry would lead to drastic reduction in demand for cotton.
- c) **Hardship of workers:** The majority of workers in India do not earn enough to be able to save something for the rainy days. They are hand to mouth, it not worse. Therefore, strikes and lockouts put unbearable burden on them and they reduced to the level of beggars.
- d) **Threat to Social security and public peace:** If industrial disputes spread in an epidemic form, pose threat to public peace.

4.7 METHODS OF REDUCING INDUSTRIAL CONFLICTS/DISPUTES

The industrial disputes occur all over the world. The eminent sociologist, psychologists and economists all over the world have given serious thought to this problem and have come out with some concrete suggestions to improve the industrial relations and reduce the conflict.

- 1) **Growth of Trade Unionism:** Usually the workers face problems of which the employers are the least aware. The brokers subject them to humification and exploit them in so many ways. This does not come to the notice of employers at authorities. Unless the workers are well organized they cannot get their problems redressed. It is the there problems redressed. It is the task of trade unions to keep watch on the workers and help them to get on the workers and help them to get redress for their grievances. In the presence of trade unions the workers feel mentally secure and this indirectly boosts production.
- 2) **Direct contact between workers and employers:** As we have had the occasion to refer to earlier, in many industries there is no direct contact between the employer and workers and the employer is usually unaware of the problems faced by his employees. Therefore, even when the employers are considerate and sympathetic to the real problems faced by the workers. Exploiting this lack of contact between workers and employers, the political parties and brokers exploit the workers to grind their axe. The best means of resolving this problem is to establish direct contact between the employer and employees.
- 3) **Establishment of conciliation Boards:** A modern method of reducing industrial tension and conflicts is the establishment of conciliation Boards. Persons nominated by workers, employers and government constitute such Boards. Whenever there is some point of dispute between workers and employers the

matter is referred to these Boards. They try to solve the dispute by finding common ground between the points of view of workers and employed. Such Boards have already been established all over India. In the centre, the chief Labour Commissioner and in the States, the Labour Commissioner head such Boards.

4. Establishment of Joint Committees : Another method usually employed to resolve disputes among employers and workers is to set up Joint committees consisting of representatives of employers, workers and public these committees meet from time to time and try to remove misunderstandings between the workers and employers. Such Joint Committees were established in 1957 and now their number is above 450.

5) Establishment of Tripartite Committees: As the word tripartite implies, these committees are composed of labour experts besides the nominees of the employers and workers. These persons try to sort out amicably the serious misunderstandings and disputes, which crop up from time to time.

6) Labour Courts: Sometimes the disputes between the workers and employers cannot be amicably resolved by any of the above-mentioned committees or the conciliation Board. In order to decide such complex issues government has set up. Labour courts which decide the issues according to Law. In India, the Chief Labour Court is in Dhanbad. In Delhi, Dhanbad, and Bombay there is one Industrial Tribunal each.

7. Industrial Truce: Under emergency conditions governments can declare industrial truce for a specified period. During this period there can be no strike or lockout or any other form of agitation. In spite of the above mediators the conditions of workers is not satisfactory because of money and prestige the employers are able to exploit workers in numerous ways without attracting the provisions of Law. In spite of compensation Act 1923, the workers do not receive adequate compensation. There are apparently many improvements made by employers but in fact conditions remain more or less as before.

4.8 LET US SUM UP

In the discussion made so far we have understood about the impact of industrial dispute in an organization. It is very easy to create an industrial dispute but to solve the dispute is a difficult job. Therefore, the role of management, workers and Trade Union play decisive role in avoiding disputes.

4.9 TERMINAL QUESTIONS:

- 1) Write a note on Industrial Disputes
- 2) What are the consequences of ID?
- 3) Examine the various causes for ID. Suggest measures to prevent ID.
- 4) Point out the different causes for ID. How can collective bargaining bring about industrial peace?

4.10 REFERENCE BOOKS

Dr. Triparthi & Dr. Gupta - Industrial Relations and Labour Laws

Dr. Nirmal Singh & Dr. Bhatia - Industrial Relations

Dr. A.M. Sarma - Industrial Relations

UNIT 5 : FORMS OF INDUSTRIAL DISPUTES

Structure

- 5.1 Objectives
- 5.2 Introduction
- 5.3 Measures to control Industrial Dispute
- 5.4 Forms of Industrial Dispute - strike
- 5.5 Lockout
- 5.6 Let us sum up
- 5.7 Terminal Questions
- 5.8 Reference Books

5.1 OBJECTIVES

At the end of the study of this Unit you will be able to understand the

- The measures to control Industrial Dispute
- About strikes and lockouts
- The machinery to settle Industrial Dispute.

5.2 INTRODUCTION

So far you have understood the effect and dangers of Industrial Dispute, its causes and consequences the groups responsible for Industrial Dispute etc., in this unit you will be able to understand about the measures to solve disputes and make an amicable settlement.

5.3 MEASURES TO CONTROL INDUSTRIAL DISPUTE

1. Payment of wages Act: The Payment of wages is governed by the payment of Wages Act 1936 and Minimum wages Act 1948 as amended from time to time and applies to all persons employed in any factory as defined in the Factories Act 1948.

Employers cannot withhold the wages earned by workers nor can they make any unauthorized deductions. Payments must be made before the expire a specific day after the last day of the wage period. Fines can be imposed for only those acts of omission which have been approved by the appropriate government and must not exceed an amount equal to the 3% in a rupees of the ages payable. If a rupee of the wages is delays or wrongful deductions are made, the workers or their trade union can file a claim. The Minimum Wages Act governs the payment of overtime in schedules employment.

2. Minimum Wages Act: The Minimum Wages Act 1948 empowers the government to fix minimum wages of employers working in specified employments. It provides for review and revision of minimum wages already fixed after suitable intervals not exceeding five years. Wage rates under the Act have been fixed and also raised for several categories. The Act provides for imposition of penalties on erring employers.

3. Equal remuneration: Through an ordinance, equal remuneration was assured for men and women through out the country for the same work or work of similar nature.

It prevents discrimination on the ground of sex against women in the matter of employment and for matters connected there with except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

The Act has so far been enforced in several spheres, including plantations, local authorities, central and state governments, banks, educational institutions, mines, hospitals, hotels and restaurants wholesale and retail trade etc., In June 1978 it was extended to communities social and personal services.

4. Payment of Bonus Act: Bonus is paid to the workers under the Payment of Bonus Act, 1965. It applies to every factory, and every other establishment in which twenty or more persons are employed on any day during the accounting year.

For the accounting year beginning on any day from 1978 the Status Quo has been maintained through the payment of Bonus (Amendment) ordinance 1979, promulgated on 30th August 1979. This provided for a minimum of 8.33% whether the establishment made a profit or not during the year, and a maximum of 20 per cent.

5. Occupational Wages Surveys: Occupational wages surveys are conducted by the Bureau at periodic intervals to collect rational data an wage rates and earnings is important manufacturing, mining and plantation industries in the country. The first and second survey (both covering 44 industries) was conducted during 1958-59 and 1963-65 representatively and their reports have been released. In view of the utilities of the data collected during the first two surveys the National commissions and Labour recommended the conduct of such surveys at periodic intervals. Accordingly the Bureau took up the third Survey (Covering 81 industries). The fieldwork for which was completed from 1974-79. With a view to reducing the time lag it was reducing the time lag it was decided to release brochures on dearness allowances and bonus before the availability of detailed figures of all the components of earning. Brochures on DA and bonus have been prepared on all the 45 industries covered during the first, second and third phases of the survey. The main report on plantation industries covered during the first phase of the survey has also been released. Work relating to the preparation of brochure and main reports on the remaining industries are in progress.

6. Contract Labour Act : The Contract Labour (Regulation and on Abolition) Act 1970, which become applicable to the whole of India in February 1971, provides for the regulations of employment of contract labour in certain establishment and for certain establishments and for its abolition in certain circumstances. It also fixes responsibility on the principal employer for payment of wages in case of default.

The Labour bureau has conducted special studies on the extent and nature of contact labour in 26 industries so far.

7. Bonded Labour system: The Bonded Labour system has been abolished all over the country through the Bonded Labour System (Abolition) Act 1976. Under the Act, every bonded labour should free and discharged from any obligation to render any bonded labour.

8. Industrial Disputes Act: ID Act 1947, is the principal Central Legislation, which provides machinery for the settlement of industrial disputes. In addition, the code of Descriptive (1958) and the Industrial Trace Resolution (1962) also help in the promotion and maintenance of good industrial relations.

9. Industrial Employment Standing Order: Model rules have been framed by the central government under the Industrial Employment (Standing orders) Act 1946 for adoption by industrial establishments employing one hundred or more workers to ensure industrial peace. An Amendment in 1963 made the model orders, framed by the appropriate government, operative in all establishments covered by them until the standing orders framed by the industrial established are certified.

The Act now applied to all establishments in Andhrapradesh, Gujarat, Maharastra and west Bengal employing 50 workers or more. In Assam, it is ten workers or more. In Tamilnadu all factories coming under factories Act 1948 are covered. In Uttarpradesh, all establishments registered as 'factories' are covered.

10. Code of discipline: The Code of discipline, remaining employers and workers to utilize the existing machinery for the settlement of disputes and avoiding direct action was evolved at the Indian Labour Conference in 1958. It has been accepted by all the Central organizations of employers and workers and several others.

The implementation organization at the centre and in the states, assist in settling disputes. The Central Organization of employers and workers, and Public Sector undertakings, except AITUC have also set up Committees or cells to screen cases for disordering their affiliate members from filing appeals in high courts against the Judgment of lower courts like industrial tribunal, labour courts etc., in keeping with the letter and spirit of the code. A similar procedure for screening cases of appeals proposed to be filed by Central undertakings has been in operation since 1964.

The Code is also applicable to public sector undertakings run as companies and corporations except those under Ministry of Defense, Railways, Port and Docks. The Department of Defense, productions has agreed to apply the Code with some clarifications to its Public Sector undertaking run as companies and Corporations. The Code has also been applied with certain modifications to the insurance industry, the SBI, and the RBI. However, the Code couldn't be applied to other banks in the absence of any agreement between the employers and employees representatives in respect of clarifications pertaining to the criteria for recognition of unions.

11. National Arbitration Promotion Board (NAPB): A NAPB was set up by the Government of India in 1967 to promote voluntary arbitration as a means of settling industrial disputes. The Board comprised representatives of the employers and workers organization, Public Sector undertakings and central and State Governments. All the State Governments as well as Union territories administrations, except U.P. and WB have either set up State Arbitration Promotion Board or made some other institutional arrangements for the purpose.

12. Works Committee : Works Committees have been set up in industrial establishments employing one hundred or more workers. They comprise equal representatives of employers and workers and aim at promoting measures for securing and preserving annuity and good relations between two parties.

13. Workers participation in industry: A Scheme for workers participation in industry at shop floor and plant levels applicable to manufacturing and having units employing 500 or more workers was introduced in October 1975. Another Scheme for workers participation in management in commercial and Service Organizations in Public Sector, having large scale Public dealings and employing at least 100 crores was announced in January 1972.

The issues thrown up by the workings of the 1975 Scheme were discussed at a tripartite labour Conference held in May 1977 on the recommendations of the Conference, a Committee on workers 'participation in Management and equity, consisting of representatives of central organization of employer and trade unions, some of the states and professional institutions of management was appointed in September 1977. Under the Chairmanship of Union Labour Minister. The report that was submitted to government showed that the majority of the members favoured adoption of three-tier system of participation viz., the corporate level, and plant level and Shop floor level. The Committees laid down the detailed functions of the various councils at shop floor, plant and corporate levels.

It recommended that workers representatives at the participative forums should be elected through Secret Ballot. It also recommended that equal participation should be limited to private sector establishments and that it should be optional. It further recommended that an organization be set up, both at the centre and in the states to monitor the implementation of the Scheme and also to review it's working.

1.4 Workers' Representative in Management: Government has introduced a Scheme for the appointment of workers representatives on the Board on the Boards of management of a few public sector undertakings a similarly nominated people on the Boarder of HAL, Banks, Insurance Companies etc.,

15. Conciliation and Adjudication: The Central Industrial Relations Machinery also know as Central Labour Commissions organization, is responsible for the prevention, investigation and settlement of industrial disputes under Industrial Disputes Act 1947. It also enforces some labour laws in the central sphere.

When industrial disputes cannot be settled by mutual negotiations, the conciliation machinery steps in. It is compulsory for the conciliation officer to hold conciliation proceedings when an industrial dispute exists or is apprehended.

To promote better industrial relations the Central Government set up a National Commission c.1 Labour in 1986, under the Chairmanship of Dr., Gajendragadkar. Its report was presented to the government in 1989. Government has accepted several recommendations made by the Commission and taken follow-up action.

16. Industrial Disputes Amendment Act: In order to prevent avoidable hardship to the employers and to maintain higher tempo of production and productivity the Industrial Disputes Act 1947, has been amended to present lay off and retrenchment.

Under the new Act, resemble restriction have been put on an employer's right to lay off, retrenchment and closure. Now, the employer has to seek prior approval of the appropriate government by giving at least three months notices before intended closure, stating clearly reasons for laying off, retrenchment and closing of establishment where three hundred or more workers are employed.

In the interest of rehabilitation of workmen and maintenance of supplies and services essential to the life community, the Act also provides for restarting the undertaking which have already closed down or otherwise than on account of circumstances beyond the control of employer under the new Act no workman employed in any industrial establishment who has been in continuous service for not less than one year, shall be retrenched without giving three month's notice in writing indicating the reasons retrenchment.

5.4 FORMS OF INDUSTRIAL DISPUTES

5.4.1. Strikes

Strike is an announcement of non-cooperation with employer the first step in it being suspensions of all activities, followed by meetings, organized procession, and exhibitions in order to elicit the sympathy of the population in general.

All these activities are adjuncts of Strike. Strike, now a days involves the wide propagation and informing the government of its objectives and presenting it with a summary of its demands and their justification.

5.4.2 Why do Strikes occur?

Basically, it stems from a distrust of the worker towards their employer. They do not strike even when required to work in squalid surroundings, so long as they are convinced that the employer is conscious of their needs and is sincerely trying to improve their lot. But then the employer turns a deaf ear to their pleadings and entreaties, when their faith in his sincerity when their faith in his sincerity is undermined, they strike work.

There is no necessary rule that the demands of striking workers are invariably just and proper. Sometimes, strike take place because the workers are inflamed by some political groups, misled by some vested interest or are that has some end of its own as an expression of disgust.

Occasionally the labour union leaders also inflame the workers and incite them to strike in order to achieve some personal objectives. Most factors are twisted and distasteful by the leaders and fed to the poor workers who swallows its and prepares to strike.

5.4.3 Means to end Strike

Whether Strike is justified or not, objectives are desirable or not, strike creates mistrust between employer and employees.

When strike takes place conciliation should take place. The workers demands must be heard and attended to. During the period of strike the workers behaviour will be rude and they lose power of reasoning. They become excited.

In such events, the employer should choose to behave in a responsible manner. Otherwise, it may lead to disaster and destructions. They should be given patient hearing efforts should be made to convince them sincerely and promise prompt action immediately.

5.4.4 Forms of Strike

The concept of strike has undergone constant transformation around the basic concept of stoppage of work or quitting a work by employees in their economic struggle. Different forms of these strikes are briefly discussed here.

On the basis of their objectives or purposes the strikes may be classified as

- a) Economic strikes – for achieving economic demands of workers.
- b) Political strikes – aimed at registering protest against the policies of the government regarding labour matters or to demonstrate the power of the workers in support of some opinion or policy.
- c) Individual workers – carried on by individuals for achieving their goals. Sometimes it may be express and sometimes implied depending upon the circumstances.
- d) Organizing Strikes – carried to compel the employer to recognize and bargain with the union.

The strikes may be broadly classified into 2 categories (a) Primary Strikes and (b) Secondary Strikes.

Primary Strikes are generally pointed out against the employer with whom the disputes exist.

Secondary Strikes are the strikes in which the pressure is applied not against the employer but against some third party who has good trade relations. Such strikes are popular in USA but not in India.

Primary Strikes take several forms such as

- a) Stay away Strike
- b) Sit-down strike
- c) Tools down Strike/pen down strike
- d) Protest or token strike
- e) Lightning strike or cat call strike
- f) Picketing/Boycott
- g) Gherao, Hunger Strike

These are explained as follows:

a) Stay away Strike:

In this type of Strike, the workmen Stay away from work and organize rallies, demonstration etc., to press their demands.

b) Sit-down strike:

In this type of strike, workers sit down at the work place without doing the work. They do not allow anybody near the plant or work place for work.

c) Stay in Strike:

It is a strike in which workers do not leave the work place until their demands are accepted.

d) Tools down or pen down strike:

In this strike, the workers lay down their tools or pen and remain in their Job at workplace without doing any work.

e) Token or Protest Strike:

They are short duration strikes. The purpose of such strikes is to signal their feelings to employer and exerting moral pressure. It also threatens the employer that, in case their demands are not accepted, it may lead to dangerous consequences.

f) Lightening or Cat Call Strike:

This type of strike is suddenly announced, generally by way of surprise without notice or at very short notices, thereafter the issues in disputes are discussed. Usually such a strike takes place because of provocation and real cause may be discontentment on the more fundamental issue involving employer-employee relations.

g) Picketing and Boycott:

Picketing is an act of posting pickets and implies marching or patrolling of the workmen in front of the premises of the employer carrying and displaying signs, banners and placards for the purpose of preventing others from entering the premises.

Boycott is deliberate withdrawal of workers from attending to their duties. It aims at disrupting the normal functioning of the organization.

h) Gherao:

It is physical blockades of a target either by encirclement intended to block the office workshop, factory or even residence by forcible occupation.

i) Hunger Strike:

Labour leaders or groups of workers resort to this by undergoing fast for a limited period or indefinitely until their demands are conceded. The purpose of this strike is to create sympathy in the heart of employer and attract public attention.

Secondary Strike is normally in the form of sympathetic strikes. In these, workers do not have any direct grievance against their employer, but in order to show their sympathy and support to a cause, they undertake strike. The duration of these strikes are generally very short.

5.4.5 Justification for Strike

Though strikes are recognized as the legitimate weapon of the workers. Ventilate their grievances; all strikes cannot be regarded as Justified. There are some requirements, which must be fulfilled to make strike Justified. They are as follows.

- a) The Strike must be launched for the economic demands of the workers, which fall under the purview of the trade union objectives. If strikes are after Political or other reasons, they must be regarded as unjustified.
- b) There must be prima facie justification for the demands of the workers resorting to strike, when demands are excessive or unreasonable, they should be regarded as unjustifiable.
- c) If existing facilities were withdrawn without proper reason, Strike would be justified.
- d) If management does not respond to the appeals of workers for genuine demands, strike may be resorted to as a last resort.

In India, Industrial Disputes Act has mentioned the circumstances under which a strike should be regarded as illegal sec. 22,23 and 24 of the Industrial Dispute Act prescribed strike/lockout in the following circumstances.

- a) In Public utilities when a statutory notice of strike/lockout is not given to the employer/workers within prescribed period before strike/locking out.
- b) In Public utilities when conciliation proceedings are pending before the conciliation officer.
- c) A Pen down or sit down strike, by a body of workers after entering the place of work, accompanied by refusal to vacate when called upon to do so is an illegal strike.
- d) A Strike becomes illegal if it is against the provisions of standing order or any contract entered between workers and management.

The experts in the field of labour management feel that the workers must possess the right to resort to strike. But at the same time, in view of many disastrous effects of strike on labour, management and society this right should be exercised with utmost caution. When all other methods of setting grievance

are exhausted, then only strikes should workout appropriate machinery for settling industrial disputes before they result in strikes and lockouts.

The Supreme Court of India has, in a recent Judgment, banned strikes by Government and Public utility servants and as a result workers cannot use the weapon of strike as easily as they were using in earlier occasions.

5.4.6 Strike Tactics of Unions

Unions generally regard strike as their major weapon to bring pressure on employer to concede their demands. The unions resort to different forms of strikes in order to achieve their ends.

The unions have to choose right time to resort to strike. From the union point of view, the best timing depends on when it will cause a loss in production, which will hurt the employer most. This may be at the seasonal peak of the industry when production is at maximum, when inventories are low or when employer is engaged in competitive battle with rival employers the attitudes of the government and the general public also play an important role in the strategy of timing.

A successful strike strategy should take into account the attitude of workers towards strike. It is very important to ensure that workers are economically and psychologically prepared to make sacrifice necessary for a successful strike.

For the union the successful tactics means, above all, preventing the employer from resuming production during strike period. There is every possibility that, with the passage of time, workers may become demoralized the union must keep alive the spirits of workers. It should mobilize public support and explain the need and Justification for strike. It should also try to enlist the support of other unions.

The unions must consider whether they possess required finances to organise and withstand for a prolonged period of strike. If the union has to withdraw from strike for lack of resources the position of union becomes further weak in future bargain with management.

5.4.7 Management Plans

Strike becomes a threat to the management. Generally management takes possible measures to avert strike situations. But if workers' demands are too difficult to concede, management refers to face the strike rather than conceding the demands. However, it takes all measures to create conditions of defuncting the strike. Normally the measures taken by management to face the strike would include the following:

- a) Withholding promotions and other benefits to those workers who are leading strike.
- b) Encouraging rival unions not to participate with strike
- c) Mobilising public support and government support against strike.

- d) Mobilising the support of management associations.
- e) Negotiating with union leaders conceding few minor demands of the workers in a bid to divide the striking workers.
- f) Fully accepting the union demands.
- g) Hiring new workers in place of striking workers.
- h) Lockout

The tactics to be followed by management is influenced by number of factors like – the genuiness of demands of workers, strength of the union, strength of employer, the climate of industrial relations in the company, the legal frame work protecting the interests of workers the number of rival unions, and inter-union relations, attitudes of individual workers towards strike, withstanding capacity of workers, etc.,

The management generally does not concede the demands easily because it may weaken its bargaining position in future. Management chooses to lockout only as a last resort. The tactics of management may also be changed with the prolonged period and consequent effects on the organization.

5.4.8 Prevention of Strike

Though Strike is regarded as a right of the workers, it is dangerous method of settling the demands of the workers. It causes misery to workers, loss to employer, and waste of resources to the state economy, disrupts social relations to the community and causes inconvenience to the consumers. Therefore, every possible measures should be taken to prevent strike. The following measures may help prevent strikes in are organization.

- a) Well-defined and progressive personnel policies aiming at maintenance of good industrial relations should be adopted.
- b) The personnel policies must be effectively implemented throughout the organization.
- c) Effective and two-way communication should be ensured at all levels in the organsation measures should be taken to remove barriers to communication.
- d) Better working conditions and suitable welfare facilities should be provided to the workers in the organization.
- e) Effective and speedy grievance procedure must be evolved to redress the grievances of the workers.
- f) The company management should encourage Joint consultation at different levels to resolve differences amicably.
- g) The management and workers must adopt positive approach in settlement of their differences.
- h) The government should take all necessary steps to prevent strikes if they assume dangerous proportions.

5.5 LOCKOUT

While Strike is the management to make the workers to accept the demands of the company or to make the workers to withdraw their demands against management uses the last weapon used by the workers Lockout. Generally, lockout means temporary closure of factory (or office) by management or refusing the provide work to the workers with the intention of farcing them to accept the conditions of management.

Sec. 2 of Industrial Disputes Act defines lockout as “closing of a place of business of employment or the suspension of work or the by the employer to continue to employ any number of persons employed by him”. The important features of lockout are:

- a) Lockout is the closure of industrial undertaking because of the existence of industrial disputes or violence.
- b) It is suspension of employment relationship in the sense that employer refuses to provide the work to the workers until they yield to management.
- c) Lockout is used as a counterpart of ‘Strike’
- d) Lockout is used with some intention. It may be to force the workers to come to terms of management.

The following acts do not constitute lockout.

- a) Prohibiting an individual employee is not lockout.
- b) Termination of employment by retrenchment is not lockout.
- c) Termination of services of more than one person at a time would not be considered as lockout.
- d) Declaring of lockout by an employer merely on the ground of that the workmen have refrained from attending to work is not to be considered as strike.

Consequences of lockout are equally disastrous as in case of strike. Lockout affects the interest of both workers and management. Therefore, attempts should be made to prevent lockout in industrial establishments.

5.6 LET US SUM UP

From the above discussion we have understood about the measures to control industrial disputes, and different forms of industrial disputes that arise in the industrial establishments. Let us try to understand something about settlement of ID in the next unit.

5.7 TERMINAL QUESTIONS

1. How for did the government control the labour management relations in India?
2. Explain measures to control Industrial Disputes in India
3. Write a note on strikes and Lockouts.
4. What are the principles to be observed in any discipline maintenance system?

5.8 REFERENCE BOOKS

Same as in Unit 1.

UNIT 6 : SETTLEMENT OF INDUSTRIAL DISPUTES

Structure

- 6.1 Objectives
- 6.2 Introduction
- 6.3 Methods of settlement
- 6.4 Voluntary and compulsory conciliation
 - 6.4.1 Drafting agreement
- 6.5 Arbitration
- 6.6 Procedure or arbitration
- 6.7 National Arbitration Promotion Board
- 6.8 Evaluation of working of Voluntary arbitration
- 6.9 Adjudication
- 6.10 Model principle for reference of disputes to adjudication
- 6.11 Let us sum up
- 6.12 Terminal Questions
- 6.13 Reference Books

6.1 OBJECTIVES

After completing the study of this you will be able to understand

- How to settle Industrial dispute
- The Machinery used in solving the industrial dispute
- Steps involved in solving the industrial dispute

6.2 INTRODUCTION

Industrial disputes lead to strikes and lockouts, which disturb the economic social and political life of a country. These dispute in an industry not only. Causes loss of output in that industry, but adversely affects the other industries and results in loss of national dividend. In view of the serious implications of industrial disputes, attempts should be made to settle them amicably through appropriate measures.

6.3 METHODS OF SETTING ID

In order to settle the industrial disputes amicably the following methods may be adopted:

- a) Investigation
- b) Meditation
- c) Arbitration and
- d) Adjudication

a) Investigation:

In order to settle the ID, a Board or court of enquiry may be appointed by the government. It may be voluntary or compulsory. If the investigation is conducted on the basis of an application filed by any one or both the parties to the dispute, it is called voluntary investigation. On the other hand, if the government without the consent of the parties concerned conducts the investigation it is called compulsory investigation.

