

Unit - I

Introduction of Industrial Relation Management

Introduction

Objectives

Object of this lesson is to initiate in to industrial Relations Management

In this we

- a) define what is industry
- b) What is dispute
- c) And discuss certain key definitions

Structure

- 1.1 Introduction
- 1.2 Causes of Industrial Dispute
- 1.3 Suggestion for Improvements
- 1.4 Industrial Relation Meanings, Discord, Conflict
- 1.5 Definition of Related terms in I.R
- 1.6 Related Questions
- 1.7 Summary
- 1.8 Key Answers / Suggestions.

1.1 Introduction

In simple terms Industrial Relations deals with the worker employee relation in any industry Government has attempted to make Industrial Relations more health the by enacting Industrial Disputes Act 1947. to solve the dispute and to reduce the retency of dispute. This in turn improves the relations.

What is Industry? Where we want to have better relations. "Industry means any systematic activity carried on by co operation between an employer and his employee whether such workmen are employed by such employer directly or by or through any agency including a contractor for the production supply or distribution of goods or sources with a overview to satisfy human want or

wishes (not being wants or wishes which are merely spiritual or religious in nature) whether or not (i) any capital has been invested for the purpose of carrying on such activity or (ii) such activity is carried on with a motive to make any gain or profit and includes any activity relating to the promotion of sales or business or both carried on by an establishment but does not include.

- i) Normal Agriculture operations
- ii) Hospital, Dispensaries.
- iii) Educational, Scientific Research Training Institution,
- iv) Charitable Philanthropic Service
- v) Khadi Village Industries
- vi) Domestic Services etc.]

It is an activity systematually or habitually undertaken a) for the production or distribution of goods, or for rendering material service to community at large, or part of such community with the help of employees in an undertaking

2. Such activity generally includes the co-operation of employer and employees

3. The object is the satisfaction of material human needs

4. It must be arranged or organized in a manner in which trade or business is generally arranged or organised

It must not be casual nor must it be for oneself not for pleasure.

Thus the very industry revolves around good industrial relations.

Industrial Relations

It is seen as a co operation between employer and employee, it is done with discipline (ii) done in organized manner and not casual and it gives satisfaction 'of needs'.

Industrial Dispute : As per section 2 (K) of industrial dispute or difference between employers and employees employers and employers or employees

and employees which is connected with the employment or non employment or the terms of employment or with the condition of labour of any person.

- 1) There must be a dispute or difference the dispute or difference must be between employers and employees employee and employees, employers and employers.
- 2) The dispute must be connected with employment or non employment or terms of employment or with the conditions of labour of any person.

The dispute which has resulted in strained relations is a controversy in which the workman is directly or substantially interested. It must also be a grievance felt by the workman which the employer is in a position to remedy. The existence of a grievance is necessary and it must be communicated to the employer.

The term industrial dispute connotes a real and substantial difference having some elements of persistency and continuity, till resolved and likely, if not, adjusted to endanger the industrial peace of the undertaking or the community. When the parties are at variance and the dispute or difference is connected with the employment or non employment or terms of employment or with the condition of labour. There comes in to existence an industrial dispute

1.3

General causes of industrial disputes strains which results in bad industrial relations are.

1. Close mindedness of employers and employees one thinking to extract maximum work with minimum remuneration, other thinking to avoid work and get more enhancement in pay and wages.
2. Irrational wage, wage system and structure not mutually acceptable

3. Poor working environment, low presence of safety, hygiene conditions vitiated atmosphere for smooth working
4. Poor human relations, and lack of dexterity on the part of management personnel
5. Lack of control over the situations erosion of discipline, which rebounds.
6. Introduction of new technology or automation mechanization, Computerization etc. without proper consultations, preparations and discussion with workers and creating climate.
7. Nepotism, unequal work loads, disproportionate wage, and responsibilities.
8. Adoption of unfair labour practices either by employer or employees and unions.
9. Unjustifiable profit sharing, and not considering workers as a co-shares of the gains of the industry.
10. Frequent union rivalries over membership foisting up of fake unions.
11. Strikes lock out, lay off, and resulting retrenchment due to high handedness on the part of the concerned.
12. Throwing away the agreements and arrived settlements
13. Militancy of the unions
14. Attitude of government and political parties who may indirectly control some the unions for their own gains or to get a hold on the industry.