The Objective of investigation is not to find out the solution directly, but to find out the solution indirectly through Public opinion. During the period of investigation, all the facts relating to the dispute are published and public opinion is mobilized. During the period of investigation, strikes and lockouts should be stopped. Employers are not permitted to alter the existing conditions of employment. Since the settlement of disputes is based on the public opinion the genuine demands of the parties to the dispute are likely to be ignored. But, this method is suitable for those countries where general public is educated and employers and the workers both fear consequences of not obeying the public opinion.

b) Mediation:

Mediation is a process by which a third party brings together the opposing groups not only to iron out the differences between them, but also to find an answer to the problem by specified proposals and alternative suggestions. He is considered to be a confidential advisor and an industrial diplomat. He performs messenger's service. However, he will not impose his will or Judgment on the parties. He helps two parties to come to an agreement on their accord. He suggests solutions based on knowledge and experience.

Mediation takes place at the invitation or at least with the consent of both parties. The sole aim for mediation is settlement of dispute by bringing about a voluntary agreement.

There are three kinds of mediators - a) eminent outsider, b) non-governmental board, and c) the Board connected with some part of the governmental system of the country. These are not complete in themselves, but can advantageously be used to supplement each other.

Experience has shown that mediation skillfully and sympathetically conducted along proper lines, brings about the adjustment of differences. Mediation can be made more effective and successfully devise if the following measures are adopted.

- i) Mediator is acceptable to both the parties.
- ii) The Mediator must be an impartial person.
- iii) Mediator should infuse confidence in the parties.
- iv) The Mediator should have full knowledge of the case.

Mediation should be placed in a proper setting. It should be used as a supplement to collective bargaining.

c) Conciliation:

Conciliation is a kind of friendly intervention of a neutral person in a dispute to help the parties to settle their differences peacefully. It is a process by which representative of the workers and employers are brought together before a third person or a group of persons with a view to persuade them to arrive at an agreement among themselves by mutual discussion between them.

The conciliator is a neutral party who tries to end the dead lock, without using force. He tries to bridge the gap between the parties. He will not suggest the solutions, but suggests alternative solutions. He tries to join the parties with a fresh viewpoint and different outlooks. The conciliator never gives his Judgment on the issues. But it is for the parties to accept or not to accept his suggestions or proposals.

The conciliator need not follow the same procedure in every case. He can adjust his approaches, strategy and techniques according to the circumstances.

In many countries, conciliator is a government official and functions in an individual capacity. However, in some of the countries, a body comprising several members called Board or council undertakes conciliation.

In India, the government appoints conciliation officer for specific area or even for a specific industry under Sec. 4 of the Industrial Disputes Act 1947. He may be appointed either permanently or for a limited period. Under Sec. 5 of the Act, the government may also appoint a Board of conciliation comprising a chairman, and two to four other members. The trade unions and employers can be recommend the names of the their representatives to the government. In the absence of such recommendations, the government can appoint any suitable person to represent the parties. In case of Public utility services, conciliation is compulsory.

Government these days rarely appoint the Boards of conciliation. The original intention was that the conciliation officer should handle major disputes. But due to flexible procedure followed by conciliation officer, many of the disputes are referred to the conciliation officer only.

Qualities of a Conciliation Officer:

In order to win the confidence of the parties a conciliator should possess the following qualities.

- 1) He should be independent and impartial. He should be able to resist undue pressures from employers union.
- 2) He should be fit physically and psychologically. He should have a strong and deeply held conviction of the importance of conciliation.
- 3) He must be able to induce the parties to arrive at a settlement with his assistance.
- 4) He must have the ability to get along with the people. For this, he must be honest, polite, tactful, self confident, even-tempered and patient in trying to accomplish results.
- 5) He should have friendly personalities, a sense of humor to relieve tension, during the time of discussion.
- 6) He should be familiar with the law and regulations concerning industrial relations and the settlement of industrial disputes.
- 7) He must be well trained in different aspects of management process.
- 8) He must have ability and versatility to form judgments.

The Conciliator should act as a Discussion leader, Safety volve, Communication link, an innovator, a protector, a stimulator, a fail safe denies, and also a Promoter of collective bargaining.

6.4 VOLUNTARY OR COMPULSORY CONCILIATION

Conciliation may be voluntary or compulsory. In case of voluntary conciliation, the disputes are referred to the conciliation officer or Board of Conciliation by both parties under their own force will, who agree to settle their disputes by an outsider. However, they are free to accept or not to accept the decision. On the other hand, compulsory conciliation means the compulsory reference of disputes to conciliation boards, the parties are forced to come together and hold discussion on the matter, try to understand each other's point of view and arrive at some settlement.

Preliminary arrangements:

The conciliation procedure may be in motion on the initiative of any of the parties to the disputes, or ex-officio by the conciliation authority. Sometimes advance reports/notices of proposed strikes or lockouts have to be given to conciliation authorities. Such reports or notices may provide the basis for intervention. However, the conciliation authority is generally empowered to take cognizance of the disputes that arise. After the case has been assigned to the conciliator, he will make preliminary contact with the parties separately for giving them information and obtaining information from them. Further, the conciliator may hold two types of meetings, namely Joint conference of both the parties or separate meetings with only one party. In the meetings issues can be discussed in the chronological order in which they come up. Alternately more simple issues can be discussed first and complicated issues can be taken up later.

6.4.1 Drafting agreement

When the Conciliator's efforts to settle a dispute come to an end he takes certain steps to wind-up his handling of the case. He participates in the drafting of the agreement. The Conciliator puts his signature on the agreement. The report has to be submitted to the government as well as to the parties concerned within a specific time indicating

- a) The steps taken by him for ascertaining facts and circumstances relating to the dispute.
- b) The steps taken to bring about the settlement.
- c) Full statement of facts and circumstances.
- d) The reasons on account of which the settlement could not be reached.

Since the Conciliator is not the final authority, he is not required to give his recommendations in this regard. Further, he cannot pass many orders directing a party to act in a particular manner.

The performance of conciliation machinery in India as indicated by available statistics does not appear to be much satisfactory. While the performance of the central Industrial Relations Machinery has been not so satisfactory, the success of the machinery in the states seems to be varied. While in some of the states like Kerala, Maharashtra and Gujarat, the machinery has given a fair measure of satisfaction; in other states it is disappointing.

Further, it has been pointed out that in many cases it has been pointed out in many cases the success attributed to conciliation is mainly due to legal requirement to register the agreement. It has been noted that conciliation in India is mostly successful in settling those disputes, which are very minor in nature. It has been pointed out that even when labour and management reach an agreement without the help of conciliator, the written document is initiated and approved by the State Labour Commissioner and the case is reported as settled through the conciliator. One of the grounds on which the conciliation machinery in India has been criticized on the ground that conciliation officers in many cases are young and inexperienced and therefore, they have failed to conciliate effectively.

Both employer and workers in India have expressed dissatisfaction over certain specific aspects of functioning of conciliation process such as the delay involved, the casual attitude of the parties concerned, inexperience of officers and outside interference.

In order to strengthen the Conciliation machinery in India, it should be freed from the clutches of political or administrative interference. The parties should not treat conciliation machinery as a mere Jolly ride. Conciliator should inculcate a sense of commitment towards the resolution of dispute among them. The conciliation officer must be made more effective by prescribing proper qualifications. Improving his qualifications by proper selection and training, enhancing their status by giving them additional power.

6.5 ARBITRATION

Arbitration is a means of securing an award on a conflicting issue by reference to a third party. It is a process in which a dispute is submitted to an important outsider who makes a decision, which is usually binding on both the parties. It is a Judicial in character. Unlike in case of mediation and conciliation, an arbitrator enforces his own point of view on the contending parties and the opinions of the disputants are not given any predominance. Arbitration is supposed to produce Justice and fair approach to a dispute.

6.5.1 Approaches to Arbitration:

The objective of arbitration is adjudication. As such, there is no awards through the parties are at liberty to do so. The arbitrator while giving his decision must be based upon some good principles of natural Justice; it must be based upon a 'split and difference' approach. It has two important approaches, viz., the judicial approach and non-judicial approach.

The Judicial approach emphasizes that arbitration should not be confused with conciliation and mediation. The parties submit a dispute for arbitration not for reaching a compromise, but for vindication of the stand taken by them.

The non-Judicial approaches emphasizes that the arbitrator cannot isolate himself for reality of the need of a workable solution, the most important consideration is that the decisions should reduce the conflict between the contending parties and it must be conducive to harmonious industrial relations.

6.5.2 Types of Arbitration

Arbitration may be "Voluntary or Compulsory". Voluntary arbitration implies that two contenting parties, unable to compose their difference by themselves or with the help of the mediator, agree to submit the dispute to be resolved by an impartial authority, whose decision they are ready to accept. The essential elements in voluntary arbitration include the voluntary submission of dispute to an arbitrator and the subsequent attendance of witness and investigation. The enforcement of an award may not be necessary and binding as there is no compensation. But generally, the acceptance of arbitration implies the acceptance of its award voluntary arbitration is specially needed for disputes arising under agreements.

In the case of compulsory arbitration, the parties are required to arbitrate without any willingness on their part. When one of the parties feel aggrieved by an act of the other, it may apply to the appropriate government to refer the dispute to adjudication machinery.

The parties are forced to arbitrate on by the state under the following circumstances.

- a) When the parties fail to arrive at a settlement by voluntary method.
- b) When there is a national emergency, which requires that production not be obstructed.
- c) When the Country's passing through grave economic crisis.
- d) When there is a grave, public dis-satisfaction with the existing industrial relations.
- e) When industries of strategic importance are involved.
- f) When the parties are ill-balanced i.e., where the unions are weak, ill organized and powerless.
- g) Where Public interest and the working conditions are desires to be safeguarded and regulated by the state.
- h) Where Public interzest and working conditions are desired to be safe- guarded and regulated by the state.

Where any industrial dispute exists or apprehended and management and workers agree to refer the dispute to arbitration they may do so. Thus, where the arbitration is voluntary, only the issue that has been agreed upon by parties as arbitral can be submitted to arbitration under the agreements. Hence, the arbitrator shall have no power, to add to, subtract from, alter or otherwise, charge or modify the terms and conditions of agreement.

Where an industrial dispute exists or is apprehended and the employer and the workmen agreed to refer the dispute to arbitration and the reference is to such person or persons (including presiding officer of a Labour court or Tribunal or National Tribunal) as an arbitrator as may be specified in the arbitration agreement (Sec. 10 A of ID Act 1947). Where an arbitration agreement provides for a reference of the dispute to an even number of arbitrations, the agreement shall provide for the appointment of another person as "Umpiring". If the arbitrators are equally divided in their opinion, the award of the umpire shall prevail and shall be deemed to be the arbitration award.

The parties will sign the prescribed arbitration agreement firm and a copy of the same will be forwarded to the government and to the conciliation officer. Within one month from the receipt of such copy of the government will publish the same in official gazette.

When an industrial dispute has been referred to arbitration the government may issue a notification, if it is satisfied. The employers and workmen who are not parties to the agreement, but are concerned in the disputes shall be given an opportunity of presenting their case before the arbitrator.

6.5.3 Qualities of an Arbitrator

An arbitrator should possess the following qualities.

- a) Understanding of the complexities of the labour management relationship.
- b) Knowledge of collective bargaining, the operation of procedure, skill and experience in the interpretation of collective agreements and familiarity with personnel policies industrial discipline and human relations.
- c) His integrity, non-partisan and a deep sense of impartiality and
- d) Commitment to maintenance of harmonious labour management relations.

6.6 PROCEDURE

After the dispute has been referred to the arbitration, he will hear both the parties. Investigation of the facts and circumstances of dispute is of great importance. The arbitrator may call witnesses; get evidences and relevant records and documents, the current and past agreements ordinances, court decisions, statutes and arbitration decisions by other arbitrators in similar cases.

After collection of facts, and supporting materials, agreements take place.

After investigation of the dispute, the arbitrator has to submit his award to government. The arbitrator should sign the award. The arbitrator the award should be in line with the terms of reference. It should be precise, definite and clear. It should be capable of being enforced. The award should contain a date or a specific period for implementation.

6.7 NATIONAL ARBITRATION PROMOTION BOARD

To make voluntary arbitration more acceptable to the parties and to co-ordinate the efforts for its promotion, the Government of India, appointed in July 1967, a National Arbitration Promotion Board with a Tripartite composition. The functions of the Board are:

- a) to renew the position periodically.
- b) to examine the factors inhibiting under acceptance of this procedure and suggest to make it more popular.
- c) to compile and maintain up-to-date panels of suitable arbitrators for different areas and industries.
- d) to evolve principles, norms, and procedure for guidance of arbitrators and the parties.
- e) to advise parties in important cases, to accept arbitration for resolving disputes, and
- f) to look into the causes of delay and expedite arbitration proceedings wherever necessary.

6.8 EVALUATION OF WORKING OF VOLUNTARY ARBITRATION

Voluntary arbitration has not proved very popular. Employers and trade unions are not enthusiastic about it. The following factors are responsible for the slow progress of arbitration.

- a) Easy availability of adjudication in case of future negotiation.
- b) Dearth of suitable arbitrators who command the confidence of both parties.
- c) Absence of recognized unions which could find the workers to common agreements
- d) Delay in the settlement for disputes are to legal obstacles
- e) Absence of a simplified procedure to be followed in voluntary arbitration, and
- f) Lack of enthusiasm in the parties to disputes as it is a costly affair, particularly to workers.

In order to encourage Voluntary arbitration, efforts should be made to remove the above shortcomings

6.9 ADJUDICATION

The ultimate legal remedy for the settlement of an unsolved dispute is its reference to adjudication by the government. Adjudication involves intervention in the dispute, by a third party appointed by the government for the purpose of deciding the dispute in final settlement. On getting a report of failure of conciliation, the government has to decide whether it would be appropriate to refer the dispute to adjudication.

6.9.1 Three tier system of Adjudication

Industrial Disputes Act 1947 provides for three tier system of adjudication. They are

- a) Labour Courts
- b) Industrial Tribunals and
- c) National Tribunal

6.9.2 Labour Court

A Labour Court consists of one person only. Such a person

- a) Is or has been a Judge of High Court or a period of
- b) has been for not less than 3 years District Judge or
- d) Has held any judicial office in India for not less than 7 years. For this purpose, any Judge below the age of 65 years will be chosen.

One or more Labour Courts may be constituted by the appropriate government for adjudicating industrial disputes. The Jurisdiction of the Labour Courts extends to adjudication of following disputes relating to matters specified in the second schedule.

- a) The legality of an order passed by employer under the standing orders.
- b) The application and interpretation of standing order
- c) Discharge or dismissal of workers (including re-instatement of / or grant of relief to workers wrongfully dismissed).
- d) Withdrawal of any customary concession or privilege.
- e) Illegality or otherwise of a strike or lockout, and
- f) All matters other than these specified in the third schedule to the Act.

The Labour Court has no supervisory Jurisdiction. As such it cannot act as the guardian of an industrial establishment. The Jurisdiction of the Labour Court is very much circumscribed. It does not act as an Appellate Court.

6.9.3 Industrial Tribunals

The appropriate government may appoint one or more Industrial Tribunals for adjudication of Industrial disputes. The matters, which are in the form of new demands and give rise to industrial disputes, which affect the working of a company or industry are usually referred to an industrial Tribunal. Tribunal may be appointed for a limited period or an adhoc basis or permanently.

A Tribunal shall consist of one or more persons. Such person –

- a) is or has been Judge of High Court, or
- b) has been a District Judge for a period not less than 3 years, or
- c) has held the office of the Chairman or any other member of the Labour Appellate Tribunal or any Tribunal for a period of not less than 2 years.

The government may also appoint two persons as assessors to advise the Tribunal in the proceedings.

The functions and duties of Tribunal are similar to that of Court. It may create new obligation or modify contracts. Tribunal has Jurisdiction over any matter specified in the Second or Third schedule of the Act which are as follows:

- a) Wages, including the period and mode of payment.
- b) Compensatory and other allowances
- c) Hours of work and rest intervals
- d) Leave with wages and holidays
- e) Bonus, Profit sharing, PF and gratuity
- f) Shift working otherwise than in accordance withstanding orders
- g) Classification of trades
- h) Rules of discipline
- i) Rationalization
- j) Retrenchment of workers and closure of an establishment and
- k) Any other matter that may be prescribed.

The Tribunal holds judicial proceedings and submits the award to the appropriate government.

In India government Tribunals-cum-Labour courts have been set-up to adjudicate disputes in central sphere of these 3 are located in Dhanbad, at Bombay and one each at Calcutta, Jabbalpur and New Delhi. The services of Tribunals and Labour Courts set-up by State government are also utilized by the Central Government.

6.9.4 National Tribunal

The Central Government constitutes one or more National Tribunals for the adjudication of disputes of national importance or for the disputes that affect the establishments situated in more than one state.

A National Tribunal consists of one person only. He will be appointed by the Central Government. Such a person-

- a) is or has been a Judge of High Court
- b) has held the office of the chairman or any other member of Labour Appellate Tribunal for a period of not less than 2 years.

The Central Government may also appoint two persons as Assessors to advise the National Tribunal in its proceedings.

6.10 MODEL PRINCIPLES FOR REFERENCE OF DISPUTES ADJUDICATION

Indian Labour Conference (held in Madras in July 1969) evolved model principles for reference of disputes to adjudication, which is mentioned below.

- 1) All disputes may ordinarily be referred to adjudication on requests.
- 2) Disputes may not, however, be ordinarily be referred to adjudication
 - a) Unless efforts at conciliation have failed and there is no further scope for conciliation and the parties are not agreeable to arbitration.
 - b) If there is a strike or lockout which was declared illegal by a court.
 - c) If the issues involved are subject matter of recent judicial decision.
 - d) If other legal remedies are available, for example, matters covered by the Factories Act Workmen's Compensation Act, Minimum Wages Act, Payment of Wages Act etc.,

- 3) Industrial disputes relating to individual cases of dismissal, discharge, or any other action of management or disciplinary grounds may be referred to adjudication especially-
 - a) If there is a case of victimization or unfair labour practice
 - b) If the standing orders in force or the principles of natural Justice have not been followed and
 - c) If the conciliation machinery reports that injustice has been done to the workman.

Whenever industrial dispute exists, or even where there are indications that will arise, the government may take a reference of the dispute to adjudication.

6.11 LET US SUM UP

In India, adjudication has been one of the instruments of wages and working conditions and for security allowances for maintaining real wages. It has helped to avert many work stoppages by providing an acceptable alternative to direct action. However, it is not free from criticism. It is time consuming and expensive. It is also alleged that government policy in contributing compulsory adjudication has hampered the growth of collective bargaining and the healthy growth of trade union movement.

6.12 QUESTIONS FOR SELF STUDY

- 1) Discuss the machinery for prevention and settlement of industrial disputes in India.
- 2) Write a note on strikes and lockouts.
- 3) Write a detailed note on Mediation, Arbitration and Adjudication.
- 4) What is conciliation? Explain the machinery of conciliation in working.
- 5) What is Arbitration? What are the different approaches to arbitration? Discuss the different types of arbitration.
- 6) What is three-tier system of adjudication? Discuss them in detail.

6.13 BOOKS FOR REFERENCES

Same as in Unit 1

NOTES

A series of 20 horizontal dotted lines for writing notes.

BLOCK - III :

UNIT 7 : MEANING - OBJECTIVES, METHODS

Structure

- 7.1 Objectives
- 7.2 Introduction
- 7.3 What is Collective Bargaining
- 7.4 Role of Collective Bargaining
- 7.5 Essential prerequisites of Collective Bargaining
- 7.6 Forms of Collective Bargaining
- 7.7 Bargaining Theories
- 7.8 Let us Sum Up
- 7.9 Terminal Questions
- 7.10 Reference Books

7.1 OBJECTIVES

After reading this unit you will be able to understand

- The meaning of Collective bargaining
- The purpose of Collective bargaining
- Methods of Collective bargaining

7.2 INTRODUCTION

Collective bargaining is a process, a technique, a device to protect the interest of the employee and employers to determine the employment conditions to fix the wage and salary and achieve the objectives of the organization.

7.3 WHAT IS COLLECTIVE BARGAINING ?

It has been defined by several persons with different explanations to explain the importance of collective bargain. They are as follows:

Michael J. Jucins:

Collective bargaining refers to a process by which employers on the one hand and representatives of the employees on the other, attempt to arrive at agreements covering the conditions under which employees will contribute and be compensated for their service.

Encyclopedia of Social Sciences:

A process of discussion and negotiation between the parties one or both of whom is a group of persons acting in concert. The resulting bargain is an undertaking as to terms and conditions under a continuing service to be performed.

Edwin B. Flipppo:

Collective bargaining is a process in which the representative of labour organization and representatives of business organization meet and attempt to negotiate a contract or agreement, which specifies the nature of the employee employer union relationship.

Then we can say collective bargaining involves the following:

- a) A process by which employer and employee make an attempt for understanding each other.
- b) It is a technique of reaching agreement or understanding.
- c) To decide the terms and conditions under which they have to work to achieve the goals of the organization.
- d) Such negotiations will result in determining employment condition, wages to be paid etc.

7.4 ROLE OF COLLECTIVE BARGAINING

1. From the Management Point of view

The main object of an organization is to get the work done by the employees at minimum cost and thus earn a high rate of profits. Maximum utilization of workers is the objective of efficient and effective management. This co-operation from the side of the employees required collective bargaining as a device to get and promote co-operation. The labour disputes are mostly due to certain direct and indirect causes based on rumors and misconceptions. Collective bargaining is the best remedial measure for maintaining cordial relations between the employer and employee. Strikes and go-slow tactics are avoided resulting in increase of production. It promotes industrial democracy.

2. From Labour Point of view

Labour has poor bargaining power. Individually a worker has no existence. As labour is perishable the employers succeed in exploiting the labourers. In united form the working class becomes a power to protect its interest against the exploitation of the employer through the process of collective bargaining. The collective bargaining imposes certain restrictions on the employer. It presents unilateral action. All employees are treated on equal footings. The conditions of employment and rates of wages are changed only after negotiations with labour. Employer is not free to make and enforce decision arbitrarily.

3. From the union point of view

CB can be made only through the trade unions, who are the bargaining agents for the workers. Trade unions protect the interest of workers through constructive programmes. CB is one of the devices to attain this objective through negotiations with the employers. Trade unions negotiate with employers for better employment opportunities and Job security through CB.

4. Government point of view

Government is also concerned with the process of CB. It passes and implements labour legislations to be implemented in its true sense.

It enforces the rules and laws. CB defers the government from using force because an amicable agreement can be reached between employer and employee for implementing the legislative

provisions. Labour problems are minimized through CB and industrial peace is promoted without any use of force.

7.5 ESSENTIAL PREREQUISITES OF CB

- a) Existence of a strong representative trade union in the industry that believes in constitutional means for settling the disputes.
- b) Existence of a strong and enlightened management which may integrate the different parties ie, employees, owners, consumers, society and government.
- c) Agreement as basic objectives of the organization between the employer and employee and on mutual rights and liabilities.
- d) Existence of a fact finding approach and willingness to use new methods and roles for the solution of industrial problems. The negotiation should be based on facts and figures and both the parties should adopt constructive approach.
- e) Proper records of the problem should be maintained.
- f) CB should be best conducted at plant level. If there are more than one plant of the firm, the local management should be delegated proper authority to negotiate with the local trade union.
- g) In order that CB functions properly, unfair labour practices must be avoided by both the parties.
- h) The contract must include arbitration clause in case there is a dispute. The institutions of CB represents a fair and democratic attempt at resolving mutual disputes. Wherever it becomes the normal mode of settling outstanding issues, industrial unrest with all its unpleasant consequences is maintained.

7.6 FORMS OF COLLECTIVE BARGAINING

Collective Bargaining may be broadly classified under two heads. They are

- 1) Single employer bargaining and
- 2) Multiple employer bargaining

Single employer bargaining may be for one factory or plant or a number of plants under one management.

Multiple employer bargaining may be extended to a locality region or industry or nation as whole.

A union may start negotiations with a single employer but in the course of its evolution and extension it may spread its jurisdiction to the locality, region or industry groups. Thus actual jurisdiction depends upon the strength and solidarity of trade unions.

For the purpose of bargaining. The union representatives are generally at two levels. They are (a) Local and (b) National, Bargaining on the basis of a single plant is mostly conducted through local unions but as the national level bargaining extends to different problems concerned with an industry or a group of industries. Now a days the national federations have been exercising greater control over bargaining processes as the arrangements for bargaining are indispensable for meeting the increasing tendency of multiemployer bargaining.

Further Collective bargaining may also be classified as;

- a) Distributive bargaining
- b) Integrative bargaining
- c) Attitudinal structuring
- d) Intra-organizational bargaining

a) Distributive bargaining

The first type of activity involved in a collective bargaining process is distribution which implies straight out haggling over the distribution of surplus. Various issues involved in this activity are of economic nature such as wages, salaries, bonus and other financial issues. In this activity both the parties have win-lose situation, that is one party's gain is another party's loss.

b) Integrative bargaining

In this activity, the issue involved are such that neither party loses or the position may be a win-win one. There is a more cooperative search on the issues involved such as better job evaluation process, better performance appraisal or training programmes etc. Searching a better alternative is beneficial to both parties.

c) Attitudinal Structuring

It involves shaping and reshaping such attitudes like trust or untrust, friendliness or hostility, cooperative or non-cooperative approach and so on. The simple fact both parties have to deal with each other daily and they do not have just sporadic relationship promotes restraint between the negotiations during the bargaining process. If there is a backlog of bitterness between parties, it can erupt and destroy negotiations. Therefore, attitudinal structuring is required for smooth bargaining and maintaining harmonious relation afterwards.

d) Intra organizational Bargaining

It involves manoeuvring to achieve consensus within the labour and management organizations. The consensus is required because there may be groups within the organizations of negotiating parties and each group may perceive that it is affected adversely by the out-comes of the bargaining process. For example, within an union, there may be different categories of employees, skilled, unskilled who may see their interest differently. In the management organization, in the same way there are different groups of employees – department wise and level wise. Intra organizational consensus is required for the smooth acceptance of outcomes of bargaining process.

7.7 BARGAINING THEORIES

A number of bargaining models have their roots in social psychology. Some theories or models range from description of what occurs at the bargaining table to complex theories that make extensive use of mathematical and economic models. A brief description of simple CB models is as follows.

1. Walton and Mc Kersic Theory

Walton and Mc Kersic view CB has four sub processes – distributive bargaining, attitudinal bargaining, integrative bargaining and intra-organisational bargaining.

According to them, Distributive bargaining applies to situations in which, union and management goals are in conflict.

Integrative bargaining on the other hand, refers to bargaining issues that are not necessarily in conflict with those of the other party.

Attitudinal structuring is the means by which bargaining parties cultivate friendliness, trust, respect and cooperation.

In Intra organizational bargaining, focus is on interaction between the union and management.

These four sub processes interact to help shape the final outcome of CB negotiations as well as the long term relationship between union and management.

2. Bargaining Range Theory (BRT)

BRT has its roots with the late Prof. A.C.Rigon. His theory explains the process by which labour and management establish upper and lower wage limits within which a final settlement is made. The union's upper limit represents the union's ideal wage. Management will offer a wage that is well below that acceptable to the union.

From these two extremes the union and management teams will normally proceed through a series of proposals and counter proposals. The union will gradually reduce its wage demands while

employer will rise its wage offer. Both sides, however, have established limits as to how far they are willing to concede and in the process establish a sticking point. According to this theory the exact settlement will depend on the bargaining skills and strengths of the union and management negotiators.

3. Chamberlain Model

A simple, but very insightful theory of bargaining has been developed by Chamberlain. This model focuses upon the determinants of bargaining power and the ways in which changes in these determinants lead to settlement in the majority of CB situations.

He defines bargaining power as the ability to secure your opponents agreement to your terms. Thus a union's bargaining power can be defined as management's willingness to agree to the union's terms or demands. But what determines the willingness (or unwillingness) of management to agree to the union's terms? The answer according to Chamberlain, depends upon how costly will be disagreeing relative to how costly agreeing will be. That is

$$\text{Union's bargaining power (UBP)} = \frac{\text{Managements' prescribed cost of disagreeing with the unions' terms (MCD)}}{\text{Managements' perceived cost of agreeing with the unions' terms (MCA)}}$$

If management estimates that it is more costly than to disagree (that is, if the union's bargaining power is less than one) management will choose to disagree and thereby reject unions' terms.

If however, management judges that it is more costly to disagree than to agree (that is if the union's bargaining power is greater than one) management will choose to agree.

Management's bargaining power can be similarly defined.

$$\text{Managements bargaining power (MBP)} = \frac{\text{Unions' prescribed cost of disagreeing with the managements terms (UCD)}}{\text{Unions' perceived cost of agreeing with the Management terms (UCA)}}$$

Once again if the union believes it is more costly to agree than to disagree, the union will disagree with managements offer wherever the denominator is greater than the numerator in equation- that is, whenever managements bargaining power is less than one - the union will choose to reject managements' offer. Conversely, if the union Judges it to be more costly to disagree than to agree, the union will choose to agree. In other words when managements bargaining power is greater than one. The union will be willing to agree to accept managements offer. The union's costs of disagreeing and agreeing can be defined similarly to those of management.

4. The Hicks Bargaining Model

This model focuses on the length and cost of work stoppages. The Hicks proposed that union and management negotiates balance the costs and benefits of a work stoppage when making concessions at the bargaining table.

Each side makes concessions to avoid a work stoppage. The central idea is that there is a functional relation between the wages that one or the other party will accept and the length of strike that would be necessary to establish that wage. There is a particular wage that employer would prefer if union were not in the picture. He will concede more, however in order to avoid a strike and upto a point, his concessions will rise with the length of strike he anticipates.

A primary difference between Hicks Model and Bargaining Range Theory is that the Hicks model pin points a precise wage settlement while the range theory does not.

7.8 LET US SUM UP

So far we have learnt about the CB, role of collective bargaining, how it is essential in industrial relations, different models normally practiced in CB decisions.

7.9 TERMINAL QUESTIONS

- 1) Write short note on Collective Bargaining .
- 2) Discuss the role of Collective Bargaining in personnel Management. What are the essential conditions for successful CB?
- 3) How can you make collective bargaining effective?

7.10 REFERENCE BOOKS

1. Prasad L.M. - Human Resources Management
2. Tripathy – Personnel Management & Industrial Relations
3. Memoria & Memoria – Dynamics of Industrial Relations.
4. Sarma A M – Industrial Relations

UNIT 8 : FUNCTIONS OF COLLECTIVE BARGAINING AND NEGOTIATION PROCESS

Structure

- 8.1 Objectives
- 8.2 Introduction
- 8.3 Conditions for the success of Collective Bargaining
- 8.4 Functions of Collective Bargaining
 - 8.4.1 Method of effecting social change
 - 8.4.2 Serves as a peace treaty
 - 8.4.3 Creates a system of Industrial Jurisprudence
- 8.5 Approaches to Collective Bargaining
 - 8.5.1 Principles for both unions & management
 - 8.5.2 Principles for management
 - 8.5.3 Principles for unions
- 8.6 Developing a bargaining relationship
- 8.7 Process of negotiation
- 8.8 Procedure adopted in negotiation
- 8.9 Collective bargaining contract
- 8.10 Let us sum up
- 8.11 Terminal Questions
- 8.12 Reference books

8.1 OBJECTIVES

After studying this unit you will be able to understand;

- Characteristics of Collective Bargaining
- Approaches of Collective Bargaining
- Techniques and procedure of Collective Bargaining
- Issues covered under Collective Bargaining

8.2 INTRODUCTION

In the previous unit you have learnt about various definitions of collective bargaining, what is CB? Role of CB and Bargaining theories of CB. In this unit you will proceed further & understand other aspects relating to CB.

8.3 CONDITIONS FOR THE SUCCESS OF CB

The successful conduct of CB in any organization or industry depends upon the attitude of the parties concerned. It could be an effective instrument in the settlement of disputes if the following conditions are fulfilled.

- a) There should be a well organized and fully recognized trade unions with well defined policies.
- b) There should be a spirit of give and take approach between the employers and workers.
- c) The parties concerned should act in good faith on the basis of mutual agreement. But, there should not be any legal sanction behind the terms and conditions voluntarily agreed upon.
- d) There should be a complete and true understanding and appreciation of such others' view points. Face to face meetings between the representatives should serve as a useful purpose.
- e) There should be no uncertainty about the fields in which the parties are legally required to bargain collectively.

CB can succeed only when both employers and employees realize their responsibilities and desire its success. Both the parties, should have a feeling of mutual accommodation and adjustment.

8.4 FUNCTION OF COLLECTIVE BARGAINING

The following are the functions of collective bargaining.

8.4.1 It is a method of effecting social change

Collective bargaining acts as a technique of long run social change as it effects changes in the power hierarchy of competing groups. It helps the inferior social class to attain a bigger share in the social sovereignty as well as more welfare, security and liberty. It manifests itself usually in politics, legislation, court litigation, government administration, religion, education and propaganda. .

8.4.2 It serves as a peace treaty

Collective bargaining serves as a peace treaty between two parties in continual conflict. However, the settlement between the two parties is a compromise. With this compromise, each party may be satisfied temporarily but each would like to modify it at the earliest opportunity. In majority of cases, collective bargaining agreements are signed before either opponent shoots a fire.

8.4.3 CB creates a system of industrial Jurisprudence

Collective bargaining is a method of introducing civil rights into industry. It establishes rules which define and restrict the traditional authority exercised by employers over their employees. It facilitates to place part of the authority under joint control by union and management. It is a legislative process according to which labour and management will cooperate and work together over certain stated period. It is an executive process as both management and trade union officials share the responsibility of enforcing the rules. It is also a judicial process as is every collective agreement. There is a clause or provision regarding the interpretation of the agreements. Through grievance procedure any difference or dispute concerning the application of the agreement to particular case is settled.

8.5 APPROACHES TO COLLECTIVE BARGAINING

In order to make CB process a success, workers and managements have to adhere to certain principles.

8.5.1 Principles to be followed by both unions and Managements.

- a) Trade union leaders should be given an opportunity for putting their demands, needs and complaints and attitudes of workers etc., before the managements and managements should again make efforts to explain to them the circumstances.
- b) Both unions and managements should realize that the collective bargaining is a proper method for taking more expedient and wiser decisions.
- c) Both parties should possess the competence for bargaining with mutual respect and implementing the agreements or contracts thus arrived at.
- d) Both parties should have a genuine spirit of mutual trust, goodwill and bargaining.

- e) There should be honest competent and responsible leaders for concluding agreements.
- f) Both the parties should be prepared for state regulation, and
- g) Both parties should realize that a correspondence between prices and wages is necessary.

8.5.2 Principle to be followed by Management

- a) Management should adopt an appropriate labour policy and take necessary precautions for its being followed by all employees.
- b) The trade unions should be accorded recognition as bargaining unity.
- c) Managements should keep on changing their policies and view points according to changing circumstances and should keep in view the dignity of the workers.
- d) Managements dealing with trade union should be good and responsible.
- e) Management should make efforts to redress the grievance or complaints of the workers before they are brought forward before them.
- f) Managements should enter into negotiation with union having majority representation incase there are more than one union and
- g) Managements should emphasize upon social ideas with a view to ascertaining economic effects.

8.5.3 Principles to be followed by Trade Unions

- a) The union should not foster anything opposed to democracy at their work place.
- b) The unions should not only concentrate on higher wages, lesser working hours, and better working conditions, but also they should pay attention to raise production, eliminate waste and improve quality of the product.
- c) The unions should not put up such demands as are beyond the paying capacity of the establishment or may be against national policies.
- d) The unions should strive for raising the morale of their members and
- e) The unions should use the weapon of strike as a last resort.

8.6 DEVELOPING A BARGAINING RELATIONSHIP

The first step in CB is to develop a regular and systematic procedure for bargaining. This step comprises three activities viz., (i) recognition of the bargaining agent (ii) deciding the level of bargaining, and (iii) deciding the scope and coverage of CB.

8.6.1 Recognition of the bargaining agent

If there is only one union in an organization, that union is generally granted recognition to represent the workers. If there is more than one union, any of the following criteria may be used to identify the representative union.

- a) Selection of the representative union by secret ballot,
- b) Selection through verification of membership by some government agency.
- c) Bargaining with a joint committee of all major unions.
- d) Bargaining with a negotiation committee which comprise representatives of all unions in proportion to their verified membership, and
- e) Bargaining with negotiation committee comprising the elected representatives of every department of the organization selected by secret ballot irrespective of their union alliances.

The secret ballot system is widely used in countries like USA, West Germany etc. In India AITUC, HMS, UTUC and CITU have supported this method but NTUC opposed it. The national committee on labour has preferred to have the determination of the representative union to the Industrial Relations Committee.

8.6.2 Deciding the level of bargaining

Practically, CB is possible at all levels viz., at the level of the enterprise, at the level of the entire industry in the country, (i.e. at the national level) or it may be at the level of the industry in a particular region i.e., regional industry level.

8.6.3 Scope and coverage of CB

In many of the organizations bargaining usually takes place only on specific issues like wages increase, bonus, seniority, promotion etc., However, it would be advantageous both for the management and the trade unions to cover as many issues of interests to both parties possible. This helps in preventing the potential source of friction.

8.7 PROCESS OF NEGOTIATION

There are two stages in CB viz., (1) Negotiation stage and (2) The stage of contract administration.

Negotiation stage

At this stage, certain proposals are put forward which explore the possibility of their acceptance and have the way to mutually agreed terms after careful deliberation and consideration. This stage comprises three steps viz., preparation for negotiation, adoption of negotiation techniques and follow up action.

Preparation for Negotiation

Negotiations may commence at the instance of either party. While some managements submit their own proposals for consideration by labour representatives, others do not take initiative till the union put forward their proposals. Both the parties have to denote a great deal of time to collect necessary data on a large number of issues like wages, seniority, over-time allowances, cost of living, policies of trade unions and management, productivity trend, retirement and fringe benefit, hours of work, and also other pertinent informations on area-cum-industry practices. This information can be collected by the management from their associations, central organizations, government and through surveys. On the other hand trade unions collect the necessary information from their own central organization and research staff. The personnel dept. of a company examines and analyses the statements of trade unions leaders, proceedings of union conventions and conferences and also CB trends.

Negotiation Technique or trend

Negotiations may be under taken by a representative or each party or by a committee or by a staff personnel. The negotiation committee may comprise three to six members. These committees should be as small as possible to avoid operational difficulties. The chief spokesman of the management committee shall act as the chief negotiator and evolves a strategy of action and the tactics to be adopted during the negotiations.

The success of negotiations depends upon the extent of home work done by each party. They must collect and analyze adequate information before they come to negotiation table. In the initial stages trade unions should not be aggressive. Further, management should not depute a low powered person. Management should classify and carefully analyse the union demands. Demands can be classified into three categories viz., (1) demands which may possibly be met, (2) demands which may be rejected and (3) demands which call for hard bargaining.

There is no hard and fast rule as to which demands should be discussed first. Some negotiations tackle the hard one's first. The negotiation team deputed by the management should not take up the defensive position with regard to the demands pressed by the unions. But the team should make its counter proposals.

8.8 PROCEDURE WHICH SHOULD BE ADOPTED IN NEGOTIATION

8.8.1 For union and management

- a) Be friendly in negotiations, introduce everybody, Relieve the existing tension.
- b) Be willing to listen. There will be enough time for you to worry about things and say 'No' after you have heard all the facts.

- c) Give every one an opportunity to state his position and point of view. In this way you will uncover the person who is really insistent about a particular problem or grievance and know how to deal with him.
- d) Know something about the personal history of the other party's representatives.
- e) Always bear in mind the fact that you have to do what is right & fair.
- f) Both parties should strive to maintain an objective approach to a problem or grievance. They should think rather than feel their way through a problem.
- g) Don't attempt to guide the discussion among a straight line which goes straight to the solution of the problem. Let it wander at time, do not hurry it.
- h) Do not let the negotiations reach the steps a statement. Help to define the problem and suggest a solution, ultimatums are out of place at the negotiation table.
- i) If facts disclose that there is a need for doing more than just solving the immediate problem go as far as justified in the circumstances.
- j) Define each issue clearly and unambiguously and discuss it in the light of the available facts.
- k) Avoid the insertion of specific regulation or details in the contract to ensure greater flexibility.
- l) Search for correct solutions at all time.
- m) Keep the membership of the conference as small as possible. Small groups facilitate success for negotiation.
- n) Avoid lengthy sessions to prevent fatigue, physical or mental exertion.
- o) Have a committee of employees to be present at the negotiations to maintain transparency.
- p) When negotiations conclude, both the parties should sign without any mental reservation.
- q) Both the parties should, at all times, respect the rights of the public.

8.8.2 For management

- a) The management must, at the outset be sure that labour leaders who are negotiating, are really the representatives of the workers.
- b) Do not use lawyers in the negotiations unless they have intimate knowledge of industrial relations.
- c) Do not limit contacts with the union in controversial subjects, but consider such matters as are of common interest to both.

8.9 COLLECTIVE BARGAINING CONTRACT

Collective bargaining is a form of collective agreement. It should include every matter defining relationship between management and the workers. Usually two types of provisions are included in a collective bargaining agreement.

a) Economic provisions

This involve provisions which affect the economic and working conditions of the workers.

b) Political Provisions

These provisions include the provision relating to the general administration such as divisions of authority and responsibility between the management and employees or workers participation in decision making bodies or powers to challenge decisions taken by management etc.

8.10 LET US SUM UP

We have understood from this unit, the characteristics of CB, various approaches to CB, techniques and procedure of CB and issues covered under CB. Further we have also tried to understand the process and procedure adopted in negotiation

8.11 TERMINAL QUESTIONS

- 1) Discuss the nature, structure and the role of CB. Outline the ideal process of CB.
- 2) Describe the requirements of an effective CB. State the points which should be remembered in a negotiation process.
- 3) Has CB flourished in India? If not what are the reasons? How can you make it work in India.
- 4) Examine the role and limitations of CB in Indian industries.
- 5) What is CB? What are its main features? State the necessity and importance of CB.
- 6) Write a shortnote on CB in India.
- 7) What is the importance of CB in industrial relations? Is CB successful in India?
- 8) What are the important contents of a CB agreement?
- 9) Discuss the emerging trends in CB in India. What factors hinder its growth and how to mitigate them?

- 10) Too much legislations and governmental interference are great enemies of success of CB in India. Comment .
- 11) Discuss the role of CB in personnel management. What are the essential conditions for successful CB?
- 12) Describe the methods of CB. Assess its effectiveness as a means of settling industrial disputes.

8.12 REFERENCE BOOKS

1. Prasad L.M. - Human Resources Management
2. Tripathy – Personnel Management & Industrial Relations
3. Memoria & Memoria – Dynamics of Industrial Relations.
4. Sarma A M – Industrial Relations

UNIT 9 : COLLECTIVE BARGAINING IN INDIA

Structure

- 9.1 Objectives
- 9.2 Introduction
- 9.3 History of Collective Bargaining in India
- 9.4 Specific and Comprehensive agreements
- 9.5 Types of agreements
 - 9.5.1 At plant level
 - 9.5.2 At the industry level
 - 9.5.3 At National level
- 9.6 Scope of agreements
- 9.7 Problems of multiple unions
- 9.8 Analysis of Collective Bargaining in India
- 9.9 Collective Bargaining in public enterprises
- 9.10 Recommendations of National Commission on Labour
- 9.11 Other suggestions
- 9.12 Let us sum up
- 9.13 Terminal Questions
- 9.14 Reference Books

9.1 OBJECTIVES

After going through this unit you will be able to understand:

- The history of CB in India
- Scope of CB agreements
- An analysis of CB agreements

9.2 INTRODUCTION

You have learnt so far about the CB, need for CB, role of CB in industry, the preparations to be made before the negotiations, terms of CB agreements etc. Now you are going to study about position of CB in India.

9.3 HISTORY OF CB IN INDIA

In India, CB was not very popular before independence. However, there had been few instances where wages and working conditions were regulated by collective agreements even earlier. In the first quarter of 20th century, Gandhiji took initiative to arrive at a settlement through voluntary arbitration when Ahmedabad mill workers started strike against managements of textile mills. But this can be hardly called CB since there was no textile trade union involved. CB was also used in TISCO (Tata Iron and Steel Company) in 1920 and coir industry in Travancore in 1938. The Travancore coir factory workers union had called for a strike which went on for 26 days. It led to the beginning of dialogue between management and workers' representatives facilitating to organize coir workers and management relations committee. A number of CB agreements were made with the help of this organization. Similarly, collective agreements were reached between unions and managements in Inland water Transport of Calcutta. In 1946, a CB agreement had reached in Dunlop Rubber company in West Bengal.

But barring these incidents, CB scene had not shown much progress earlier to independence. After independence, the system of CB had made some progress. The prominent Trade union leaders like V.V.Giri advocated for voluntary settlement of disputes through CB process. Industrial Disputes Act 1947 also made adequate provisions for CB. The CB agreements were reached in companies like Bata shoe company (1948), Indian Aluminium Company (1957), Imperial Tobacco company (1952) and in several other organizations.

CB agreements have been reached in most industries like chemical, petroleum, oil refinery, aluminium, electrical, automobiles, coal mining, ports and docks, railways and other industries at plant level as well as at industries level. Through adjudication of settlements continues to be the common method of settlement, CB method is gaining importance with the growth of Trade union movement in the country.

9.4 SPECIFIC AND COMPREHENSIVE AGREEMENTS

In India CB were reached for specific issues as well as for number of issues covering the gambit of industrial relations. Specific agreements are the collective agreements reached between union and management as a specific issue. It may be the problem of wage, bonus or anything. Comprehensive agreements relate to more than one issue in an agreement.

9.5 TYPES OF AGREEMENTS

In India, there are three types of CB agreements. Firstly, agreements which are negotiated by officers during the course of conciliation proceedings. These are settlements under industrial Disputes Act.

Secondly agreements which are concluded by the parties themselves without reference to a Board of conciliation and are signed by them, copies of agreements are sent to conciliation officers.

Thirdly, agreements which are negotiated on a voluntary basis when disputes are subjudice. These are known as consent awards.

Fourthly, the agreements which are drawn after direct negotiation between workers and management. They are purely voluntary in character.

The first three types of agreements are binding on the parties under the provisions of Industrial Disputes Act, while fourth type is enforceable under moral obligation and mutual goodwill of the parties.

Regarding the levels of bargaining, there are three types of agreements i.e., plant level industry level and national level agreements.

In India most of the CB agreements have been reached at plant level, though in important textile centres like Bombay, Ahmedabad and Coimbatore, industry level agreements have been common. Such agreements can also be found in plantation industry, coal industry, chemicals , petroleum, automobiles and others.

National level agreements have been reached in ports and docks, banking and insurance and other industries.

9.5.1 At plant level

A CB agreement at plant level is reached only for which it has been drafted and its scope and extent are limited only to that particular unit or undertaking. The agreement generally provides for certain common norms for conduct with a view to regulating labour management relations and eliminating hatred and misunderstanding. It contains provisions for a quick and easy solution to these issues which require immediate and direct negotiation between the two parties and lays down a frame work for their future conduct if and when controversial issues arise.

The common highlights of the agreements between labour and management to establish and maintain orderly and cordial relations between the management and the union so as to promote the interest of the employees and the efficient operation of the company's business.

1. The management recognizes workers' union as the sole bargaining agent.
2. The union recognizes the right of management to introduce new and improved equipment and methods of manufacturing subject to the condition that the union will be consulted beforehand.
3. The union recognizes the right of management to discipline employees regarding hiring, promotion, number of persons for normal operation, etc., However, the management shall consult the trade union before any policy decision is taken.
4. The management assures the union about retrenchment of employees, training employees for new jobs, average earnings etc.,
5. Both the parties agreeing for job evaluation at reasonable intervals.
6. Grievance redressal procedure will be formulated in consultation with the union. Top level management intervening only in exceptional cases.

9.5.2 At the Industry level

The best example of an industry level agreement is offered by the textile industry of Bombay & Ahmedabad.

Salient features of the Industry level agreements are as follows.

- a) Agreement applied to all the member mills of the Association.
- b) Bonus will be paid only out of available surplus profits.
- c) The associations will jointly determine the available surplus and fix the quantum of bonus.
- d) If there was any difference between unions and managements the matter would be referred to labour appellate Tribunal or to a mutually agreed umpire and that decision would be final and binding on both.
- e) All future disputes should be settled through mutual negotiation, or arbitration and parties will not resort to court proceedings for resolving disputes.
- f) If mutual negotiations fail to resolve the dispute, then parties nominate its own arbitrators and the award given by the arbitrators or umpire would then be final and binding on both the parties.

9.5.3 At National level

The agreements at the national level are generally bipartite agreements and are finalized at conferences of labour and managements convened by Govt. of India. It was agreed at this conference that

- a) Working conditions of labour would be standardized.
- b) Whenever rationalization is contemplated, fresh recruitment should be stopped and vacancies should not be filled.
- c) Surplus workers should be offered employment alternatively and monetarily. They are not affected.
- d) Gratuities should be offered to workers to induce them to retire voluntarily.
- e) Incentives in the form of higher wages and a better standard of living should be offered to show the gains which have occurred as a result of rationalization.

9.6 SCOPE OF AGREEMENTS

The scope of CB agreements in India depends on the extent to which standards have been set for various issues under labour legislation. But even regarding issues like bonus, disciplinary action and minimum wages where certain broad norms have been set up by law, CB have been reached to suit special conditions of industrial units. The scope of the more comprehensive collective agreements in India is generally on the following lines.

- a) Rights and responsibilities of both parties. Recognition and acceptance of unions.
- b) Remuneration including basic pay, grades, Job Classification and DA
- c) Working conditions, hours of work, overtimes, recruitment, transfer, medical benefits and retirements.
- d) Grievance handling – Joint machinery.
- e) Agreements on strikes and lockouts.
- f) Joint production committees, Job evaluation, safety etc.
- g) Rationalization, retrenchment
- h) Duration of agreements

On the whole it can be stated that the scope of CB agreements in India is very wide. It is much wider than the national agreements reached in UK and more akin to USA type of contracts.

9.7 PROBLEMS OF MULTIPLE UNIONS

Multiple unions and rival unions present serious problems in India to introduce CB. It provides an excuse for brushing aside the whole idea of CB. It also leaves the company a prey to inter-union quarrels and provoke a strike which is more political than economic in origin.

When multiple unions exist, it is difficult to choose the union with which bargaining can be done. Though code of discipline suggested the membership as the criteria for choosing the representative union, there are many complications in deciding the membership.

In Indian context, this problem has been tackled in many ways in different companies.

- a) In one company the management could successfully persuade the rival unions to sign on an agreement already negotiated with recognized union.
- b) In another company, the workers, frustrated by the conflicts and delays themselves took initiative in resolving the disputes and they could successfully settle the issues.
- c) In one case, rival unions had overlapping membership in both the factories of the company. The management recognized both the unions, as single union could not be recognized, and entered into two separate agreements with them.
- d) There were six rival unions in one company. The mediator of the company was successful in negotiating with all the companies and reach a 3 years agreement successfully.

Multiple unions exist in many other countries also. Every where, they create certain problems in CB. Each country is following its own methods to tackle this problem. In India, to some extent, unit level agreements can solve the problem of multi-unions in the sense that economic issues will be taken up for negotiation rather than issues with political consideration.

9.8 ANALYSIS OF COMPREHENSIVE BARGAINING IN INDIA

CB is the ultimate in the negotiation and is possible only when workers and employer's organizations are equally strong in nature and conscious of their rights and duties. That is why in no country except Israel does one find unadulterated bipartitism. Even in the USA it is not practiced in its pure form.

State steps in certain situations In India both bipartitism and tripartitism have co-existed but they generally operate at different levels. At the unit level it is generally the bipartitism that has flourished whereas at the industry and national level it is tripartitism that has prevailed. Some reasons for bipartitism not flourishing at the national level are that

- Labour is a concurrent subject (belongs to both central and state government)
- There are varying conditions of work and life in different parts of the country.
- There is absence of strong central unions and employers organization who can represent country wide interests and
- There are a number of problems (i.e., lay offs and closure) which need to be looked at from the point of larger objectives of government policy. Hence in tackling such problems governments participation at the national level becomes unavoidable.

Even at the plant level bipartism has made much heady in our country due to the following reasons.

a) Excessive dependence on compulsory adjudication for the settlement of Industrial disputes:

Adjudication has remained the mainstay for a large number of industrial organizations and trade unions in our country as much owing to its inclusion as one of the stages in our machinery for the settlement of industrial disputes as to the parties belief that is more safe. While it is fairly easy to depend on a third party for a decision, it is difficult to be self reliant.

b) Reduction in the area of CB

The area of CB has gradually regarded in recent years due to emergence of several new institutions and modes such as wage boards statutory fixation of minimum wages, payment of bonus, regulation of fines and deductions, working hours, overtime payments, leave and other working and employment conditions and welfare and social security measures.

c) World Trade Union Movement

Trade union movement still covers only a small portion of the total industrial employment. Besides, the unions are too weak to bargain on account of their small membership, poor financial resources, their multiplicity, inter union and intra-union rivalry, politicization, Poor leadership and absence of suitable legislative provisions for recognizing them as a bargaining agent.

In no unit, far less in an industry, do we have a union which is recognized and is recognizable as a representative union with which an employer can negotiate a settlement in the hope that it would be acceptable to all and endure for the stipulated period. And so far, we have not evolved a fool proof system to determine the majority union.

d) Little government support

The government has shown little interest in CB because

- It does not have confidence in the bargaining strength of our trade unions

- It has fear of strikes and lockouts
- It has fear of the communists gaining in strength, and
- It has apprehension of the planned economy being disrupted by inflation, etc.

In a planned economy the overall industrial relations is sought to be developed taking into account the overall objectives of the nation and government fiscal, monetary and industrial policies. Hence the unadulterated bilateral negotiations without the states involvement are not possible.

9.9 CB IN CENTRAL PUBLIC SECTOR UNDERTAKINGS

CB in central public sector undertakings is done according to the guidelines issued by department of public enterprises (earlier known as bureau of PE) this department gives the contents and limits of financial commitments which a PE can make with the unions during the course of the bargaining. However, in many instances these limits are circumvented by the management by making gentleman's promises with the unions on several issues outside the written agreement and implementing these promises over a period through administrative orders.

In core industries like steel, ports and docks and banks , CB is done at the national level for the industry as a whole. Thus, in steel industry, one main collective agreement is entered into by the national joint consultative forum on behalf of all private and public sector steel units with their unions.

This is followed by several supplementary agreements being entered into at the plant level to cover the aspects not covered in the national level agreements. Such centralized bargaining has resulted in creating uniform wage structure and fringe benefits patterns in all public sector units irrespective of the nature of the industry (labour or capital intensive) and the paying capacity of a unit as determined by its financial performance. This is in sharp contrast to a pvt. Sector unit where its wages and fringe benefits are more geared to its specific requirements and circumstances.

9.10 RECOMMENDATIONS OF NCL

The national commission on labour (NCL) made the following recommendations and observation on CB in India.

- 1) The record of collective agreement in India has been satisfactory though there is scope for improvement. Hence, its extension to a wider area is certainly desirable.
- 2) While CB is important, any sudden change replacing adjudication by a system of CB is neither called for, nor practicable. The process has to be gradual .
- 3) Conditions have to be created to promote CB. The most important among them is statutory recognition of a representative union as a sole bargaining agent. The place of strike and lockout

in the overall scheme of industrial relations must be clearly defined. CB cannot exist without the right to strike and lockout.

9.11 OTHER SUGGESTIONS

- 1) Unions should be made strong so that they are able to honour the terms of CB. They can be made strong the following ways.
 - a) By excluding minority unions from industrial relations right such as right of bargaining or right to carry labour disputes to conciliation or industrial tribunals.
 - b) By freeing unions from political control and building new leadership.
 - c) By making secret ballot, rather than check off membership the test of unions majority status.
- 2) Adequate statutory provisions should be made to make agreement cover all the workers.
- 3) On the failure of the negotiation both the parties should have equal right and freedom to strike work or to declare lockout.
- 4) In addition to the existing authorities under Industrial Disputes Act, one more authority should be constituted to promote CB.
- 5) Each party should cultivate the right type of attitudes towards the other party.
- 6) Each party should develop the skill to understand the view point of the other party.
- 7) A tradition of successful CB should be built.
- 8) CB should usually be reported to in settling disputes concerning interests only. Disputes concerning rights should not be magnified into CB issues and should be better settled through grievance machinery.

9.12 LET US SUM UP

We have learnt so far various aspects of CB, which is a must for healthy growth of industry, employer and employee, If it is properly adopted, then all parties will be benefited and it will help the development of the nation. If misunderstanding creeps in the evil effects set and mar the development of economy and the nation. Hence the need for CB.

9.13 TERMINAL QUESTIONS

- 1) Discuss the nature, structure and the role of CB. Outline an ideal process of CB.
- 2) Describe the requirements of an effective CB. State the points which should be remembered in a negotiation process.
- 3) Has CB flourished in India? If not what are the reasons? How can you make it work in India?
- 4) Examine the role and limitations of CB in Indian industries.
- 5) What is CB? What are its main features? State the necessity and importance of CB.
- 6) Write a shortnote on CB in India.
- 7) What is the importance of CB in industrial relations? Is CB successful in India?
- 8) What are the important contents of a CB agreement?
- 9) Discuss the emerging trends in CB in India. What factors hinder its growth and how to mitigate them?
- 10) Too much legislations and governmental interference are great enemies of success of CB in India. Comment .
- 11) Discuss the role of CB in personnel management. What are the essential conditions for successful CB?
- 12) Describe the methods of CB. Assess its effectiveness as a means of settling industrial disputes.

9.14 REFERENCE BOOKS

Tripathi & Gupta	-	Industrial Relations
Sarma A M	-	Industrial Relations
Prasad L M	-	Human Resource Management
Aswathappa	-	Human Resource and Personnel Management

NOTES

A series of horizontal dotted lines for writing notes, spanning the width of the page.

BLOCK - IV :

UNIT 10 : TRADE UNIONISM

Structure

- 10.0 Objectives
- 10.1 Introduction
- 10.2 Meaning and Definition
- 10.3 Characteristic features
- 10.4 Functions of trade unions
- 10.5 Why do workers join trade union ?
- 10.6 Growth of trade unionism or Trade union movement in India
- 10.7 Profile of major Trade union organizations
- 10.8 Let us sum up
- 10.9 Terminal Questions
- 10.10 Books for reference

10.0 OBJECTIVES

After studying this unit you will be able to:

- Give the meaning of trade union
- State the reasons why people join trade unions
- Explain the functions of trade unions
- Describe the TUM in India.

10.1 INTRODUCTION

All the entrepreneurs started business or industry with the objective of making some amount of profit. The person who wants to achieve the objective with which he started an industry always try to get all the required resources at as less price as possible. On the contrary the suppliers of these resources try to get as more price as possible for their product which are inputs to the organization. Human Resource joined the organization with the intention of getting more and more reward but nobody wants to do more work and they hesitate to take responsibilities. This opposing ideology leads to conflicts. To resolve this conflict through collective action and to protect their interest workers working in an organization join together and form some associations such associations are called as trade unions with the same objective (to protect their interest) the employers join together and form their own associations they are called Traders union. As Traders union is not a part of our syllabi. Let us try to discuss various aspects TU in this unit.

10.2 MEANING AND DEFINITION

Different people define T.U differently. Let us look into some definitions given by various authorities in this regard.

American Federation of Labour has defined trade union as “an organization of wage earners to protect and promote their interest and enable them to contribute according to their ability and experience to social and industrial enterprise”.

According to Shri. V.V. Giri, former president of India trade unions are “voluntary organization of workers formed to promote and protect their interests by collective actions.

Dale Yoder defines it as “a continuing long term association of employees, formed and maintained for the specific purpose of protecting and advancing the interests of members in their working relationships.

According to G.D.H. Cole “A trade union is an association of workers in one or more professions- an association carried on mainly for the purpose of protecting and advancing the members economic interests in connection with their daily work”.

The Labour Code of Russia defines trade union as “an association of producers in which citizens employed for remuneration in state, co-operatives and private undertakings and business institutions. The union acts for its members in all negotiations with various institutions and represent them at the conclusion of agreements and contracts and in all discussions of questions relating to labour and social welfare”.

Roverts Dictionary of industrial relations, defines trade union as “an association of workers in a particular trade or craft organised to promote a common interest through negotiations of wages, hours of work and other conditions of employment”.

The Trade Union Law of China defines it as “a mass organization of the working class formed on a voluntary basis including manual or non-manual wage earners in enterprises, institutions and irregular employments whose wages constitute their sole or main means of livelihood”.

The British Trade Union Act 1953, defines trade union “as a combination with the main objective of the relationship between workmen and masters or between workmen and workmen or between masters and masters for imposing of restrictive conditions on the conduct of any trade or business and also provision of benefits to members”.

The Trade Union Act 1926 of India, define trade union as a combination, whether temporary or permanent, formed (1) Primarily for the purpose of regulating the relation between (a) workmen and employers or (b) between workmen and workmen , or (c) between employers and employers (2) for imposing restrictive conditions on the conduct of any trade or business and includes any federation of two or more trade unions.

From the analysis of above definitions we can make the following observations as for as the meaning of TU is concerned.

1. It is an association of employees
2. It may be a temporary or permanent body to achieve some specific objectives
3. TUs are formed to secure economic benefits to the members (workers)

10.3 CHARACTERISTIC FEATURES OF TRADE UNIONS

From the analysis of above definitions we can list the following characteristics of trade unions.

1. **The trade union is an association of workers.** Even though it is an association of workers some times workers allowe employers to join their unions and vice versa. Such associations are regarded as quasi unions. But usually workers or wage earners join together and an association.
2. **TUs are relatively permanent :** TUs are not temporary ore casual. Because TUs are required to perform their activities through out the year as and when the situation warrants. So TU activity

is not a one time affair but, it is a continuous process. Conflict may arise between management and the workers at any time on various aspects relating to determination of wages and other conditions of employment. So permanent existence of TU is essential.

3. **TUs are formed for securing economic benefits to workers:** The very purpose of forming a trade union is to promote and protect the interest of workers. Advancing the economic aims of its members is the sole purpose of trade union.
4. **The character of TUs has been constantly changing:** Every change in technology and system of production creates fresh problems. TUs change their methods and their working to adjust themselves to changing circumstances. Therefore there has been no finality about trade unions working and their methods.
5. **The origin and growth of trade union is influenced by number of ideologies** Social, economic and even political movements have influenced trade unions in one way or the other. Marx and Engels', Theory of class war influenced trade unionism in a number of ways..

From the above explanation four characteristics of modern TUs are like this.

- a. It is economic oriented
- b. It is an instrument of defence
- c. It implies class distinction
- d. It is an outcome of an individualistic society.

10.4 FUNCTIONS OF TRADE UNIONS

The trade unions (Trade Union Movement) were started with the idea of acquiring collective strength for

- 1) Protecting and advancing terms and conditions of employment of its members.
- 2) Negotiating and settling terms and conditions of employment and remuneration
- 3) Improving status, efficiency and standard of living of the workers.
- 4) Promoting economic and social interests of its members.
- 5) Undertaking welfare activities for the benefit of the worker. If the state has not assumed that responsibility.

From the above points it is clear that the primary function of trade union is to promote and protect the interest of its members.

Originally the only function of trade unions was economic, that is, protecting workers from exploitative employment and working conditions, and use their collective strength to ensure fair wages, good working condition, safety measures, weekly rest and leave facilities to the workers.

At present some trade unions in addition to the above economic function undertake,

- 1) Welfare activities to improve the quality of work life. Some important welfare activities are, organization of mutual fund, co-operative societies to provide housing, credit, cultural programmes, banking and medical facilities and training for women on various crafts to help them to supplement their family income.
- 2) Educating the workers on various aspects of their working life including improving their civil life. Educating the workers regarding the environment around them. Trade unions creates awareness in the minds of the workers regarding their statutory and other rights and responsibilities. Some central union organizations are also assisting the government in implementing workers education scheme.
- 3) Publication of periodicals, news letters or magazine for establishing communication with their members. This is to create awareness in the minds of the workers about union policy and issues relating to personal matters of members, such as births, deaths, marriages, promotions and achievements.
- 4) Recently some unions started conducting research with the intention of providing updated information to union negotiators. Some research activities are;
 - a) Collection and analysis of wage data including fringe benefits, and other benefits and services through surveys of comparative practices, data on welfare activities and working condition.
 - b) Preparation of background notes for court cases and also position papers for union officials
 - c) Collection and analysis of data relating to industry and economy.

The above mentioned functions are considered as normal activities of trade union under the Trade Union Act 1926, which stipulates the objective on which general funds of the union can be spent.

The national commission on labour pointed out, following are basic functions of trade unions.

- 1) Securing fair wages to their workers.
- 2) Creating and increasing opportunities for promotion and training
- 3) Improving working and living conditions

- 4) Providing educational cultural and recreational facilities
- 5) Facilitating the technological advancement by broadening the understanding of workers
- 6) Promoting and identifying the interests of the workers with their industry.
- 7) Offering responsive co-operation in improving levels of production and productivity, discipline and high standard of quality.

Besides the basic functions as we have mentioned in the above para the commission also entrust some other functions. They are as follows.

- 1) Promotion of national integration
- 2) Generally influencing the socio-economic policies of the community through active participation in their formulation at various levels.
- 3) Creating in the minds of their members a sense of responsibility towards the industry and the community.

All the above explained functions can be divided as follows.

- a) Militant or protective or intra- mural functions.
 - b) Fraternal or Extra- Mural functions
 - c) Social functions
 - d) Political functions
 - e) Ancillary functions
- a) **Militant or Intra-mural functions:** These includes protecting the interest of the workers such as hike in wages. Providing more benefits, Job security etc. through collective bargaining and direct action such as strikes, gheraos etc.
 - b) **Fraternal or Extra-mural functions:** TUs provide both financial and non-financial assistance to workers during the periods of strikes and lock- outs, extension of medical facilities during sickness and causalities etc. These functions performed by the Trade Unions are called as fraternal function.
 - c) **Social functions :** These functions include carrying out social service activities, discharging social responsibilities to various segments of the society.
 - d) **Political functions:** This includes getting political affiliation for the union helping the political party at the time of enrollment, collecting donations, canvassing during the election period, seeking the help of political parties during strikes and lock-out.
 - e) **Ancillary functions includes :** Communication , welfare activities, education and research.

10.5 WHY DO WORKERS JOIN TRADE UNIONS ?

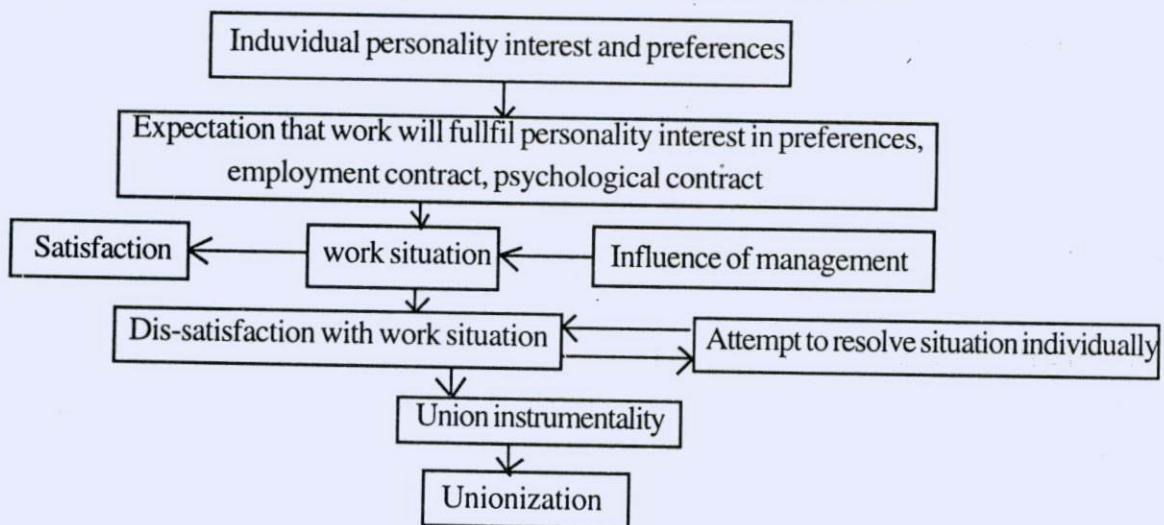
As we have discussed the meaning, characteristic features and functions of trade unions now let us try to discuss why and what are all the reasons which made the workers to join trade unions?

In the past less wages, long hours of work were the reasons responsible for unionization. But after the enactment of various legislations collective bargaining power in the organized sector becomes very strong. So the position of industrial workers is not that worse. However in the un-organized sector workers suffer from the same problems.

But at present increase in literacy, awareness and economic conditions workers voluntarily started forming unions. Following are the major reasons responsible for the formation of trade union.

- 1) All the workers wants steady employment and adequate regular income, therefore to ensure continuity in their work and income they form union.
- 2) To have a check on the actions of employers and to avoid problems which arise due to decisions of management regarding transfer, lay-off, promotion, punishment etc according to their whims and fancies.
- 3) In-order to express grievances workers need an established channel of communication. It is possible for the workers to convey their feelings, openions re-actions etc. through the union. If any worker without a strong and stable union give his suggestion that will be neglected. So to get recognition for individual feelings, openion, suggestion people join trade unions.
- 4) Workers want some security against the happening unforeseen contingencies which leads to illness or death. Therefore to fight for protection and compensation for the loss, workers join union.
- 5) Some times workers join trade union because the membership of the association bring a sort of status or prestige to them.

The chart given below shows why people join trade union in a summarized form.



From the above diagram it is clear that every individual join an organization as a worker with his own interest, and preferences. He joined the organization with the intention of fulfilling such interests from the work he performs. If everything in the organization moves in the positive direction (working condition and management) he will get satisfaction. Hence there is no need of any association or union on the contrary if the situation is not in his favour he will be dissatisfied and if he is individually unable to resolve the problem. Then he look into the help from others in the form of unions. Hence, the basic reasons which made the people to join trade union are

1) Dis-satisfaction

2) Lack of power

3) Union instrumentality

- 1) **Dis-satisfaction:** Employee become dis-satisfied when wages, working conditions, security and nature of work is not in accordance with the employment contract. If he express his feelings individually the management does not care far. Therefore he will make an attempt to join union and protest against exploitation through unionization.
- 2) **Lack of power:** An individual who's job is irreplaceable he can fight individually for the cause. On the otherhand if his service and position is replaceble by other he cannot go easily against the employer. Hence, usually employees who don't enjoy monopoly will go for unions as they are unable to fight alone. And there is a strength in unity.
- 3) **Union instrumentality:** Union is a powerful instrument in providing and safeguarding the interest of workers. It is also usually strong in achieving the economic, psychological and social goals. Workers perceive union as a means to reduce dis-satisfaction. As they compare cost and benefits of forming unions it seems better to be a part of the union which in course of time may be of great help. Therefore to use union as a means for achieving individuals goals people join unions.

10.6 TRADE UNION MOVEMENT IN INDIA OR GROWTH OF TRADE UNION

Trade unionism in India is the outcome of factory system of production and the capitalistic order of the society. Though the germs of labour or trade union movement were found in the last quarter of 19th century some organized trade unions came into existence during the first quarter of 20th century. The labour movement in India has passed through different stages of its development. The different stages of TUM are as follows.

1) Social welfare period from 1875 to 1918: First cotton mill was established in Bombay in the year 1854 and first Jute mill was established in Calcutta in the year 1855. This was the starting of factory system of production in India. After this, number of industries came into existence both in Bombay and in Bengali. Because of the absence of legislations to protect the interest of the workers the capitalists

during this period started exploiting the workers. They employ women and children, pay fixed by them, bad working conditions, long hours of work etc. By looking in to the worst condition of workers, in 1875 some social reformers under leadership Mr. S.S.Bengalee started an agitation in Bombay. They urge to introduce some legislations to improve the working conditions. As a result first factory commission was appointed in the year 1875 itself. As per the recommendations of the commission first factories Act was passed in 1881. But nothing substantial come out of it. As a result social reformers were disappointed.

Mr. N.M.Lokhande who himself a factory worker arranged a labour conference at Bombay. The conference make representation for the appointment of another factory commission. As a result a new factory commission was appointed in 1884, as no redress was affected by Government. Lokhande convened a meeting of about 10000 workers at Bombay in 24th April 1890 and drew up a memorandum containing demand for limitation of working hours, weekly rest, mid-day rest and compensation for injuries.

As a result of all these a new factories Act was passed in 1891. It provides various provisions to protect the interest of the workers or in other words this act fulfilled some demands (weekly rest, compensation for injuries) submitted by the conference. Encouraged by this success, Mr.Lokhande organized Bombay Mill Hands association. He was elected as the president. This was the first labour association in India. He also started a news paper called Dinabandhu (A friend of the poor) to give information to the workers about the growth of TUs

After 1890 many labour associations were started in the country. Some important associations are Amalgamated Society of Railway Servants 1897, the printers union of Calcutta in 1905, the Bombay Postal Union, the kamgar Hithvardhak sabha and the social service league in 1906. They discussed the problems connected with labour, gave definite shape to the grievances of workers, represented their case before the government and pressed for suitable labour legislation. Even though all these things (developments) took place conditions for the growth and development of organized trade union was absent.

The labour movement in India during that period, was wholly un-organised and social in character the labour organizations formed during this period lacked definite aim and constitution there was no strike to get the demands fulfilled and the leaders woked mostly in an advisory capacity. There was no strike to get the demands fulfilled.

2) Early Trade Union period – 1918-24: 1918 is an important year in the history of Indian trade union movement. It was marked as the start of new era. During 1918 the leadership of trade union passed from the hands of social workers to politicians. After the first world war the worst economic and social conditions and the flow of new air in the field of politics contributed to the new awakening. During this period attempts were made to organize trade unions systematically. The credit of forming the first industrial union on a systematic basis goes to Mr. B.P. Wadia. He organized the Madras Textile union which happens to be the first union in the modern sense in 1918. Between 1919 and 1923 number of unions

came into existence in the country at Ahmedabad. Because of the encouragement given by Mahatma Gandhi occupational unions like spinners union and weavers unions were established. The spinners and weavers union join together and form a federation in the name of textile labour association of Ahmedabad.

On October 30th 1920, the AITUC was started through a meet of 1,40,854 members representing 64 different trade unions under the chairmanship of lala Lajpat Rai, Leader like, C.R.Das, Sardar Vallabhai Patel, Motilal Nehru, Jawaharlal Nehru, Subhash Chandra Bose and G.L.Nanda of national congress had supported the chairmen. The number of unions increased mainly in textile and railway industries.

3) Period between 1924-34: This period was called as the period of left wing trade unionism. During this period the communists captured the labour movement, there was a split in trade union congress twice and conducted some of the most violent strikes in India. The main cause was the economic hardship of the workers.

At the Nagpur session in 1929 a split took place in the AITUC. The moderate section under the leadership of N.M.Joshi, V.V.Giri, Diwan Chamanlal set up a new organization in the name of National Trade Unions Federation for co-ordinating the activities of non-communist trade unions. At the Calcutta session of AITUC in 1931 another split took place and the extreme leftwing under the leadership of S.A.Deshpande and B.T. Randive formed all India Red Trade Union Congress. The influence of communists re-asserted itself but in 1934 Government of India declared the communist party as unlawful association.

Thus this period showed split and dis-unity in the trade union movement three major unions namely AITUC, AITIF and RTUC were formed during the period.

Period between 1935-38: This period was called as trade unions unity period. The split in trade union between 1924-35 made the workers to suffer in the hands of employers. In 1933 more than 50000 workers lost their jobs, and almost all the mills in Bombay reduced the wages of the workers. By this some leaders try to bring back unity among trade unions. For this purpose Trade union unity committee consisting of both the wings was formed under the leadership of Railway federation.

Even though national trade union federation was formed in 1933 AITUC and RTUC remained outside. In 1935 RTUC merged with AITUC and NTUF was dissolved and merged with AITUC by 1938 AITUC emerged as the sole representative of the Indian working class.

Period between 1939-45: It was the period of 2nd world war and gave further importance to the growth of trade unionism. There was a change in the attitude of employers and the government as well. During this period there was a split in AITUC on the issue of deciding India's role in the 2nd world war. The Radical democratic party under the leadership of M.N.Roy, J. Mishra and others supported the participation of India in the war. On the contrary large number of people under the leadership of S.C.Bose opposed it. Thus AITUC was divided and Indian Federation of Labour was formed by Radicals in 1942. The IFC became very popular, but dis-unity affected the movement.

After Quit India movement as many congressmen were arrested, once again communist took charge of the labour movement in our country. The rivalry between NFL and AITUC was intensified and as a result some socialist leaders of non-congress and non-communist nature formed a separate labour front. Thus after the war direction of the movement was totally changed.

Post war and Post independence period – 1946 to Globalization: The deteriorating economic conditions of the workers due to rapid increase in cost of living during and after the war made the workers conscious of the need for making organized efforts for securing relief. There was a marked increase in the number of unions. At this time Hindustan Mazdoor Seva Sangh set up by the Gandhi Seva Sangh in 1937 to organize labour throughout the country on Gandhian principles, was acting as an advisory body with its various member unions attempted to change the policy of AITUC proved futile. The labour leaders of congress party felt the necessity of forming new central union organization. Thus INTUC was formed in 1948. In 1949 some splinter groups form HMS with the emergence of Jana sangha BMS was formed in 1955.

At present there are about more than 50000 registered unions in India affiliated to one or the other central organization like INTUC, AITUC, HMS, CITU, UTUC etc.

Trade union movement after Globalization from 1990 and onwards : Up to 1990 Trade unions played a dominant role in the country. They started exploiting the employers by going for a strike for simple issues. But after Globalization and in the wake of recent supreme court Judgment, the new labour policy and the changed attitude of employees towards unions changed the role of trade union from controller to the co-ordinator. Now trade unions are for conducting cultural activities to their members.

10.7 PROFILE OF MAJOR TRADE UNION ORGANIZATIONS

(1) INTUC - Indian National Trade Union Congress

Because of the tussel between leaders of congress party and communists INTUC came into existence on 4th may 1948, as a result of the resolution passed on 17th November 1947. It has political affiliation with national congress party. It is also known as labour wing of congress party. About 4428 different unions having a membership of more than 54.36 lakh workers affiliated with this. It was inaugurated by Shri. Acharya T.B. Krupalani in a conference attended by great leaders like pandit Neharu, Babu Jagjivan Ram, R.S Shukla, Arun Asaf Ali, S.C. Banarjee which was presided by Sardar Vallabhai Patel.

The INTUC is associated with ILO, and its basic objective is social transformation through peaceful means of Gandhian Philosophy namely trusteeship, ahimsa and truth. It believes that the difference between workers and employees can be removed through negotiation, conciliation and adjudication. It published an English weekly **Indian worker** and its Hindi version **Mazdoor Sandesh**.

AITUC: All India Trade Union Congress: It was established in 1920 as a result of Bombay workers conference held on 31st October 1920 eminent leaders like Motilal Nehru, M.A Jinnah , Mrs. Annie Besant and Sardar Patel have attended this conference. The first president of AITUC was LalaLajapath Ray. It has political affiliation with Communist Party of India (CPI) for about 2996 different trade unions having a membership of more than 29.74 lakh workers affiliated with this.

Its objective is to Justice to working class through legitimate, peaceful and democratic methods such as legislation, education, propaganda, mass meetings, negotiations, demonstrations and if needed strikes and other means as decided by the union. It is affiliated to world federation of trade unions. It published a bulletin called **vishwa Darshna**.

HMS: Hind Mazdoor Sabha:

It was established in 1948. It is an organ of Praja Socialist Party. Members who are not happy with pro-congress polices in INTUC and pro-communist policies in AITUC formed this with a view to establish democratic socialistic society through peaceful, legitimate and democratic methods.

BMS: Bharatiya Mazdoor Sangh:

It was established in 1954 under the leadership of Sri. B.P. Thengadi. It is a productivity oriented non-political trade union aimed at nationalizing the labour, labourising the industry and to industrialise the nation. It is first of its kind to bring consumer as a party to industrial relations. Now it has a political affiliation with Bharatiya Janata Party. About 2871 different unions having a membership of more than 40.81 lakh workers are affiliated to it.

UTUC : United Trade Union centre was started in 1949 with an objective of making TUM free from political parties, and to establish socialist form of society in India to safeguard and promote the interest of working class in all matters social , cultural , economic and political through peaceful and democratic methods.

10.8 LET US SUM UP

The voluntary association of workers formed to promote and protect the interest of workers is known as trade union. TUs are formed with objective securing fair wages, good condition at the place of work etc. to its members.

TUs perform variety of functions they can be classified into Militant or intra-mural functions, Fraternal or extra mural, social, political and Ancillary functions.

Workers join trade unions when they are unable to get their demands fulfilled individually. Union acts as an instrument to be used to get the demand of the workers fulfilled.

The TUM in India can be divided into following stages.

- 1) social welfare period from – 1875 to 1918
- 2) Early trade union period from 1919-1924
- 3) Left wing trade union period from 1924-1934
- 4) Trade unions unity period from 1935-1938
- 5) Post war and Post independence period
- 6) After globalizations

INTUC, AITUC, HMS, BMS, UTUC are the important central labour union organizations.

10.9 TERMINAL QUESTIONS

1. Define a trade union. Explain why do employees join trade unions?
2. Explain the functions of trade union.
3. Describe in detail various phases of TUM in India.
4. Write a note on INTUC, AITUC, and BMS

10.10 BOOKS FOR REFERENCE

- | | | |
|--|---|----------------------------|
| 1. Personnel Management and Industrial relations | - | P. Subba Rao |
| 2. Dynamics of Industrial Relations | - | C.B. Mamoria and S.Mamoria |
| 3. Human Resource Management | - | Arun Monappa |
| 4. Labour Economics | - | T.N.Bhagoliwala |
| 5. Personal Management and Industrial Relations | - | Latha Nair |

UNIT 11 : THEORIES AND STRUCTURE OF TRADE UNIONS

Structure

- 11.0 Objectives
- 11.1 Introduction
- 11.2 Theories of trade union
- 11.3 Structure of trade union
- 11.4 Let us sum up
- 11.5 Terminal Questions
- 11.6 Books for reference

11.0 OBJECTIVES

After studying this unit you will be able to

- Explain the various theories of trade union
- Describe the structure of TU
- Write a note on industrial union, craft union, federations and

11.1 INTRODUCTION

As we have understood the meaning, functions and different stages of Trade Union movement in the previous unit in India now let us try to discuss various theories of trade union. The origin of trade union has been interpreted in different ways by different authorities. Their views are expressed in the form of ideologies principles, approaches, theories or philosophies. The purpose of these theories have been to explain the basic motivating factors behind union organization, growth and bargaining policies. Now let us discuss some important theories of trade union.

11.2 THEORIES OF TRADE UNION

Study of the theory is essential to know answers to the following questions.

- a) What factors lead to the original organization of a union?
- b) What conditions are favourable to the formation of a union?
- c) What are the ultimate goals of trade union?
- d) How will these affect the political, economic and social structure of the country in the long run.

These questions are inter-dependent and an answer to one will determine the answers to the others.

1. Robert F.Hoxie's Social Psychological approach :Robert F.Hoxie's interpretation about the origin of trade union is that trade unionism is because of economic reasons but they develop due to socio-psychological environment of the workers. His reasoning is said to be pluralistic or casual. According to him unionism affects not only production but also employers right to run his business according to his whims and fancies workers right to work, ethical standards, profits and wages, law and order situation etc.

Workers who have equal economic and social status and having some temperament and training develop some common interpretations about social problems and solution to such problems. According to Hoxie unionism is a group of like minded people. It is the result of group psychology which grows out of its environment conditions and temperamental characteristics of its members. If there is no unanimity

in the group psychology it leads to the development of different types of unions. Based upon the structure and functional operations he classified the trade union as business unionism, friendly or uplift unionism, revolutionary unionism and predatory unionism. He is of the view that unionism is not a unified consistent entity, it is not unitary at the bottom. It plays a dominant role in the organizations in making them to carry on their business democratically.

2. Sociological theory of Frank Tannenbaum

Frank Tannenbaum is of the view that the origin of trade union is spontaneous and unpremeditated. It is inherent in the growth of capitalism. Unions are the reactions of workers against the philosophy of individualism. After industrial revolution with the introduction of machines, individual workers life became mechanised and dependent on others. According to Tannenbaum workers form unions to make their bargaining more effective, which is essential to fulfill their urge of social identity. However we maintained that trade unions simply re-activated the existing union in the factory, industry, mine etc.

Hence according to him trade unions are originated along with the establishment of shops, factories mines and industries. Thus his argument is that as man is a social being in order to fulfill the urge for social recognition and problem solving purpose he formed trade unions.

3. Karl Marx's Theory : (Class less society approach) : The first person who wrote about trade unions was Karl Marx. He considered trade union as an instrument of working class to fight against capitalistic exploitations. According to him the emergence of working class and their exploitation, low wages, by giving them in-human working conditions, long hours of work were the major reasons responsible for the origin of trade unions.

Karl Marx is of the view that working class started organising due to capitalists and working class tendencies. They are as follows.

1. Concentration of wealth and economic power in the hands of few capitalists.
2. Reducing the wages with the interest of making huge profits which aggravated the workers agitative spirit.
3. Continued economic crisis as wealth and capital were in the hands of few.

Hence according to Marx industrial capitalism is the root cause for trade unionism. In his **Communist Manifesto**, he along with his colleague **Frederich Engels**, stated development of industry leads to increase in number of proletariat (workers), it also to concentration of wage earners in greater masses. The various interests and conditions of life with in the ranks of the wage earners are more and more equalized in proportion as machinery obliterates all distinction of labour, and nearly everywhere wages were reduced to the same level. The increasing competition among the burgeois and the resulting commercial crisis make the wages of the workers even more fluctuating. The increasing improvement of machinery, the collision between individual workmen and individual bourgeois take more and more the

character of collisions between two classes. Hence, workers begin to form trade unions against bourgeois. They club together in order to keep up the rates of wages, they found permanent association in order to make provisions before hand for these revolts.

Thus competition due to the concentration of industries divide the interests of workers, but the common cause of maintaining high wages unites them to face general and common competition from capitalism.

4. Selig perlman's scarcity concious-ness approach : On the basis of his analysis of the labour movement in Russia , Germany, Great Britain and United States, Perlman came to the conclusion that three factors basic in labour situations. They are

- a) Resistance power of capitalism , determined by its own historical development.
- b) The degree of dominance by intellectuals on labour movements
- c) The degree of maturity of trade union.

According to him unionism developed because of workers scarcity consciousness. Workers think that their economic position cannot be improved because the income earned by them is sufficient to meet minimum essentials of ordinary life. They aware of their limited capacity to cope with the changes in business world. At the same time capitalists are blessed with lot of opportunities. Workers formed unions to strike the best wage bargain possible against the bargaining capacity of employers. According to perlman trade unions are not revolutionary but opportunistic to respond to competitive environment and to control the Job situation.

5. KDHM Model

Kerr, Dunlop, Harbison and Mayers who were not satisfied with earlier theories developed their own model which is popularly known as KDHM model. They are of the view that trade unions came into existence not because of capitalism but due to industrialization. This theory states that industrialization creates workers associations everywhere but, they may differ widely in their functions, structure, leadership and ideology. Workers protest is inherent in industrialization due to stress and strain of work. However the protest of the workers may take different form (shape) like absenteeism, high labour turnover, sabotage, strikes etc, based on the commitment and other conditions.

The organized form of mass protest of workers leads to the formation of union which the authors of KDHM model call "labour organization."

According to this model labour organizations are natural to industrialization, their nature and attitude depends upon the leaders of industrialization whom the authors called elites. Five types of ideal elites are, identified they are dynastic, middle class, the revolutionary intellectuals, colonial and naturalist. Trade union functions, structure, and ideology are different under leadership of these elites.

Under the dynastic elite leadership, unions undertake social functions at the plant level and also indulge in political activity. Leadership is provided by intellectuals with a political bent of mind. In this case unions are ideologically class-conscious and revolutionary. By forming large associations having affiliation with central federation union formed under this leadership challenge the employers.

Under middle class elite leadership, the unions undertake the task of management at the industry level. But they are not in a position to challenge the employers. In this case unions are lead by workers themselves ideologically they are reformists.

In case of **revolutionary intellectual elite** leadership, union act as an instrument in educating and leading the workers. The unions here stimulate production as well as political activity. Here leadership is provided by the party leader who have experience of running workers organisations

Colonial elites lead the unions which functions largely as a part of the independence and nationalist movement. Ideologically they are anticolonial and fight for freedom. The spirit of freedom promotes the workers to unite and light for the cause. However the chances of dividing such unions on the basis of region or ideologies .

In case of **Nationalist elite** leadership, workers associations work for conflicting objectives of economic development and protection of workers. Here leadership is provided by national leaders and intellectuals. Generally these associations have affiliations with big federations working for nationalist ideals.

Hence, according to KDHM model unions are natural but their functions and structure are based an their leadership of industries.

6. Gandhiji's Theory:

Mahathma Gandhi's Philosophy is based upon the "Sarvodaya" principles of **truth, non violence and trusteeship**, in which class harmony prevails. M.K.Gandhi is of the view that trade unions are reformist organizations and economic institutions. They (TUs) must be organized on the assumption that capital and labour are supplementary to each other.

According to Gandhiji the objectives and policies of trade unions are: It is not anti capitalist. The idea of union should be to get their due share without paralyzing capital. TUs should also perform such functions to make the labourers self reliant by taking up some more activities in addition to their job in the organization. This helps to lead the life during strikes.

7. Webb's non-revolutionary or Industrial democracy theory

Sydney and Beatrice Webb the dominant leader of labour party in Britain. Based on their experience they developed a theory of trade union. They are of the view that workers form union for the purpose of maintaining and improving the conditions of their work life. They argued that industrial revolution was not

the cause of trade unionism. The separation of direction of industrial operation and execution functions were responsible for the emergence of unionism. In their opinion to overcome the managerial dictatorship and to strengthen the individual worker and to give them support to determine the conditions under which they work, workers formed unions. Trade unions are formed to equate the bargaining power of operators and executors, labour and capital by adopting common rules. They are not formed to use as an instrument to fight against capitalism.

11.3 STRUCTURE OF TRADE UNIONS

The structure and type of trade unions vary from country to country. The trade unions can be of two types.

- a) The purpose for which they are formed and
- b) The composition of membership

a) On the basis of the purpose for which they are formed TUs can be classified into Reformist and Revolutionary unions.

Reformist union: These unions are formed with the aim of preserving capitalist form of society. They don't want a comprehensive change. They wish to retain the existing social, economic or political structures. These unions always try to modify these conditions in accordance with the changes in their members due to change in the society.

Reformist unions may be of two types namely business and uplift unions. Business unions are those unions which are maintained to represent workers in collective bargaining with their employers. They are generally be craft or Job conscious than class conscious. Reformist unions use peaceful means to achieve their objective through arbitration. On the other hand uplift unions which are also known as friendly unions which are idealistic in nature. They aspire to elevate (improve) the moral, intellectual and social life of workers. They are usually interest conscious and class or craft conscious in nature. These are conservative and law abiding. They use collective bargaining as a means to achieve the objectives.

Revolutionary unions: These unions aimed at destroying the existing order and installing new ideas that are preferred. The revolutionary labour unionism wish to destroy the capitalistic system, to abolish wage system and private property. They preferred solalistic system in place of capitalistic system. It is extremely class conscious rather than trade conscious.

These unions can be divided into Political and Anarchist unions.

Political unions are those which gain power through political action. These are done through enactment of laws, eliminating power of capitalists, redistributing wealth and giving effective power to workers.

Anarchist unions are those which try to destroy the existing economic system by revolutionary means.

b) On the basis of the composition of membership the TUs can be classified into following categories.

1) Craft unions: It is an association of workers engaged in a particular craft, trade or occupation. This union organize the workers who have similar skills, training and specialization. This type of unions are found in case of non-manual employees and professional workers.

Eg: Teachers union, Doctors union, Engineers unions, Actors union, Journalists union etc.

These unions are craft conscious rather than class conscious. Because of the strategic position enjoyed by their workers these unions derive power. These are horizontal in character as similar type members form this union. These unions provide only the barest minimum of associative integrations.

2) Labour union : These unions are formed by the wage earners irrespective of their skill, occupation and industry. It works at local, regional, national or even international level and is capable of political actions.

3) Industrial union: It is an organisation of workers working for a particular industry irrespective of their job skill etc. As it is an union of all types of workers from top to bottom it is also called as vertical union.

4) Federations: It is an association of registered and recognized trade unions. These are formed for the purpose of gaining strength and solidarity. Federations usually do not engage in direct negotiations or collective bargaining. However they perform functions through affiliated unions.

Eg. For federation are INTUC, HMS, CITU, All India bank employees federation, The All India railwaymen federation etc.

11.4 LET US SUM UP

The fundamental reasons responsible for the origin and growth of trade unions can be understood by referring theories, approaches or philosophies developed by various stalwarts in this regard. The important theories are Karl Marx's theory, KDHM model Gandhi's approach etc.

The trade unions can be classified into different categories based on the purpose for which they are formed and the composition of membership.

On the basis of the purpose for which they are formed TUs can be classified into two types. Reformists and Revolutionary unions. On the basis of composition of membership they can be classified into craft, Industrial, general labour unions & labour federations.

11.5 TERMINAL QUESTIONS

- 1) State the reasons responsible for the emergence TUs in India.
- 2) Explain in detail the KDHM model.
- 3) Discuss the various types of unions.
- 4) Write a note on
 - a) Reformists union
 - b) Labour federation
 - c) Mahathma Gandhi's approach

11.6 BOOKS FOR REFERENCE

- | | | |
|--|---|----------------------------|
| 1. Personnel Management and Industrial relations | - | P. Subba Rao |
| 2. Dynamics of Industrial Relations | - | C.B. Mamoria and S.Mamoria |
| 3. Human Resource Management | - | Arun Monappa |
| 4. Labour Economics | - | T.N.Bhagoliwala |
| 5. Personal Management and Industrial Relations | - | Latha Nair |

UNIT 12 : PROBLEMS OF TRADE UNIONS

Structure

- 12.0 Objectives
- 12.1 Introduction
- 12.2 Problems of TUs
- 12.3 Suggestions to improve the conditions of TUs
- 12.4 Let us sum up
- 12.5 Terminal Questions
- 12.6 Books for reference

12.0 OBJECTIVES

After studying this unit you will be able to:

- Explain the various problems of TUs
- Suggest measures to improve the conditions of TUs

12.1 INTRODUCTION

As we have discussed trade union movement, origin and growth of trade unions in the previous units, now let us try to understand the reasons responsible for the failure of our trade unions in achieving the objectives with which they come into existence.

12.2 PROBLEMS OR WEAKNESSES OF TRADE UNIONS

Though there are thousands of unions TUs fails to protect the interests of the workers. The major reason for the failure of TUs is that they suffer with some problems. Now let us look into the problems of TUs.

1) Political intervention in TUs: Management thinkers are of the view that trade union movement is the by-product of political movement. The TUM is started and developed because of the active support and encouragement of stalwarts of congress party. Even today almost all labour federations are affiliated to various political parties.

For eg.: INTUC - Congress I, AITUC – CPI, UTUC – RSP BMS - BJP and CITU – CPI (M)

Political intervention in TUM was a boon on those days because the political leaders at that time work with commitment and dedication to protect the interest of the workers. But now a days it became a bane because politicians of today join trade unions to achieve their own objectives (development).

In recent years there is a frequent split in political parties which leads split in TUs from plant level to national level. This split weakens the bargaining strength of the union and also leads to a problem of union rivalry.

2) Outside leadership: Almost all the trade unions are lead by outsiders who belongs to political parties. Outsider here means who is not the worker. Some eminent political leaders such as Jayaprakash Narayan, former president of India V.V.Giri, former union minister A.P.Sharma and George Fernandes all worked as trade union leaders.

George Meanly, the former president of the American Federation of Labour state that “a good union must be run by the members and for the members. There must be strong leaders, who are able and

willing to stand firm for what they believe is right against the might appear before them. But this requires active support of the unions.

The effectiveness of any trade union depends on the members who constitute the union and their leaders. Leading a trade union is rather a difficult task.

The following are the major reasons responsible for the emergence of outside leadership in our trade unions.

- a) Lack of proper education and literacy handicapped the workers in managing the unions themselves. As such they cannot effectively communicate with the management at the time of negotiation, conciliation etc.
- b) Workers who take active participation in unions in our system often run the risk of victimization by management. Hence they prefer an outsider to speak for their cause.
- c) Due to poor earnings workers want to work overtime as a result they don't have time to spend on union activities. Therefore they prefer outside leaders.

(4) Temporary nature of jobs and migrating attitude of workers, make them to change from industry to industry or from one union to another. This reduces the workers zeal in participating union activities, hence outsider will dominate.

(5) Indian workers are aware of the need for union, but they lack willingness to put in necessary efforts to build a viable and strong union of their own. The philosophy of contentment, fatalism and migration of workers open the doors for outsiders.

(6) Difference in language, cast, religion leads to dis-unity among workers and poor class consciousness, i.e. we are workers we belong to one community. It reduces their effectiveness in organising and it encourages outside agencies with different ideologies and approaches to enter in to union affairs

Effects of outside leadership

- (a) outside leadership undermined the purpose of trade union
- (b) it has been responsible for the slow growth of trade unions
- (c) by this it is not possible to develop internal leadership
- (d) most of the leaders cannot understand the problems of the workers.'

(3) **Multiplicity of unions and Union Rivalry** :- Because of the provision regarding the number of members required to form a union (Any seven members can join together and form a trade union) small difference among the members leads to the emergence of a new trade union. It leads to inter and intra union rivalry which breaks the very purpose of trade union.

Union rivalry is because of the

- (a) the desire of the political parties to have their basis among the industrial workers.
- (b) domination of outside leaders in our trade union.
- (c) all trade and policy of the management, that is divide and rule policy.
- (d) personal-cum – factional politics of the local union leaders.

Effects of Union rivalry

- (a) It affects on the number of members of the union at the factory level, industry level etc.
- (b) Frequent split in trade unions fails to get full co-operation from the workers which is essential to achieve the objective. Instead it encouraged dis-loyalty and Non-co-operation.
- (c) They develop the attitude of opposing even a good thing suggested by the rivals. Then it is easy for the employers to escape from the responsibility.

(4) **Small Size of Trade Unions.** The trade union Act permits any group of 7 members to establish an union. As a result 40% of unions registered in India are having a membership of less than 100. As a result of the poor membership and small size effectiveness of the union before big organization will be affected. Thus rivalry and exploitation among the union will start.

(5) **Financial Position;-** All of us know that finance is the life blood of any activity. It is like an oil to the engine. Like wise our trade unions are required to perform variety of functions they require huge amount of money. But in India most of the trade unions are not able to take up programmes which are imperative for the benefit of the workers as they are not financially sound.

The unsound financial position is because of low membership and lower rate of membership fee Trade union Act 1926, prescribed membership fee at 25 paise permonth.

The reasons responsible for weak financial position of TUs are

- (1) apathetic attitude of workers towards the trade union. Because of which they do not want to contribute out of their hard earned money.
- (2) the members make ad-hoc payment of their membership fee Instead of making payments regularly. This shows lack of commitment towards the union
- (3) Under the condition of multiplicity of TU, every union wants to increase its membership by lowering or by not collecting the membership fee regularly.

6) **Category Wise Unions:-** Certain categories of employees particularly the skilld, view that their interests are not protected by the industrial unions. Increasing complexities of modern industry is

responsible for the emergence of category wise unions selected workers think that these type of unions are essential to protect their interest. Therefore, particular category of employees form their own associations like drivers association in Indian railways. But category wise unions narrow down the trade union functions and weaken the bargaining power by disrupting the unity.

12.4 MEASURES TO IMPROVE THE CONDITIONS OF TRADE UNIONS

As we have understood various problems of trade unions which are like a vicious circle. Now let us try to understand various measures to minimize trade union problems and to strengthen TUM as it is not possible to find out complete solution to the problems what we have discussed sofar. Some of them are as followes.

- (1) By developing a United labour front with one policy, objective, programme and method we can eradicate most of the trade union problems.
- (2) outsiders entry into the TU is because of the absence internal leadership. Outside leadership is the main cause for the multiple problems of the trade unions. This problems can be eradicated by developing leadership talents among the workers. Management and trade unions should provide educational and training facilities for the development of internal leadership.
- (3) The membership fee fixed in 1926 Act at 25 paise should be raised as wages increased significantly over a period of time.
- (4) Trade unions should extend welfare measures to the members and should render social responsibilities efficiently and honestly.
- (5) The Ramanujam committee appointed and the National Labour Commission made some recommendations to improve the conditions of TUs. They recommend for an amendment to the trade union Act. The number of members required to form a trade union should be increased from 7 to 100.

In case of the organisations where number of workers is less than 100 then 10% of the total workers are required to form a union. Similarly the committee recommends to reduce the scope for outside leadership from 50% to 10% and to increase membership fee from 25 paise to Re 1

- (6) The TU Act should be properly amended to avoid dual membership.
- (7) There should be provisions for the recognition of representative union.
- (8) TUS should form a labour party and all trade unions in the country should be affiliated to it. It gives adequate strength to the trade unions both in the industry and also in the parliament.

12.5 MANAGEMENT OF TRADE UNIONS IN INDIA

As trade unions are like any other organization they also face some structural problems. Like any other organization. Trade unions require leadership, need resources (particularly finance) which is most important and all other survival requirements. In short they have all the problems of an organization. But even today much attention is not given to the management of TUS because people are of the opinion that these unions serve only a limited number of clientiles. Even the workers think that TUs are for and by leaders. Even though unions are like other production organizations management of trade unions is different from other organizations, Because in the organizations authority always flow down-wards but in trade unions authority flows upward. In trade unions members grant authority to the leader. Some times this authority is not a direct grant, but it is delegated upward. For example the members elects the committees and they elect the executive. As a result the strength of the union depends upon the co-operation of the members.

In case of TUS we found upward flow of authorities from members to the leaders and downward flow of exhortation and direction.

Trade unions are democratic organizations which are accountable to their members for their policies and actions. Unions are established in the following structure.

The people who pay subscription or the membership fee to the union become a member of that union. The members elect some representatives to represent with the management at the times of negotiation they are called union representatives. The local members elect the branch secretary and the branch support the union members of different organizations locally.

At the district or regional level some paid officers are appointed to give advice and support the unions.

At the national level there is a national office it is the headquarter of the union. It offer support to union members and negotiates with the management for the improvement of their working conditions. At the top of the organization usually there is a General secretary and a National Executive Committee, elected by the members of the unions.

The trade unions are organized in the following manner

The branch elected by the local members co-ordinates the trade union activities. Such as recruiting new members, acting as transmitter of general union policy to local members and suggestions, complaints and requests from local members to higher levels of the organization.

Regional organizations are established in the form of regional committees.

At the apex of the hierarchy there is a national committee and the national executive, consisting of the Union President/ Chairman, Vice-chairman, General Secretary and Treasurer.

As our trade unions are democratic organizations every policy decisions are taken by the national congress.

To look after the management of the trade unions members do not appoint any, official they are elected by union representatives either by voting or through a executive decision.

Trade unions conduct their activities on democratic lines. The representatives are called for negotiation. Besides this representation function, the union leaders are required to perform several administrative functions.

The very source of finance of trade unions is the subscription paid by the members. The membership fee differs from union to union and with in the union from member to member depending upon the earnings of the members.

12.6 LET US SUM UP

Even though we have large number of trade unions. Our trade unions fail to achieve the objective with which they were organised. Following problems are responsible for the failure of TUS. They are

- (1) Political intervention in TUS
- (2) Multiplicity of unions
- (3) Small size and weak financial position
- (4) Union rivalry
- (5) Outside leadership etc

The National Labour Commission give somany recommendations to improve the conditions of our trade unions.

The management of trade unions is in the hands of the elected representatives in the name of Chairman, Vice Chairman, Secretary etc.,.

12.7 TERMINAL QUESTIONS

- (1) Explain the problems of our trade unions
- (2) Suggest measures to improve the conditions of our trade unions.
- (3) State the reasons responsible for outside leadership and multiplicity of TUS
- (4) Write a note on: management of Trade unions.

12.8 BOOKS FOR REFERENCE

- | | | |
|--|---|------------------------|
| 1. Personnel Management and Industrial relations | - | P. Subba Rao |
| 2. Dynamics of Industrial Relations | - | C.B. Mamma and S.Mamma |
| 3. Human Resource Management | - | Arun Monappa |
| 4. Labour Economics | - | T.N.Bhagoliwal |
| 5. Personal Management and Industrial Relations | - | Latha Nair |

UNIT 13 : TRADE UNIONS 1926

Structure

- 13.0 Objectives
- 13.1 Introduction
- 13.2 Objects of the Act
- 13.3 Provision of the Act
 - 13.3.1 Provisions relating to Registration and cancellation
 - 13.3.2 Duties and responsibilities of unions
 - 13.3.3 Rights and privileges of registered unions
 - 13.3.4 Amalgamation and Dissolution
 - 13.3.5 Submission of returns
 - 13.3.6 Fines and penalties
 - 13.3.7 Power to make regulations
- 13.4 Let Us Sum Up
- 13.5 Terminal Questions
- 13.6 Books for reference

13.0 OBJECTIVES

After studying this unit you will be able to

- State the objects of TU Act
- Explain the various provisions of the Act.

13.1 INTRODUCTION

As we have discussed various aspects relating to trade union in the previous units. Now let us look in to the various provisions in relation to the TUs contained in the TU Act 1926. The TU Act was passed in 1926 in the name of Indian TU Act and was brought into effect from 1st June 1927 by a notification by the central Government. The Act was amended in 1947, 1960, 1962 and 1964. In the 1964 amendment the word Indian was deleted and it came in to force from 1965. A comprehensive TUS. (Amendment) Act was passed in 1982.

13.2 OBJECTS OF THE ACT

The Act was enacted with object of providing for registration to TUS and verification of the membership of trade unions so registered so that they might acquire legal and corporate status. As soon as TU is registered, it is treated as an artificial person in the eyes of law, capable of enjoying rights and discharging duties like a natural person. The Act apart from the necessary provisions for administration and penalties make provisions for

- (a) Conditions governing the registration of TUS
- (b) The obligations of a registered TU
- (c) The rights and liabilities of registered TU

The amendments to the Act was made in 1982 with the following objectives.

- (1) To reduce multiplicity of unions the exiting provision enabling any 7 workers to form a trade union has been changed by providing for a minimum of 10% of the workers employed in the organization or 100 workers which ever is less.
- (2) To resolve disputes through voluntary arbitration by improving the appropriate Government and the parties to the dispute to refer it to the registrar of TUS for adjudications.

(3) To avoid outside leadership

It extends to the whole of India. The words except the state of 'Jammu and Kashmir' have been omitted by an amendment in 1970. The Act applicable to both trade and traders unions.

13.3 GENERAL SCHEME OF THE ACT OR PROVISIONS OF THE ACT

The Act is divided in to 33 sections and 5 chapters.

Chapter – I Contains title scope and commencement of the Act together with important definitions.

Chapter – II Deals with various aspects of registration of TUS and appointment of Registrars etc.,

Chapter – III describes rights and liabilities of the registered TUS

Chapter- IV deals with powers to make and publish regulations

Chapter – V contains provisions regarding submission of returns, penalties for offences etc.

Some definitions under the Act:- The Act defines various terms used very frequently as for as the TUS are concerned some such important terms are

Executive:- A person who is entrusted with the management of the union.

Office bearer: The member of the executive body of a trade union. To appoint any person has an office bearer he should attain the age of 18 years and has not been convicted by the court for any offence. At least 75% of the office bearers of every registered trade union should be the actual workers .

Registered office means “ the office of the trade union wich is registered as the head office under the Act.”

Registrar is a person appointed by the appropriate Government for each state.

Trade dispute means “any dispute between employees and employers, between workmen and workmen and workmen or between employers and employers.

Workmen means all persons employed in trade or industry,

Trade union means “ combination whether temporary or perment formed primarily for the purpose of regulating the relation between employer and workmen, workmen and workmen or between employer and the employer.

13.3.1 Registration of Trade Unions

Any group containing 10% of workers employed or 100 workers which ever is less and who subscribe to the trade union can apply for registration. To obtain registration these people have to made an application to the registrar. The application should contain.

- (a) The names, addresses and occupations of the members and office bearers.
- (b) The name of the union and address of its head office
- (c) General information regarding assets and liabilities
- (d) Objects for which the TU as been established
- (e) Payment of a subscription by members of the trade union which shall not be less then 25 paise permonth per member. In addition to this TUS should frame their own rules and regulations and submit that also to the registrar along with the application.

The registrar has every power to call some more information to satisfy himself that the application complies with the provisions of the Act. He is empowered to alter the name of the union if it is identical with that of any registered union.

The Registrar, on being satisfied about the compliance of the requirements of the Act in regard to registration will register the TU with in 60 days of such compliance. Then the registrar's office will issue a registration certificate which serve as a conclusive evidence for being duly registered under the Act.

As and when the registrar comes to now that the information shown in the application is false and registration is obtained by fraud, TU is engaged in any illegal activity by with drawing the registration certificate duly signed by the persons who signed the application he can cancel the registration.

A trade union whose certificate of registration has been cancelled may apply for re-registration after the expiry of a period of 6 months from the date of the cancellation the re-registration is given if registration is cancelled only for non-compliance of any provisions that to after conforming that all the provisions are complied with.

13.3.2 Duties and Liabilities of TUs

As soon as a trade union is registered, it becomes a legal personality capable of enjoying legal rights and discharging legal obligations.

A registered trade union is required to give notice to the registrar with in 14 days if there is any change in address of the heard office.

A registered trade union has the right to spend at general funds for the payment of salaries and allowances of its office bearers, prosecution or defence of any legal proceedings for securing or protecting any rights of the union, conduct of trade disputes, compensation to members for any loss arising from trade disputes, educational social or religious benefits of members and publication of periodicals on labour matters, and any other object notified by the Government. If it spends for any illegal strike or for any other purpose other than the above notified in Act will become illegal.

The Act provides for to form a separate fund which is collected separately to utilize for the political objectives.

- (a) The fund created should be used for meeting expenditure by a candidate for election as a member to any legislative body constituted under the constitution.
- (b) for holding meetings, or the distribution of any literature or document in support of such candidate
- (c) the registration or the selection of candidate for any legislative body
- (d) for holding any political meeting of any kind.

TU has no right compell any members to contribute to this fund. Employ they in the previous page

13.3.3 Rights and Privileges of TUs

A registered trade union enjoys the following privileges

(1) Immunity from Punishment for Criminal conspiracy:

No officer or member of the TU is liable to punishment under the Act in respect of any agreement made between the members for the purpose of furthering any objective of the union. If the agreement is an agreement to commit an offence he is punishable.

(2) Immunity from Tortuous Act

A registered TU shall not be liable to any legal proceeding in any civil court in respect of tortuous acts done in contemplation of a trade dispute by an agent of the TU.

(3) Enforceability of Agreement

Any agreement made between the members of the registered trade union, not to accept employment unless certain conditions (may be pay, hours of work) are fulfilled is not void or voidable.

(4) An officer or member of the TU has the right to inspect books of accounts of the unions and list of members.

(5) Any person who has attained the age of 15 years, may become member and can enjoy all privileges of such membership.

13.3.4 Amalgamation and Dissolution of TU

Any two TUs with or without dissolving any one union can join together and form an union. For this consent of 60% of the members of each union is essential. A notice in writing for amalgamation, signed by the secretary, and by 7 members from each union wants amalgamation should be sent to the registrar. If he is satisfied that all the formalities are fulfilled then he will issue a new registration certificate.

If the registered TU is dissolved a notice signed by the secretary and 7 members is required to be given to the registrar with in 14 days after the dissolutions.

13.3.5 Submission of returns

It is obligatory on the part of each and every trade union to submit a detailed statement of income and expenditure along with audit report in the prescribed manner as on 31st March of the previous year with in the date specified in the Act.

13.3.6 Penalties and Fines

A penalty may be imposed for default in submitting returns or for the supply of information.

The following defaults are made punishable

- (a) failure to give notice which is required to be given by the union to the registrar on various occasions.
- (b) failure to send the documents required to be sent to the registrar from time to time.

13.3.7 Power to make regulations

The TUs Act empowers the appropriate government to make regulations without affecting general power granted under the Act. The appropriate Government., can make regulations in respect of specified matters without prejudice to the generality of the power created by the Act.

13.4 LET US SUM UP

The Government of India passed the Act relating to TUs in the year 1926. The Act contains various provisions relating to various aspects from birth to death of the TUs. Any violation leads to fines and penalties.

13.5 TERMINAL QUESTIONS

- (1) Explain the Objects and provisions of TU Act 1926
- (2) State the important provisions in relation to Amalgamation of TUs
- (3) Explain the rights, duties and liabilities of the Registered TU.

13.6 BOOKS FOR REFERENCE

1. Personnel Management and Industrial relations	-	P. Subba Rao
2. Dynamics of Industrial Relations	-	C.B. Mamoria and S.Mamoria
3. Human Resource Management	-	Arun Monappa
4. Labour Economics	-	T.N.Bhagoliwala
5. Personal Management and Industrial Relations	-	Latha Nair

BLOCK - V :

UNIT 14 : WORKERS' PARTICIPATION IN MANAGEMENT

Structure

- 14.0 Objectives
- 14.1 Introduction
- 14.2 Concept, origin and growth of workers' participation
- 14.3 Meaning and Definition
- 14.4 Factors influencing for workers' participation in management
- 14.5 Objectives of workers' participation in management
- 14.6 Forms of participation
- 14.7 Levels of participation
- 14.8 Let us Sum up
- 14.9 Key words
- 14.10 Self Study Questions
- 14.11 Books for References

14.0 OBJECTIVES

After studying this unit you should be able to:

- Define workers participation in management
- Assess the significance of workers' participation in management
- Highlight the objectives of workers' participation in management
- Differentiate between forms of participation and levels of participation
- Explain various forms of Participation
- Describe the various levels of Participation

14.1 INTRODUCTION

Workers are considered as a resource in an organization, which has led to improve the status of worker and make him as part of the organization. This has influenced in bringing workers into the mainstream of management which we call as Workers' Participation in Management. For higher productivity and sound industrial relations, it is extremely important to give the workers the place of partners in industry. The workers must be increasingly associated with the management of industrial undertaking so they develop an awareness of the problems of industry and begin to feel that they have a positive contribution to make the operations of their respective units. Such associations with management should gradually give place to labour participation in management.

The principle of participation seeks to meet the psychological needs of the workers, brings them closer to the management promotes their interest in self-education, gives them an insight into the economic and technical conditions and purposes of undertaking. Where they work and serves to bridge the gap between the management and the workers. For the peaceful evolution of the economic system on a democratic basis, it is essential that workers' participation, in management should be accepted as fundamental principle and an urgent need". After going through the previous blocks, you must have assessed the importance of trade unionism and collective bargaining in moving towards the concept of workers participation in management. Let us try to understand the concept, origin and growth of workers participation in management.

14.2 CONCEPT ORIGIN AND GROWTH OF WORKERS' PARTICIPATION

Within the last two decades in the realm of human relations, the workers' participation in management has been regarded as a powerful behavioural tool for managing the industrial relations

system. This widely debated concept has purely evolved from the ideological and imaginative plank to an organizational reality. But the form and connotation of the term varies with the socio-economic goals of a particular country.

The concept of workers' participation in management crystallizes the concept of industrial democracy, and indicates an attempt on the part of an employer to build his employee into a team which works towards the realization of a common objective.

The concept of workers' participation in management can be traced back to the contributions of F.W. Taylor's "Scientific Management", the aim of which is to secure the maximum prosperity of employed and the employees. The Industrial revolution and the factory system divided the managerial and operative functions, authorizing persons who occupied "managerial" positions to exercise managerial functions, while "workers" performed their operational functions. The thinkers who propounded workers' participation in management seeks to bridge this gap, or even to remove it, by authorizing workers to take part in managerial functions.

It was during the days of the first World War that the concept found its first practical application. As many of the governments of industrially developed nation faced the twin problems of maintaining Industrial peace and improving productivity, they persuaded managements to establish joint committees for expeditiously resolving these problems through consultation.

The boost for this concept can be linked to the adoption of Philadelphia Charter by the ILO in 1944. Since then there have been many recommendation made by the ILO and Internationa Labour Conference, which have really changed the workers status in an organization. These recommendation and consultations have compelled of proposals to be made to various authorities and for implementation of International labour standards.

Today, the idea of workers' participation has become institutionalized in several countries of the world. The schemes however widely vary from one country to another in respect of change of subject handled by participation machineries in the degree of authority exercised will regard to these subjects and in the methods of selection of workers' representatives.

14.3 MEANING AND DEFINITION

After knowing the concept, we can move ahead to learn the meaning and definition of workers' participation in management.

Workers' participation in management is a concept shrouded with so much vagueness that for different people it has different meanings. For management it is joint consultation prior to decision makings for workers it is co-decision making or co-determination for trade union traders. It is showing of a new era of social relationship and for administrators it is nearly the association of workers with management

without assigning them any authority or responsibility. Despite these different views on workers' participation, all agree that it is an essential step involving redistribution of power between the management and workers in the direction of industrial democracy.

The most popular connotations of participation are 'Labour-management co-operation'; 'Co-determination'; 'Joint consultation'; 'Joint decision making'; 'workers' control'; 'workers' participation in management'; 'self management'; 'workers' participation in Industry'.

All of these connotations are often used interchangeably in fact, no clear cut demarcation line can be drawn between them. It would appear that all these connotations represent different forms of participation which differ only in degree but not in nature. On the whole, the main idea, has always been the same; namely to increase employees influence in the management of the enterprise to which they belong.

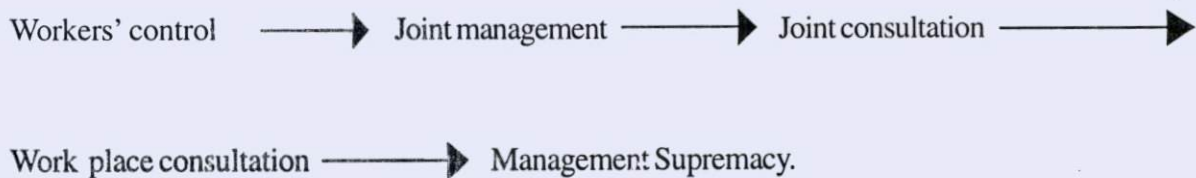
Knowing the meaning of workers' participation in Management, let us try to learn few of the definitions. As there are many definitions its appropriate to know few which are meaningful.

According to *Kenneth Walker* "workers' participation in management is a resounding phase, bridging the past and the future. It reflects the vision of nineteenth century thinkers while heralding the evolution of new forms of industrial organization under twentieth century pressures. The word 'workers participation' is plentifully supplied with ideas, institutions, and opinions".

As per the words of *Davis*, "workers' participation in management is a mental and emotional involvement of a person in a group situation. Which encourages him to contribute to goals and share responsibilities in them".

Considering the above two definitions, we can define workers' participation as "a system of communication and consultation, either formal or informal by which employees of an organization are kept informed about the affairs of the undertaking and through which they express their opinion and contribute to management decisions".

Within the orbit of these different definitions a continuum of men-management relationship can be considered



We can absolve from this continuum, workers' control represents one extreme. Which suggests concentration of all powers in workers' and management supremacy represents the other extreme, which implies a appropriate defence of managerial objectives.

14.4 FACTORS INFLUENCING WORKERS' PARTICIPATION IN MANAGEMENT

The humanitarian approach to labour brought about a new set of values, both for the workers and the employers; Power has been replaced by Persuasion, Authoritarianism by Democracy and Compulsion by Co-operation.

The employers realization of the need for workers' participation in management was considerably influenced by the following factors.

1. The increased use of technology in industry's which has necessitated the growing co-operation of workers because of the complex operations of production;
2. The changed view that employees are no longer servants that are equal partners with their employers in their efforts to attain the goals of the enterprise;
3. The growth of trade unions safeguard the interests of workers and protect them against possible exploitation by their employers;
4. The growing interest of the government in the development of industries and welfare of workers and
5. The need for increased and uninterrupted production. Which can be achieved only when there is a contended labour class.

Few findings of the empirical researches inductances by *Kurt Lewin, French* and others have shown that democratically managed groups, in which rank and file also get an opportunity to participate in decision making are healthier and more efficient than groups managed by in an authoritarian way. These findings substantiate the factors that influence for workers' participation in management.

Also many of the research studies have shown that the intensity of participation depends on four factors.

- a) The subject matter of participation
- b) The level of participation.
- c) The personal characteristics of the individuals who are asked to participate in the decision making and
- d) The extent of participation.

Let us try to understand each of the factors,

- a) The subject matter of participation : – By and large, the workers' interest in participation varies with nature of issues involved in participation. Broadly speaking; there can be two types of issues; work related and interest related. Examples of work related issues are safety, welfare, such as canteen, sports, housing, transportation etc. These are the simplest issues. Examples of interest related issues are wages and sharing of productivity gains. These are most difficult issues. Workers show greatest interest in the second type of issues.
- b) Level of participation :– It is another factor which determines the interest of workers participation as such participation can take place at 3 levels in an enterprise-floor level, plant level and corporate level. In big enterprises there might to fourth level also i.e. the departmental level; in between the shop level and plant level. According to studies, most of the workers desire participation at the shop floor level and not at higher levels because they feel that with their knowledge of the workplace, they can contribute best at that level only.
- c) Personal characteristics : – Workers' interest in participation is also influenced by certain personal or group characteristics. For example, several research studies have shown that both very low and very high levels of task relevant maturity discourage participation. Participation by extremely immature workers is like the blind leading the blind. On the other had, extremely mature workers rarely participate. They must “group think” because they prefer only the expert in the area to make the decisions. Thus, the effectiveness of workers' participation in management increases as one moves from low to moderate levels of maturity and then begins to plateau and finally to decline as workers become high in task-relevant maturity.
- d) Extent of participation – There are four degrees of participation. These are as follows.
 - i) Communication, i.e. sharing of information with the management about all decisions taken by it.
 - ii) Consultation, i.e. Exchanging the opinion and the views with the management before the decisions are taken.
 - iii) Co-determination, i.e. taking joint decisions with the management.
 - iv) Self-management, i.e. enjoying complete autonomy right from decision making to execution

14.5 OBJECTIVES OF WORKERS' PARTICIPATION IN MANAGEMENT

The objectives of the workers' scheme vary from country to country, because they largely start from their socio-economic development to country, philosophy, industrial relations scene, and the attitude of the working class.

Accordingly, the main objective of the scheme are democratization of management, behavioural approach to the management of labour – management relations, eliciting workers' co-operation in the accomplishment of corporate objectives and humanization and personalization of the management process etc. The major objectives of workers participation have been discussed as follows.

1. To elicit the natural co-operation of workers and employers in attaining industrial peace, greater productivity and efficiency in the interest of the workers, enterprises, the nation and the consumer.
2. To promote the equality of work life by allowing the workers involvement and influence in work and satisfaction obtained from the work.
3. To increase workers' level of motivation, through the satisfaction of his non-economic needs because the scheme of worker's participation in rights provides the worker's with a sense of pride and accomplishments, importance, freedom and opportunity for expression, a sense of workmanship and creativity and are feeling to the place of work.
4. Promotion of worker's accountability towards organizational problems and seeking their direct involvement and solving their problems.
5. To shift from conventional managerial practices to modern and behavioural approach in managements.
6. To develop worker's free personality and recognize human dignity.
7. To make the worker's conscious their democratic rights on their work place and thus bring about industrial democracy.
8. To create a better organizational climate through promotion of internal understanding and a collective thinking and decision making process.

In the words of *Gosep*, *workers'* participation may be viewed as.

- i) **An Instrument** for improving efficiency of enterprise and establishing harmonious Industrial Relations.
- ii) **A device** for developing social education for purpose of promoting solidarity among the working community and for tapping latest human resources (by getting employees suggestions and by improving attitudes towards work and the organization)
- iii) **A means** for attaining industrial peace and harmony which leads to higher productivity and increased production.
- iv) **A humanitarian** act, giving the workers an acceptable status within the working community and a sense of purpose in his activity.
- v) **An Ideological** point of view to develop self-management in Industry.

In India, according to the Industrial Policy Resolution, 1956, the aim of the government in advocating workers' participation in management is "a part of its overall endeavor to create a socialist society, where in the sharing of a part of these managerial powers by workers is considered necessary."

The purpose of which workers' participation in management try to achieve in the words of the second five year plan, are

- a) Increasing productivity for the general benefit of the enterprise, the employees and the community.
- b) Giving employees a better understanding of their role in the working of the industry and of their process of production; and
- c) Satisfying the workers urge for self expression, thus leading to industrial peace, better relations and increased co-operation.

These objectives may be achieved as a result of the consequences flowing from the process of workers participation. These consequences are:

- i) Challenging work for workers;
- ii) Heightened sense of responsibility;
- iii) Meaningful relationship to work;
- iv) Availability of workers' ideas and suggestion to management
- v) Realistic Management decisions
- vi) Accommodation, Change, Motivation and commitment to implement decisions;
- vii) Better two-way communication; and
- viii) Better worker supervisor relations.

14.6 FORMS OF PARTICIPATION

The form or the way in which workers can and do participate in management varies a great deal. To some extent, this variation is related to the differences in management, the subjects or areas in which participation is sought, and the pattern of labour-management relations. It may also vary from organization to organization, depending upon the level of power or authority enjoyed by managers at different levels in different types of organizations.

The specific way in which different forms of participation may take place also varies from situation to situation. There may be formal organizational structures, such as Works committee, Plant Councils, Shop Councils, Production – Committee, Safety Committee, Joint Management Council, Canteen

Committee, P.F. Management Committee etc., The participation may also take place through informal mechanism and forms. A supervisor or a foreman may consult a worker before making particular decision in which the latter is interested, such as granting or rejecting an application for leave, allotment of work on overtime, transfer from section to another.

Participation may be ascending participation, where workers are given an opportunity to influence managerial decisions at higher levels through their elected representations to work, councils or the Board of the Enterprise (i.e. integrated participation). In descending participation they may be given more power to plan and make decisions about their own work. (delegation and job enrichment). They may participate through collective bargaining (i.e. disjunctive participation). They may also participate informally when a manager adopts a participative style of supervision, or when workers employ unofficial restrictive practices.

The important forms in which workers can participate in management are Collective Bargaining; joint administration, joint decision making, consultation and information sharing.

In India participation in management fall under the co-operative or joint management model, entailing a tempering of managerial power, but not basically altering the social system of production relations.

The system of different countries differ in respect of the range of subjects handled by the participation machinery in the degree of authority exercised with regard to these subjects; and in the methods of selection of workers' representatives.

14.7 LEVELS OF PARTICIPATION

Participation is possible at all level of management. It depends upon the nature of functions, the strength of the workers, and the attitudes of trade unions and the management. The areas and degrees may differ very considerably at different levels of management. For instance a case where the exercise of authority in decision making is almost complete, participation will be negligible while at the other end, where the exercise is relatively small, participation will be maximum. In between these two extremes, the nature and extent of participation will vary, depending on a variety of factors, including the problems or issue, the attitudes and past experience of the management and the development of human relations in general and labour management relations in particular.

The fact is that workers' participation in management will have to be at different levels. Workers may be given an opportunity to influence or take part in managerial decisions at the higher level through their representatives on a supervisory board or on the Boards of Directors, or through Works Councils. Participation may also be at lower levels at which workers are given some authority to plan and take decisions about their work, like job enrichment, job enlargement, delegation, etc.,

Many of the management thinkers have contributed and given various stages of participation. According to Dorothea there are three stages of development of labour management co-operation, viz, information sharing, problems sharing and idea sharing. Ernest Dale mentions four kinds of co-operation / participation. Informal co-operation, Advisory co-operation, constructive co-operation and joint determination. With these as the basis we can classify the participation into four stages. In general each of the stages are as given below.

Informative and Associative participation :

This is the initial stage of participation, where members have the right to receive information discuss and give suggestions on the general economic situation of the concern , the state of the market, production and sale programmes, organization and general running of the undertaking. Also the circumstances affecting the economic position of the concern, methods of manufacture and work, annual balance sheet and profit and loss account and connected documents and explanations long-term plans for expansions, redeployment and such other matters as may be agreed to. These are the areas in which the members have the right to receive information and discuss issues and make suggestions which are binding on the management.

Consultative participation:

This involves a higher degree of sharing of views of the members and giving them an opportunity to express their feelings. Members are consulted on canteen and welfare amenities, production and methods of work, safety, housing and other programmes of the company. Management may or may not accept the suggestions.

Administrative Participation :

This involves a greater degree of sharing in the authority and responsibility of the managements' functions, and allows members a little more autonomy in the exercise of administrative and supervisory powers in respect of welfare measures and safety works, the operation of vocational training and apprenticeship schemes, the preparation of schedules of working hours and breaks, holidays, payment of reward for valuable suggestions received, and any other matter that may be agreed to by the members.

Decision participation:

It is the highest form of participation, where sharing in the decision making power is complete and the delegation of authority and responsibility of managerial function to such a body is maximum. Also, In matters like economic, financial and administrative policies the decisions are mutually taken.

14.8 LET US SUM UP

As we have observed to have a sound industrial relations in any country's industrial scenario, there has to be participation of workers' in the organizational activities. Earlier the activities were divided on "managerial" and "operational" activities. and workers' participation was meant to be only in the 'operational' activities. Now, due to the growth of human relations concept, participation of workers has been extended even into the managerial activities.

Many of the management thinkers have contributed to the growth of workers' participation. They have insisted on the Industrial democracy which is very much essential, for having sound Industrial Relations. The participation of workers has been given many names like as workers' control, joint management, joint consultation, joint decision-making etc.

In this unit an attempt has been made to discuss, the various factor that has influenced the participation of workers' in the organisational activities. These factors are substantiating with the objectives of workers' participation in management and are relevant to the situation.

Also, the various forms of participation has been discussed in detail. This leads to the various levels of participation in an organisation. Also this depends upon the nature of system that is prevailing in that particular country. This concept has been accepted with appreciation but the practice and applicability depends on the individual system of the country.

14.9 KEY WORDS

Attitude	-	State of mind, or an individuals view
Connotation	-	Implied meaning
Crystallise	-	Become clear
Demarcation	-	Marking of boundaries
Disjunctive	-	Separative or disjoined
Expeditiously	-	Done with promptitude
Elicit	-	Draw forth or out
Entailing	-	Make necessary as consequence
Heralding	-	Fore runner to a cause
Plank	-	Thick strong board or platform
Propounded	-	Put forward for consideration
Realm	-	Region or domain

Shrouded	-	Covered with a screen
Supremacy	-	Being of having highest authority
Vagueness	-	Indefinite or without any direction

14.10 SELF STUDY QUESTIONS

1. "Participation of workers in management is claimed to usher in an era of industrial democracy" - comment.
2. Discuss the origin & growth of the concept workers' Participation in Management.
3. Define workers' Participation in Management and explain the significance from Indian context
4. What are the various factors that influence workers' Participation in Management?
5. Describe the objectives and significance of workers' Participation in Management.
6. Explain briefly the various forms of workers' Participation in Management.
7. What are the different levels of participation?
8. Write a note on
 - a) Informative & Associative participation
 - b) Consultative participation
 - c) Administrative participation
 - d) Decision participation
9. Discuss the significance of worker's Participation in Management for a Sound Industrial Relation.

14.11 BOOKS FOR REFERENCE

Dynamics of Industrial Relation in India :	C.B.Momoria and S. Mamoria Himalaya Publishing House
Dynamic of Personnel Administration :	M.N.Rudra Basavaraj, Himalaya Publication House
Essentials of Human Resource :	P. Subba Rao, Himalaya Publication House
Management and Industrial Relation	
Industrial Relation in India :	N.U.K. Sherwani, Anmol Publication Prt. Ltd.
Strategic Industrial Relations :	Jerome Joseph , Global Business Press
Management	

UNIT 15 : WORKERS' PARTICIPATION - INDIAN SCENARIO

Structure

- 15.0 Objectives
- 15.1 Introduction
- 15.2 Workers' Participation The Indian Scence
- 15.3 Forms of Workers' Participation in India
 - 15.3.1 Work cmmittee
 - 15.3.2 Joint Management Council
 - 15.3.3 Shop Councils
 - 15.3.4 Joint Councils
 - 15.3.5 Unit Councils
- 15.4 Experiments in Participative Management - Few Indian Experience
- 15.5 Employee Participation in Management - Cases of Indian Industry
- 15.6 Evaluation of workers' participation
- 15.7 Let us sum up
- 15.8 Key words
- 15.9 Self-study Questions
- 15.10 Books for Reference

15.0 OBJECTIVES

After studying this unit, you should be able to :

- Describe the workers' participation in the Indian scenario
- Discuss the various forms of workers' participation in India
- Relate the various forms workers' participation in management to Indian Industry
- Assess instances of workers' participation in India
- Evaluate the status of workers' participation in India

15.1 INTRODUCTION

In the previous unit we have learnt about the concept of workers' participation in management and the related issues. This unit tries to give you a specific input about the workers' participation in management practiced in Indian Industrial Scenario. As we have observed from the previous unit, the workers' participation cannot be generalized. It all depends on the nature of the system prevailing in the country viz, Federal system, social system, Communist system etc., The systems of different countries differ. In respect of the range of subjects handled by the participation machinery in the degree of authority exercised with regard to subjects to be handled and in the methods of selection of Workers' representation.

Thus let us learn the workers' participation in Indian Scenario, the practices of various forms of participation their implication on Indian Industrial scenario, also few of the successful instances of the experiments of workers' participation in India.

15.2 WORKERS' PARTICIPATION - THE INDIAN SCENE

The participation of workers in management is nothing new for India. In 1920, Mahatma Gandhi had suggested this on the ground that workers contributed labour and brains, while share holders contributed money to an enterprise and that both should therefore, share in its prosperity. **Mahatma Gandhi** stated "Employees should not regard themselves as sole owners of mills and factors of which they may be legal owners. They should regard themselves as trustees. There should be a perfect relationship of friendship and co-operation among them". As for the union he said "the aim should be to raise the moral and intellectual light of labour master for the means of production instead of the slave that it is". He insisted that "capital and labour should supplement and help each other, they should be great family, living in unity and harmony". The efforts of **Mahatma Gandhi** was fruitful and for the first time, the joint consultation model was adopted in the cotton textile industry.

A few works committees were also set up in the printing presses of the government. TISCO had established joint committees in 1958 and the Delhi cloth and General Mills Co. Ltd., accepted an elected representative on the Board of its Director in some railway companies and the Buckingham and Carnatae

Mills of Madras, Works Committees were set up. The year 1920 is therefore be regarded as a landmark in the history of joint consultation in India.

The process started by **Mahatma Gandhi** was also reflected in the First Five Year Plan, which had called for joint consultation committees at all levels and reiterated. Governments fails in the works committees. The second Five Year Plan explained the philosophy of workers management relationship by high lightly the importance workers participation for service to the society and to help in building a progressive state. The government of India's Industrial Policy Resolution of April 1956 also emphasized the need for workers participation in management: In a socialist democracy, labour is a partner in the common task of development and should participate in it with enthusiasm. There should be joint consultation, and workers and technicians should whenever possible, he associated progressively in management. The enterprises in public sector have to set an example in this respect. Further in 1957 scheme for joint management councils was framed following the suggestions to this effect and the Second Five Year Plan.

The Third Five Year Plan stated that the policy of associating labour more and more with management should be further strengthened. According to it "Workers' participation may become a highly significant step in the adoption of the private sector to fit the frame-work of a socialist order. It can serve to bridge the gulf between labour and management; create better mutual understanding and facilitate the adoption on both sides of an objective approach to the problems of Industry and workers. For the peaceful evolution of an economic system on a democratic basis it is essential that workers participation on management should be accepted as a fundamental principle and as an urgent need.

The Fourth Five Year Plan urged the extension of workers participation to public sector undertaking and emphasized its importance as an functional link in the structure of industrial relations.

In June 1977, a high powered expert committee on companies and M.R.T.P Act was set up by Government of India. Under the chairmanship of **Rajinder Sarkar**. The Sarkar committee, suggested that in all future issues of shares by the companies, they should reserve a portion of new shares, say about 10% to 15% and it should be reserved. Exclusively for workers, called the workers share. These shares in the first install must be offered to the employees of the company, and failing that only they shared be offered to the existing share holders or the public. The committee had also suggested an amendment in section 77 of the Companies Act permitting the companies to give the employees a loan upto 12 months salary or wages not exceeding Rs. 12,000/- for the purpose of purchasing the shares of the company. It also encourages a sense of belongingness among the workers towards their enterprises. This scheme however has not found favour with in the Indian Industries.

The Janata Government set up a committee in September 1977 under the chairmanship of **Ravinder Verma**, the union Minister of Labour this committee wanted a scheme of capacity participation to optional . It had suggested that not less than 10% of all new shares issued in future by a company should be reserved exclusively on workers' shares and should be offered to the workers of the company.

The Eighth Five-Year Plan. In the context of workers participation in management emphasized the need to bring forward a suitable legislation for the effective representation of the scheme. Besides legislation, proper education and training of workers and co-operation from both employers and employees to overcome the problems arising out of the existence of multiplicity of trade union and inter-union rivalry will go a long way in promoting the system of participative management.

15.3 FORMS OF WORKERS' PARTICIPATION IN INDIA

Workers participation has been introduced in three forms in India.

Industries :

- 1) The works committee (set up under the Industrial Disputes Act, 1947)
- 2) The joint management councils (set up as a result of the labour management co-operation seminar 1958) and
- 3) The scheme of workers representative on the Board of Management (under the management and miscellaneous scheme, 1970) on some public and private sector Enterprises, including industrial undertaking and nationalized banks.

Following are few of the participate forms that are prevalent in India.

- | | |
|---|---|
| i) Works committee | ii) Joint Management Councils |
| iii) Joint Councils | iv) Unit Councils |
| v) Plant Councils | vi) Shop Councils |
| vii) Workers' Representation on the Board of Management and | viii) Workers' participation in share capital |

15.3.1 Works committee

The Industrial dispute Act 1947 provides for the setting up of works committee in every industrial establishment, in which 100 or more workers are employed on any day in the preceding 12 months. The purpose of works committee is to promote measures for security and preserving unity and good relations between the employers and workers and to that end, comment upon the matters of their common interests or concern and endeavor to compose any material difference of opinion in respect of such matters.

Works committees have been regarded as an effective statutory body and as a Social Institution of industrial democracy setup. With the industrial establishment with representation of worker and management for presenting and settling industrial dispute at the unit level. Works committee comprises the representatives of the employer and workmen engaged in the establishment, the number of

representations of workmen of works committee should not be less than the number of representatives of the employer. The total number should not exceed 20. The works committee shall have among it, office bearers, a Chairman, a Vice-chairman, Secretary and a Joint Secretary shall be elected every year. The chairman of the committee shall be nominated by the employer from amongst the employers representatives and Vice-chairman shall be elected by the workmen's representation from amongst themselves. The term of office of the representatives of works committee in two years.

The main functions of the works committee is to promote measures for securing and preserving amity and good relations between the employers and workmen to that end, to comment upon matters of their common interest or concern and endeavor to compose any material difference of opinion in inspect of such matters. The works committees are normally concerned with problems of day-to-day working of the undertaking and are not intended to supplant or supersede. The union for the purpose of collective bargaining. They are not entitled to consider real or substantial changes in the conditions of service. Their task is only to smooth away friction that might arise between the workmen and management in the day-to-day work.

The committee constitute by the Indian Labour Conference in 1959 has drawn the following illustrative list of items which works committees can deal with ;

- i) Conditions of work such as ventilation, lighting, temperature and sanitation including latrines and urinals.
- ii) Amenities such as drinking water, canteen, dining rooms, medical and health services
- iii) Safety and accident prevention, occupational diseases and protective equipment;
- iv) Adjustment of festival and National holidays
- v) Administration of welfare and fine funds
- vi) Educational and recreational activities
- vii) Promotion of thrift and savings ; and
- viii) Implementation and review of decisions arrived in the meeting of works committees

15.3.2 Joint Management Councils

The Industrial Policy Resolution 1956 suggested the need for joint consultative machinery between the workers and management to promote industrial peace and harmonious Industrial relations. As a result Joint Management Council were established in 1958. The Joint Management Council should comprise of an equal number of representatives of employees and management not exceeding 12. The representatives of employees should be nominated by recognized trade unions. It was decided that the councils should be established at plant level on a voluntary basis in selected industrial unit. Further joint councils should be set up in the undertaking employing at least 500 workers, having well established strong representative workers union affiliated to some central organization and the undertaking is having a good record of industrial relations. These councils are assigned the following responsibilities in the beginning.

- a) Administration of welfare measures.
- b) Supervision of safety measures
- c) Operation of vocational training and apprenticeship schemes.
- d) Participation of schedule of working hours and breaks and holidays etc.

The Hindustan Machine Tools Limited, Bangalore, was the first public sector undertaking to carryout this experiment in 1958. In 1959, the three other public sector enterprises namely, the Indian Telephone Industries Ltd., the Fertilizer Corporation of India and the Hindustan Casts limited set joint management council.

Functions of Joint Management Councils: The following are the essential functions of Joint Management Councils.

- 1) Joint Management Councils to be consulted on certain specific matter by the management such as administration of standing orders and their amendments introduction of new methods of production and closure, retrenchment, reduction in or cessation of production.
- 2) Joint Management Councils have the right to receive informal discuss and give suggestions on various matters like general economic situation; prediction and sales programmes, state of the market, organization and general running of the concern; methods of manufacture and work, annual balance sheet and profit and loss statements, long term plan for expansion, re-development etc.
- 3) Further the council is to be entrusted with administrative responsibilities for the administration of welfare measure, supervision of safety measures, vocational training and apprenticeship schemes provision of schedules of working hours, breaks and holidays and rewards for suggestions.

All the issue relating to wages; bonus etc., which are subject for collective bargaining are excluded from the scope of the councils.

15.3.3 Shop Councils

The main features of the shop councils are as follows.

- 1) In every industrial unit employing 500 or more workers there shall be a shop council for each shop or department or one council for more than one department or shop considering the number of workers employed in different shops or departments.
- 2) A) Each council shall consist of equal number of representations of workers and employees.
 B) The employees representatives shall be nominated by the management and must consist of person from the unit concerned.
 C) All the representative of the workers shall be from amongst the workers actually engaged in the department or shop.

- 3) The employer shall decide, in consultation with recognized union or various registered trade unions or with workers, as the case may be in the manner best suited to local conditions, the number of shop councils and departments to be attached to each council of the undertaking or establishment.
- 4) The number of members of each councils may be determined by the recognized union or registered unions or workers in the manner best suited to local conditions obtaining in the unit, the formal numbers may not exceed 12.
- 5) All the decisions at shop councils are to be taken by consensus and not by a process of voting, provided that either party may refer unsettled matters to joint council for consideration.
- 6) Every decision of a shop council shall be implemented by the parties concerned within a period of one month, unless otherwise stated in the decision itself, and a compliance report shall be submitted to the council.
- 7) Such decisions of the shop council which have bearing on another shop or department or establishment or the undertaking as a whole will be referred to joint council for consideration and decision.
- 8) A shop council once formed shall function for a period of three years. Any members nominated or elected to the council in the mid-term to fill casual vacancy shall continue to be a member of the council for the unexpired portion of the term of the council

Functions of Shop Councils

To achieve increased production, productivity and overall efficiency of the department or shop, the shop councils were to attend the following matters.

- i) To assist management in achieving monthly/yearly production targets.
- ii) To improve production, productivity and efficiency.
- iii) To eliminate wastage and optimum utilization of machine capacity and manpower.
- iv) To identify areas of both productivity and take necessary corrective steps at shop level to eliminate relevant contributing factors.
- v) To suggest safety measures.
- vi) To assist in maintaining general discipline in the department / shop.
- vii) To suggest improvement in physical condition of working, such as lighting, ventilation, noise, dust, etc and reduction of fatigues.
- viii) To suggest health and welfare measures to be adopted for efficient running of the shop/department.

- ix) To ensure proper flow of adequate two-way communication between the management and the workers , particularly on matters relating to production figures, production schedules and progress in achieving the targets.
- x) To suggest technological innovation in the shop and
- xi) To assist in the formulation of and implementation of quality improvement Programme.

15.3.4 Joint councils

In every industrial unit employing 500 or even more workers, there shall be one joint council for the whole unit. The main feature of the joint councils are as follows.

- i) Only such person who are actually engaging in the unit shall be members of joint councils..
- ii) The tenure of the council shall be two years.
- iii) The chief executive of the unit shall be the chairman of the council, there shall be a vice-chairman who will be chosen by the workers members of the joint councils.
- iv) The council shall appoint one of its members as its secretary. He will prepare the agenda, record the minutes of the meetings and report on the implementation of the decisions arrived at every meeting of the council. Necessary facilities for the prompt and efficient performance of functions by the secretary shall be provided by the management within the premises of undertaking / establishment.
- v) The council would meet at least once in three months.
- vi) Every decisions of the council shall be on the basis of consensus and not by the process of voting and shall be binding on the workmen and managements and shall be implemented within one month unless otherwise stated in the decision.

Functions of the Joint councils:

The following are the functions of the joint councils.

- i) Optimum production, efficiently and fixation of productivity norms of man machine for the unit as a whole.
- ii) Functions of a shop council which have a bearing on other branches or on the enterprise as a whole.
- iii) Any matters emanating from shop councils which remain unresolved.
- iv) Work planning and achieving production target, more specifically, tasks assigned to a shop council at the department / shop level but relevant to the unit as a whole.

- v) The development skill of the workers and facilities for training.
- vi) Preparation of schedules for working hours and holidays.

15.3.5 Unit councils

Encouraged by the success of the scheme in manufacturing and mining units, a new scheme of workers participation in management in commercial and science organization in the public sector, having large scale public dealings, was announced on 5th January 1977. The scheme envisaged the setting up of unit councils in units employing at least 100 persons.

The main feature of the scheme are as follows.

- 1) A unit council can be formed in each unit to discuss day-to-day problems and find solutions.
- 2) Every unit council shall consist of an equal number of representatives from management and workers and it shall not exceed 12.
- 3) Representatives of the management will be nominated by the management and should consists of persons from unit concerned.
- 4) Management in consultation with the recognized union decides about the member of unit councils and departments attached to each council of the organization.
- 5) Decisions of a unit council is non the basis of consensus and unsettled matters will be refered to joint council for consideration.
- 6) Decision of a unit council shall be implemented by the parties concerned within a month.
- 7) The management will make necessary arrangements for the recording and maintenance of minutes of the meetings.
- 8) Tenure of the council is of three years.
- 9) The council can meet as frequently as is necessary but at least once a month.
- 10) The chairman of the council will be nominee of the management. The worker members of the council shall elect a vice-chairman from amongst themselves.

Functions of the unit council

The main functions of the unit councils are:

- 1) To create conditions for achieving optimum efficiently better customer service in areas where there is direct and immediate contact between the workers at the operational level and the consumer, higher productivity and output including elimination of wastage and idle time and optimum utilization of manpower by joint involvement in improving work system.

- 2) To identify areas of chronically bad inadequate or inferior service and to take necessary and corrective steps to eliminate the contribution factors with a view to evolving improved methods of operations.
- 3) To study absenteeism and recommend steps to reduce it.
- 4) To maintain discipline in the unit,
- 5) To eliminate pilferage and all forms of corruption and to institute a system of rewards for this purpose.
- 6) To suggest improvements in physical condition of work such as lighting, ventilation, dust, noise, cleanliness, internal layout of counters, setting up of customer service points etc.
- 7) To ensure proper flow of adequate two-way communication between the management and the workers particularly in the matters relating to service to be rendered, fixation of targets of output and progress and achieving these targets.
- 8) To recommend and improve safety, health and welfare measures for efficiency running of the unit.
- 9) To discuss any other matters which may have a bearing on the improvement of performance of the unit for ensuring better customer service.

15.4 EXPERIMENTS IN PARTICIPATIVE MANAGEMENT FEW INDIAN EXPERIENCE

Employee Participation in Management: State Initiatives

The Ministry of Labour, Government of India, introduced a model scheme for Employee Participation in Management on October 30, 1975, applicable only to manufacturing and mining units in the public, private and cooperative sectors, as well as in those run departmentally employing 500 or more workers. (GOI Resolution No. s 61011 (4) .; 75- Desk 1 (B) dt. 30th October 1975). Another Government order was issued in 1977, extending the application of the scheme to commercial and service organisations in the Public Sector which have substantial public dealings, with a view to rendering better customer service, (GOI Resolution No. L. 56025/4/75- Desk 1(13) dt. 4th January, 1977) Based on the experience as well as review, the government introduced a new comprehensive scheme in 1983 applicable to Central Public Sector Undertakings. Although the scheme was not made applicable to the private sector, the notification made an exhortation to the private sector to experiment with participative management, if only to gain some insights.

The scheme was to be implemented at the Board, Plant and shopfloor levels. At the Board level, worker representatives were to participate in all functions of the Board. A special function at the Board level, would be the review of the functioning of the shop and plant level participative forums.

The purpose of the shopfloor and plant level forums would be, to arrive at decisions related to designated matters by consensus. Where consensus was not possible, the matter was to be referred to the next higher level.

The participative management arrangements were to cover the following functions at different levels.

Shop Floor Level

Production facilities; storage facilities; material economy; operational problems; wastage control; hazards; safety problems, quality improvement, cleanliness, monthly targets and production schedules; cost reduction programmes. etc.

Plant Level

Operational Areas:- Evolution of productivity schemes; planning implementation, fulfillment and review of monthly targets; material supply and shortfall; storage and inventories; house keeping improvements in productivity encouragement to suggestions and other related areas.

Economic and Financial Areas:- Profit and Loss statements, Balance Sheets, Review of operating expense; cost of sales: plant performance in financial terms; labour and managerial costs, market conditions etc

Personnel Matters:- Absenteeism; problems of women workers; workers training programmes; social security schemes etc.

Welfare Areas:- Operational details; welfare schemes, medical benefits and transport facilities; safety measures; sports and games; housing town administration.

Board Level

Worker representatives were to participate in all the functions of the Board, and also review the functioning of shop and plant level councils.

The representation of workers at the shopfloor and plant levels were to cover different categories of workmen, both skilled as well as unskilled. While managerial personnel were to be excluded, supervising categories like foremen and chargemen were to be included. Supervisory and workmen categories were to have equal representation at the shopfloor and plant levels. While each party could have five to ten representatives, depending upon the size of the work force, the exact number would have to be negotiated by managements and unions in each undertaking. Where women workers constituted more than 10 percent of the total work force, provision was to be made for representation for women workers.

15.5 EMPLOYEE PARTICIPATION IN MANAGEMENT – CASES OF INDIAN INDUSTRY

Case – I : The National Thermal Power Corporation (NTPC)

NTPC is an important power utility in the public sector. Incorporated in November 1975, it was entrusted with the responsibility of construction, erection, operation and maintenance of Super Thermal Networks of 400 KV Transmission lines and combined Cycle Gas Based Power Stations. The Corporation has a 21,000 strong work force in different categories like workmen, supervisors and executives.

The scheme of Employees' Participation in Management in NTPC, was based on the 1975 scheme of the Government of India, with minor modifications. NTPC has always striven to inculcate a participative work culture. The avowed objective has been to minimize alienation, to minimize areas of conflict and also to promote a cooperative atmosphere.

The scheme has been providing for the formation of Bipartite forums in various projects and divisions of the company since 1980. The following Bipartite committees are in operation in NTPC:

- i) Statutory Committees:
 - Canteen Management Committee
 - Safety Committee

- ii) Non- statutory committees:
 - Township advisory committee
 - House allotment committee
 - Sports Council
 - Employees Welfare Association

The scheme envisages a two-tier system of participation and covers about 69 percent of the work force employed by NTPC. On all the projects put together, there are 29 Departmental Councils and all the projects have their individual Plant Level Councils.

Departmental Council have an average of 8-10 members, and they meet once every month. Plant Level Councils have 10-12 members and meet once in 3 months.

There is equal representation in these councils for both management and employees.

Due to restricted numbers of Departmental and Plant Level Councils, the scheme provides limited representation to employees. Hence Quality Circles have been introduced, in order to afford an opportunity to a wider section to get involved in work planning and organization on a voluntary basis. A suggestions

scheme has also been introduced, in order to provide employees with a mechanism to express their latent urge for creativity and innovation. Based on techno economic evaluation of the suggestions received, rewards und commendations arc given.

A Bipartite forum known as the National Bipartite Committee, which is essentially a collective bargaining forum, is in operation at the apex level. This along with the Supervisory Employees Joint Committee and the NTPC Executive Federation of India are Collective Bargaining Institutions und they complement the councils of Participative Management. The focus in these councils is mainly on the wage and benefit structure.

As for the kinds of issues that come up in the participative mechanisms, all kinds of issues rich are of significance to employees are discussed. The level of involvement of the rank and file In those mechanisms is marginal. because only trade union leaders take part in these coucils. 'However, bilateral communication has been greatly helped through these forums, and this has led to the removal of many situations of misunderstanding.

The Departmental as well as Plant Level Councils have an equal number of representatives, 'from both the management as well as the employee side. In almost all the projects plants of NTPC. multiple union situations exist, with the number of unions varying between 2 and 8. Different methods are followed for the selection of employee representatives at different locations. At Ramagundam, a secret ballot is conducted to find the representative union and recognition is accorded to that union. The Union then nominates representative. At Korba, a union is accorded representative status and asked to nominate its representative. At other places, representatives are selected from nominees of registered trade unions. The question of representation has been eluding an acceptable solution in the National Bipartite Committee, which functions at the apex level.

Case - 11 Maruti Udyog Limited

The basic philosophy of Maruti Udyog Limited is that the employees working at any level should be molded into a team, which works together to achieve shared goals and objectives of the company. The objective of participative management at Maruti Udyog is to enable all the employees to play an important role in the formation of policies. goals and objectives and to make suggestions to improve existing systems and practices.

The Company has what it calls the Sahyog Samiti apart from the union, which it uses for sharing of views and ideas on programmes and policies. This samiti contains representatives of employees, in pay scales higher than that of unionised employees. This provides opportunities to non-unionised employees also.

Quality Circles are given a great deal of stress, and there are over 300 QCs in operation. There is also a suggestion scheme in operation, in order to provide a mechanism for encouraging creativity and initiative at the grass root level.

The purpose of most participative forums is basically communication and to some extent consultation. The basic idea is to help labour to become adequately equipped to understand the problems of management, and to give labour access of required information.

15.6 EVALUATION OF WORKERS' PARTICIPATION IN MANAGEMENT

It can be observed that the concept of participative management is supported in principle by all the parties – government, employees and employers – no serious interest has been shown in it, except of course, by the government. From time to time, the government has come out with variety of schemes which best serves the national interest; but it is disheartening to note that all the schemes have failed miserably. This is evident from the following observations.

“The workers’ representatives are more concerned with the enlargement of their amenities and facilities and with the red renal of grievances, higher wages, better conditions of work and security of service with such larger problems as reducing the rate of absenteeism, increasing productivity, effecting economics in the operations of the enterprise and suggesting better methods for a more efficient utilization of plant and equipment. In majority of ones, the joint management councils are not functioning satisfactorily”.

Also, “Employers do not take the joint management councils into their confidence in regard to amendments of standing orders, the introduction of new and better methods of production and manufacturing processes, redeployment of men and machines, and reduction in or creation of operations despite their agreement that they would do so. Communication with or the practice of giving information to, the workers has not been adequately developed and although the management has agreed to transfer some administrative responsibilities to joint management councils, there has been no such transfer in actual practice”.

Analyzing these facts it can be conclude that there is no reality of the workers’ participation in management as in case of Indian Industrial Scenario. A variety of factors that have contributed to the failure of the scheme has been mentioned below.

- i) Ideological differences between Employees and Employers regarding the Degree of participation;
- ii) Failure to Imbibe the spirit of participation by the parties;
- iii) Multiplicity of participative forms – leads to confusion because most of the forms are ill-defined;
- iv) Have a strong Trade unionism – due to inter – union rivalry, political involvement etc.
- v) Unhappy Industrial Relations
- vi) Illiteracy of workers’ – leads to lack of active participation.

- vii) Non-cooperative attitude of the working class.
- viii) Delays in the implementation of the decisions of participative bodies.

All these factors have lead to cause waning interest in the workers and also the employers towards the participative schemes.

15.7 LET US SUM UP

As we have learnt the significance of workers' participation in management, Its various terms, levels and the applicability to the organization, this unit has to bring out the practices of workers' participation in India.

Though, it was an earnest attempt by the Government of India and the Employers to bring an amicable situation by giving workers' an opportunity to participate in both the managerial and operational activities, it should become a reality. As we have observed from this unit there are various methods of participation that has been put in to practice. The participation of workers' in the share capital was tried, but it was not much success in the public sector, whereas in the private sector, it has got an advantage.

As we have learnt from the practices of workers' participation in the Indian Scenario , is still in the infancy stage as it does not have any success rate though it was put into action , since 1957. It is high time that both the Government, Employers and Employees take note of the significance of the concept and make a sincere effort to bring workers' participation in management into reality as it would really help in having a sound, Industrial Relation, Which does not give any chance for disruption of work like the strikes, lockouts, retrenchments and lay offs.

15.8 KEY WORDS

Affiliate	-	To associate oneself with
Amenities	-	Social courtesies or things of material comfort
Disheartening	-	To cause to become discouraged
Cessation	-	The act of ceasing or Halt
Redeployment	-	To move from one zone to another
Grievances	-	A circumstance regarded as cause for protest
Innovation	-	To start or introduce something new
Fatigue	-	Physical or mutual weariness due to exhaustion
Emanating	-	Flowing out or to come out

Envisaged	-	To consider in a particular way
Exhortation	-	To make strong appeal
Imbibe	-	To absorb
Miserably	-	Very uncomfortable

15.9 SELF STUDY QUESTIONS

1. Briefly outline the workers' participation in Indian Scene.
2. Discuss briefly the various forms of workers' participation in India.
3. Explain works committee and its functions.
4. Discuss briefly the nature and functions of joint management councils.
5. Write a note on.
 - a) Joint Management Councils
 - b) Unit Councils
 - c) Plant Councils
 - d) Shop Councils
6. Discuss the significance of workers' representation in the Board of Management.
7. Explain the concept of workers' participation in share capital.
8. Discuss the workers' participation in managements experiments in India.
9. Explain few of the cases which you have come across with the workers' participation in management in Indian scenario.
10. Explain the workers' participation in management scene in India and discuss the reasons for failure of the same.

15.10 BOOKS FOR REFERENCE

Dynamics of Industrial Relation in India :	C.B.Mamoria and S. Mamoria Himalaya Publishing House
Dynamic of Personnel Administration :	M.N.Rudra Basavaraj, Himalaya Publication House
Essentials of Human Resource	
Management and Industrial Relation :	P. Subba Rao, Himalaya Publication House
Industrial Relation in India :	N.U.K. Sherwani, Anmol Publication Pvt. Ltd.
Strategic Industrial Relations :	Jerome Joseph , Global Business Press
Management	

BLOCK - VI :

UNIT 16 : INTERNATIONAL LABOUR ORGANIZATION-I

Structure

- 16.0 Objectives
- 16.1 Introduction
- 16.2 Historical background
- 16.3 Objectives of ILO
- 16.4 Constitution of ILO
- 16.5 Organization of ILO
- 16.6 Functions of ILO
- 16.7 Let us Sum up
- 16.8 Terminal Questions
- 16.9 Books for reference

16.0 OBJECTIVES

After studying this unit you will be able to

- Explain the antecedents of ILO
- State the objectives
- Describe its constitution
- Explain various functions of ILO

16.1 INTRODUCTION

Among various factors of production the most sensitive is labour. As we all know the management of labour is a challenging job. At the same time no country in this world is independent every country is dependent on some other country for one thing or the other. Hence, if there is any problem in the industrial activities of one country that due to labour, affects the economic (industrial) activities of the world adversely.

As a result to solve the problems of workers and to protect the interests of the working class through various regulations an organization was set up at the international level i.e International labour organization.

16.2 HISTORICAL BACKGROUND OR ANTECEDENTS OF ILO

The ILO was set up in 19th April 1919. It is an out growth of the social thought of the 19th century. The worst economic and social conditions prevailed during that time make the economicst, sociologists and social reformers to faught for the establishment of an organization at the international level to make provision to improve the working condition of workers. An industrial worker who became a textile king later on by name Robert owen argued with the respective Govt for the first time, for the establishment of an organization at the international level.

Then International conferences held in Berlin in 1880 and in Berne in 1905, 1906 and 1913 which were initiated by the German and Swiss Governments became the fore runners for the establishment of an international association for labour legislation in 1900 at Basle.

This association started collecting and disseminating information relating to labour and labour laws of various countries.

The adhoc international conferences on labour legislation held in 1890, 1905 and 1913 recommended to have a permanent body in the field of international co-operation on labour matters.

After the 1st world war a peace conference was held at Versailles (1917) during this conference League of nations was formed. Based on the recommendations of the league ILO was formed in 1919. At the demise of the league in 1946, its re-constitution took place under the declaration of Philadelphia 1944. Its treaty with United Nations brought a status of a specialized agency to ILO.

The ILO was born as a result of the peace conference convened at the end of 1st world war at Versailles. As an original member of the treaty of peace, India became a member in 1919. The ILO is an international organization and a new social experimental institution trying to make the world conscious that the world peace may be affected by the unjust conditions of its working population. It is like other international agencies such as FAO & WHO working for universal cause but different from them in one respect, i.e it has a tripartite structure. It is called tripartite organization because it includes representatives of employees, employer and the Government, in all its proceedings. This characteristic feature of ILO creates an avenue for all the three agencies to share, to control to supervise and in executing its (ILO) policies and programmes.

There are three groups namely, the Governments which finance it, the worker for whos benefit it is created and employers who share the responsibility for the welfare of the workers.

The ILO symbolizes social justice, universal peace and human dignity. India's policies and programmes which she pursues in the fulfillment of her obligations towards people are also based on similar concepts namely, social justice, universal peace and human dignity. The main objective is to improve the conditions of workers. In 1946, when the United Nations Organizations came into existence, the ILO became the first specialized agency of the organization.

16.3 OBJECTIVES, PURPOSE OR AIMS

The objectives of the ILO are enunciated in the preamble of its constitution supplemented by Article 427 of the peace treaty of Versailles, 1919 as well as by the philadelphia declaration of 1944.

Objectives as per Versailles Treaty

1. Full employment and raising of standards of living
2. The employment of the workers in the occupation in which they can have the satisfaction of giving the full measure of their skill, and make their contribution to the common well being.
3. The provision, as a means to the attainment of this end, and under adequate guarantees for all concerned, of facilities for training and the transfer labour including migration for employment and settlement.
4. Policies in regard to wages and earnings, bonus and other conditions of work calculated to ensure a just share of the fruits of progress to all and a minimum living wages to all employed and in need for protection.

5. The effective recognition of the right of collective bargaining the co-operation of the management and labour in the continuous improvement of productive efficiency and the collaboration of workers and employers in social and economic measures.
6. The extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care.
7. Adequate protection for the life and health of workers in all occupation.
8. Provision for child welfare and maternity protection
9. The provision of adequate nutrition, housing and facilities for recreation and culture.
10. The assurance of quality educational and vocational opportunity.

The purpose or objective of ILO stated in article 2 of the Philadelphia declaration are as follows.

1. Securing equal opportunity to all human beings irrespective of race, caste, creed or sex.
2. To provide conditions for such developments.
3. To accept only those measures which provide the fundamental objective.
4. To examine and consider all international, economic and financial policies and measures in the light of the above objective.
5. To make appropriate recommendations for the purpose.

16.4 CONSTITUTIONS OF ILO

The ILO constitution provides simple rules of procedures in relation to admission of any nation as member of ILO. It provides that all those nations, who were members of the ILO on 1st Nov 1945, and any original member of the United Nation can became member of the ILO by accepting the obligations of its constitution, other states can also became members of the ILO by a vote concurred by 2/3 of the delegates attending the session including 2/3 of the Government delegates present and vote.

In 1945 the constitution of the ILO was amended and the ILO entered into a relationship with the United Nations. The new rules says that

- (i) Membership of the UN does not mean membership of the ILO any original member of the UNO and any state subsequently admitted to the membership of UN may became a member of the ILO by communicating to the Director General, and by giving its formal acceptance of the obligation of the ILO.

- (ii) If a state (nation) is not a member of the UN, the ILO confers as the ILC (parliamentary wing of ILO) the right to admit that state as a member. This type of membership was assured as defacto during the period of the relationship of the ILO with the league.

The constitution of the ILO contains the specific provisions as the right of the member state with regard to withdrawal of membership. Any nation which wants to withdraw membership should give notice to the Director General of the ILO. Such notice will be considered after two years of its receipt by the Director General subject to the fulfillment of financial obligations by that particular member state which applied for withdrawal of membership.

Since the Second World War five members have given notice of withdrawal but only two countries withdraw the membership and the rest (other three) have returned to the ILO.

The withdrawal matter of a member has been regarded by the ILO as a serious matter much more serious than the simple subtractions of a numerical unit. For the ILO is not merely the mathematical total of its members but a living association of these states, organized for a common purpose i.e. attainment of balanced economic and social progress in an expanding world economy.

16.5 ORGANIZATION OF ILO

ILO is organized into three sub-systems they are

- 1) International Labour Conference
- 2) A Governing body
- 3) An International Labour Office

International Labour Conference is the supreme policy making and legislative body. In the conference 4 persons from each member state participate as delegates. The conference is convened normally during the month of June every year. Out of this four members two represents government, one represents the workers and the fourth one represent the employers. The government representative put forth one line of issue relating to labour of their respective governments and all other members vote as individuals. Two third majority vote of the members is essential for the adoption of any convention or recommendations. The ILC lays down the minimum international star of working and living conditions.

The governing body is the executive council. It consists of four members. The chairman and vice-chairman are elected for one year. The International Labour office is the secretariat operational headquarters and information centre. Its head office is at Geneva. This office is headed by the Director General appointed by the ILC. It has a group of experts who encourage for the research and studies on labour problems. The Director General is the Chief executive of this office.

16.6 FUNCTIONS OF ILO

After having studied the antecedents, objectives and structure of ILO. Let us try to understand the functions of ILO separately i.e. functions of ILO, as ILC, as Governing body and as Inter National Labour office.

1) Functions of ILO as ILC

Being a parliamentary wing and supreme policy making body ILO performs following functions in capacity as ILC

- 1) Formulates International Labour standards
- 2) Fixes the amount of contributions by the member state.
- 3) Approves the estimated expenditure and revenues (budget) prepared by the Director General and submitted by the Governing body after having discussion in detail.
- 4) Make amendments to the constitution when ever necessary subject to the subsequent ratification of the amendments by 2/3 member states including 5 of the 10 states of industrial importance.
- 5) Considers the report of the Director General in connection with labour problems and assist in their solution.
- 6) It appoint various committees to deal with different matters during each session.
- 7) It is empowered to regulate its own procedures.
- 8) Selects a members of the governing body once in 3 years and elects its president.
- 9) Seek advisory operations from the International Committee of Justice.
- 10) Confirms the powers, functions and procedures of regional conferences.

Being the executive council of the ILO Governing body performs the following functions

- 1) It co-ordinates the work of the organization.
- 2) Draws up an agenda for each session and subject to the decision of the ILC. ILC decides what should be included in the agenda.
- 3) Appoints the Director General of the Office.
- 4) Scrutinizes the budget prepared by the Director General which is required to be presented in the ILC.

- 5) It follows up the implementations of conventions and recommendations adopted in the conference by the member state.
- 6) It fixes the date, duration and agenda of the regional conference.
- 7) It seek advisory opinions from the International Court of Justice with the consent of the ILC.

International Labour Office is a secretariat of ILO. The Chief executive of the office is the Director General appointed for periods of 10 years by the Governing body and his term may be extended. The staff of the office is appointed by the Director General. Being a secretariat of ILO the office performs the following functions which were described in its constitution.

- 1) Prepare documents on the items of the agenda of the conference.
- 2) Assists the governments in framing legislations on the basis of the decisions of the ILC.
- 3) Carryout its functions in connection with the observance of the conventions.
- 4) Bring out publications in relation to industrial labour problems.
- 5) Collect and distribute information of international and social problems.

16.7 LET US SUM UP

ILO was established in 1919. the decision was made to establish the international specialized agency during versailles peace treaty. The main purpose of this organization is to improve the social and economic conditions of workers by avoiding exploitation of the working class by the capitalists.

The ILO constitution contains rules and regulations to become and to withdraw the membership

ILO perform its functions as

- 1) International Labour Conference
- 2) Governing Body and
- 3) International labour office at Geneva.

16.8 TERMINAL QUESTIONS

- 1) Explain the antecedents and objectives of ILO.
- 2) Briefly explain the procedure to become a member and to withdraw membership.
- 3) Describe the various functions of ILO

- 4) Write a note on
- a) ILO's Constitution
 - b) International Labour Conference
 - c) Governing Body
 - d) International Labour Office

16.9 BOOKS FOR REFERENCE

- | | | | |
|----|--|---|------------------|
| 1) | Industrial Relations | - | Arun Manappa |
| 2) | Personnel Management and
Industrial Relations | - | Rudra Basavaraj |
| 3) | Industrial Relations | - | A.M. Sharma |
| 4) | Labour and Industrial Law | - | Goswami |
| 5) | Hand book on labour Laws | - | S. Krishna Swamy |

UNIT 17 : INTERNATIONAL LABOUR ORGANIZATION - II

Structure

- 17.0 Objectives
- 17.1 Introduction
- 17.2 Conventions and Recommendations
- 17.3 Conventions and Recommendations ratified by India
- 17.4 ILO and India
- 17.5 Let Us Sum Up
- 17.6 Terminal Questions
- 17.7 Books for Reference

17.0 OBJECTIVES

After studying this unit you will be able to

- Give the meaning of convention and recommendation
- Explain the conventions ratified by India
- Explain the influence of ILO on Indian Labour Laws

17.1 INTRODUCTION

As we have studied the Historical background and inspiration for the establishment ILO and its objectives and functions. Now let us study various other aspects such as conventions recommendations made by ILO and ratified by India and its influence in framing labour laws in our country.

17.2 CONVENTIONS AND RECOMMENDATIONS

Convention is an obligation creating instrument as the part of the member nations. Member nations should formulate suitable legislation and present the conventions before appropriate authority within one year or 18 months in exceptional cases from the closing of the session of the conference for ratification. As and when it is ratified, the convention acquires a binding charter on the member state. Once it is ratified, it becomes obligatory on the part of the member state to implement the convention by legislature or other appropriate measures and to communicate the formal sanction to the Director General. Further, after ratification a member has to implement the convention without varying the provisions of the conventions in any respect except when and where the convention itself makes provisions for variations.

To any member nation for which it is not possible to ratify and implement the convention can complain to the governing body about non-compliance. The governing body will appoint a committees of enquiry to enquire and report on the matter. Then the enquiry report will be sent to the member nation for compliance. If the report is not accepted by the nation within 3 months it will be submitted ICJ (International Court of Justice) whose decisions on the matter will be final. Workers and employees unions can also file petition to the governing body of ILO securing the effective observance of convention with in its Jurisdiction. The governing body can explanation from the concerned member nations about the matter within three months. In case of non-reply the matter may be published by the ILO to expose the labour policy of the member state.

A recommendation is not an obligation creating instrument. It is intended to serve as a guide to the members in respect of minimum labour standards concerning the subject matter of the recommendations. A member, of course has to bring the recommendations to the notice of the appropriate authority within one year or within 18 months in exceptional conditions, after the closing of the session of the conference.

Generally speaking, recommendations lay down higher labour standards than what can possibly be embodied in conventions.

So far ILC adopted 172 conventions on variety of subjects and India being member of ILO since its inception adopted 36 of the 172 conventions. The aims of the important conventions are listed here to present an idea of the extent of coverage of the subjects and the main purpose of the international labour standards.

Subject	Convention	Aim of Standard
FREEDOM OF ASSOCIATION		
	C.87. Freedom of Association and Protection of the Right to Organise, 1948	The right, freely exercised, of workers and employers, without distinction: to organize for furthering and defending their interests.
	C. 98. Right to Organise and Collective Bargaining, 1949	Protection of workers who are exercising, the right to organize; non-interference between workers' and employers' organizations; promotion of voluntary collective bargaining.
	C135. Workers' Representatives, 1971	Protection of workers' representatives in the undertaking; facilities to be afforded to them.
	C. Rural Workers' Organisations, 1975	Freedom of association for rural workers; encouragement of their organizations; their participation in economic and social development.
	C.151. Labour Relations (Public Service), 1978	Protection of Public employees exercising the right to organize; non-interference by public authorities; negotiation or participation in the determination of terms and conditions of employment; guarantees for settling disputes.
PROHIBITION OF FORCED LABOUR		
	C29. Forced Labour, 1930 C.1DS. Abolition of Forced Labour, 1957	Suppression of forced labour Prohibition of the recourse to forced or compulsory labour in any form to certain purposes.
EQUALITY OF OPPORTUNITY AND TREATMENT		
	C100. Equal Remuneration, 1951	Equal remuneration for men and women for work of equal value.
	C.111. Discrimination (Employment and Occupation) 1958	To promote equality of opportunity and treatment in respect of employment and occupation.
EMPLOYMENT AND HUMAN RESOURCES		
	C.122. Employment Policy, 1964	Full, productive and freely chosen employment.
	C.88. Employment Service Convention, 1948	Free public employment service
	C.142. Human Resource Development, 1975	The development of policies and programmes of vocational guidance and vocational training, closely linked with employment.

C.159. Vocational Rehabilitation and Employment (Disabled Persons), 1983	To ensure a suitable employment and social integration for disabled persons in conditions of full participation and equality.
C.158. Termination of Employment, 1982	Protection against termination of employment without valid reasons.
SOCIAL POLICY/LABOUR ADMINISTRATION C.117. Social Policy (Basic Aims and Standards), 1962	All policies shall be primarily directed to the well-being and development of the population and to the promotion of its desire for social progress.
C.150. Labour Administration, 1978	The establishment of an effective labour administration with the participation of employers and workers and their organizations.
C.160. Labour Statistics, 1985	The maintenance of regular series of labour statistics.
C.144. Tripartite Consultation (International Labour Standards), 1976	Effective consultation between the representatives of the government, of employers and of workers on international labour standards.
INDUSTRIAL RELATIONS C.154. Collective Bargaining, 1981	To promote free and voluntary collective bargaining.
C.131. Minimum Wage Fixing, 1970 (read with earlier convention No. 26 of 1928)	Protection against excessively low wages.
C.1949. Protection of Wages, 1949	Full and prompt payment of wages in a manner which provides protection against abuse.
WEEKLY REST AND PAID LEAVE C.14. Weekly Rest (Industry), 1921	At least 24 consecutive hours of rest per week.
OCCUPATIONAL SAFETY AND HEALTH C.155. Occupational Safety and Health, 1981	A coherent national policy on occupational safety, occupational health and the working environment. Communication and co-operation at all levels in this area.
SOCIAL SECURITY C.102. Social Security (Minimum Standards), 1952	To establish with the requisite flexibility, given the wide variety of conditions, obtaining in different countries minimum standards for benefits in the main branches of social security.
EMPLOYMENT OF WOMEN C.3. Maternity Protection, 1919 & C.103. Maternity Protection (Revised), 1952	Twelve weeks of maternity leave with entitlements to cash benefits and medical care.
C.89. Night Work (Women) (Revised) 1948, and Protocol, 1990	The prohibition of night work for women in industry, while allowing some flexibility under certain conditions.
C.45. Underground Work (Women) 1935	The prohibition of the employment of women on underground work in any mine.

EMPLOYMENT OF CHILDREN AND YOUNG PERSONS C.138. Minimum Age, 1973	The abolition of child labour. The minimum age of completion of compulsory schooling (normally not less than 15 years). This does not apply to certain work as part of vocational/technical training and apprentices of the age of 14 years.
MIGRANT WORKERS C. C. 97. Migration for Employment (Revised), 1949	Assistance, information, protection and equality of treatment for migrant workers.
C.143. Migrant Workers (Supplementary Provisions), 1975	Equality of opportunity and the elimination of abuses.
INDIGENOUS AND TRIBAL PEOPLES PLANTATION C.169. Indigenous and Tribal Peoples, 1989	To protect the rights of indigenous and tribal peoples in independent countries and to guarantee respect for their integrity.
C.110. Plantations 1958 and Protocol, 1982	To expand the application of certain provisions of existing Conventions to plantations
HOURS OF WORK R.116. Reduction of Hours of Work Recommendation	Normal hours of work shall be, progressively reduced when appropriate with a view to attaining the social standard of the 40-hour week without any reduction in the wages of the workers as at the time hours of work are reduced.

17.4 ILO AND INDIA

India has been an active member of these organizations since its inception. India is a member of all the industrial committees except the one relating to petroleum production and refining. The ILO set up committees of experts and correspondence committees for problems like agriculture, health, women's work, migration and statistics. India has appointed a labour attaché in the consulate general of India at Geneva to keep close touch with the activities of ILO and represent India's interest to various committees and conferences. India has been designated as International Labour Advisor. The influence of ILO on labour policy and labour legislations in India cannot be denied. In fact, most of the countries' labour policy and labour legislations are based on the principles mentioned in the International Labour Code of ILO.

In our country inspirations have been drawn from the convention and recommendations of the ILO in evolving labour code and labour policy. Apart from conventions ratified by India several salient features of international labour conventions are also contained in the labour laws of the country. Many other labour laws passed in India since 1920 have derived their motive force from discussion at Geneva conferences. The creation of the ILO and the adoption of the draft conventions and recommendations appeared to have given their impetus to the development of labour legislations in India.

It has been pointed out that India has not ratified many conventions approved by ILO. But it should be understood that non-ratification is not due to unwillingness of the government but rather due to the procedure laid down by the ILO which does not allow the ratification by stages. In certain cases our labour legislation is ahead of the provisions of the particular conventions of the ILO. Compliance with international labour standards cannot be judged merely by the number of conventions a country ratifies. This is because of constitutional and administrative difficulties in a formal ratification.

Influence of ILO on Trade Union Movement and Industrial Relations: -

The trade union, movement and IR in India have been considerably influenced by the international contacts and ILO's working. In fact Indian trade union movement has begun along with the establishment of ILO. The ILO has influenced the Indian labour by creating a sense of solidarity and by awakening the consciousness among them of their rights and privileges. The representatives of an Indian workers have an opportunity to attend international labour conference and the establishment of custom to elect delegates for such conferences. Further, the closeness of our delegates with their counterparts in other country at the annual international conference has proved to be a great source of inspiration for international solidarity and social justice.

In addition to this labour organizations in foreign countries have helped the workers organizations in India. That is, in the past, the British Trade Union Congress and The International Federation of Trade Union rendered financial help to our workers during strikes and other industrial disputes.

At present India is one of the prominent members of the ILO and it is one of those benefited most from work in the direction of establishment of stable labour management relations.

The ILO started vocational training courses for Asian workers. The first regional state in the programme came into existence in 1949 of the Asian manpower field office in Bangalore which gives technical aid. The government requested the ILO for technical advice and secured a number of experts from time to time to advice the government and at the same time some experts from India have also been sent to other country has ILO experts. Since the common goal namely, common standard of life for humanity is the main objective of ILO is necessary that the action should co-operate with ILO to achieve the targets.

ILO conventions influenced a lot in formulating various legislations relating to social security, promotion of human rights wage legislations i.e. Minimum Wages Act and payment of wastes, appointment of young persons etc.

17.5 LET US SUM UP

ILO issues directions to the member states in two forms they are

- 1) Conventions and
- 2) Recommendations

Convention is an instrument which creates some responsibility on the member state. Hence, it is obligation creating instrument. On the other hand recommendation is not an obligation creating instrument but it is a guiding instrument.

Majority of the legislation is passed in India and other member nations are influenced by ILO conventions and recommendations. So far ILO issues 172 conventions but India ratified only 36 of such conventions.

17.6 TERMINAL QUESTIONS

- 1) What do you understand by convention? Differentiate it with the recommendation.
- 2) Explain the important conventions ratified by India.
- 3) Explain the influence of ILO on Indian Labour Legislations
- 4) Explain the relationship of India with ILO
- 5) Write a note on
 - a) Recommendation
 - b) Convention
 - c) Convention relating to hours of work

17.7 BOOKS FOR REFERENCES

- 1) Industrial Relations - Arun Manappa
- 2) Personal Management and Industrial Relations - Rudra Basavaraj
- 3) Industrial Relations - A.M. Sharma
- 4) Labour and Industrial Law - Goswami
- 5) Hand book on labour Laws - S. Krishna Swamy

NOTES

ಆದೇಶ ಸಂಖ್ಯೆ : ಕರಾಮುವಿ/ಅಸಾವಿ/4-203/2014-15 ದಿನಾಂಕ 06-05-2014
ಮುದ್ರಕರು : ರಾಜಾ ಪ್ರಿಂಟರ್ಸ್, ಬೆಂಗಳೂರು-560 027 ಪ್ರತಿಗಳು : 16000
ಒಳಪುಟ ಕಾಗದ : 60 ಜಿ.ಎಸ್.ಎಂ. ವೆಸ್ಟ್‌ಕೋಸ್ಟ್ ಮ್ಯಾಪ್‌ಲಿಥೋ, ರಕ್ಷಾಪುಟಕ್ಕೆ : 220 ಜಿ.ಎಸ್.ಎಂ. ಆರ್ಟ್ ಕಾಗದ



Karnataka State Open University

The Open University system has been initiated in order to augment opportunities for higher education and as an instrument of democratizing education.

National Education Policy 1986