1.4 Few suggestions for the improvement of industrial relations and reduce disputes

1. Trade unions should be strengthened democratically so that they can understand and toe with the main stream of the national industrial activities.

They can drop the some how survive attitude by promising impossibles and consequent perpetual strain.

2. Employers should have more transparency in their dealings with workers to build confidence and have progressive out look.
 3. They should have open minded flexible collective Bargaining.
 4. Workers should be allowed to participate in the management through forums, committees and councils,
 5. Sound labour policy, planning
 6. Proper leadership and communication
 7. Enforcement of discipline
 8. Try to have union with in workers fold.
 9. Equity in distribution of wealth by acknowledging workers as team members
- 1.5

This has always remained as a disputable topic whether industrial relations is same as personal relation, human relation or labour management employer employee or union and management relations. A discussion on industrial relation considers all these as almost same.

Definition of Industrial Relations

As per Dale Yoder Industrial Relations refers to the relationship between management and employees, or employees and their organization, that arise out of employment.

Teed and Metcalfe observed Industrial Relations are the composite approach of the attitudes and approaches of the employers and employees towards each other with regard to planning, Supervision, direction and unification of the activities of a set up with less friction and more co-operation with mutual effort for others well-being.

The essences of good industrial relation lies in the bringing up of good labour relations which gives a forum to understand each other (employer, employee)

properly. Creates co-operative thinking and working to achieve the goal of the organization. A good Industrial Relations increases the morale of employers and goods them to give their maximum, each think of their mutual interest which paves way for introduction of new methods, developments and leading to adoption of modern technology. This progressive ways when designed with their mutual interest and consent develops many incentive propositions, effective participators forum is created in management. Profit are shared, workers get their dues in the organization leading to job satisfaction-which is needed for good relations. Good industrial relation increase production, improves quality of work and products efficiency of workers increased. Cost of production lowered. Bad Industrial Relations leads to industrial unrest industrial dispute and a downward trend to industries workers and the nation. Of course the first hit will be on the employers, who has invested.

Industrial worker and the employers normally don't think, feel or act in precisely the same way and because each starts from a different point conflict of some fort can mover be eliminated completely.

The main reasons for industrial discard, can be due to

1. Misunderstanding or differences in perception
2. Lack of co operation real or imagined
3. Problems with authority
4. Future to comply with policies or stick to plans.
5. His Agreements over ways to achieve agreed goals.

Conflict can have some positive aspects also, they may give positive results like

1. Reveal new aspect of an existing issue
2. Improve long term communication between the individuals concerned
3. Always previously stifled emotions to be released

1.6 Definition of some important terms used in Industrial Relations

Arbitrator – Neutral person to decide on common issue, includes an umpire

Average pay – average wages payable to a workman

(a) In case of monthly paid workman in the three complete calendar months, in the case of weekly paid, in the four complete weeks, in the case of daily paid workman in the 12 full working days preceding

Award: An interim or a final determination of any industrial dispute or of any question relating there to by any labour (court), industrial Tribunal or national Tribunal and includes an arbitration award

Conciliation officer: Means conciliation officer appointed under (1) Act to make conciliatory effort between employer and employees to bring amity.

Labour Court – Means a labour court constituted under (1.D) Act to adjudicate over industrial dispute cases etc.

Public utility Service – (I) Any Railway service or any transport service for carriage of passenger or goods by air (2) any service in major port to clock.

Postal & Telegraph

Industrial establishments on the working of which the safety of the establishments, or the workmen employed there in depends.

Industries which supply power light, water to public

Public conservancy or sanitation.

Few others indicated in Schedules.

Settlement :- means a settlement arranged or in the course of conciliation proceedings and include a written agreement between the employer and workmen arrived at otherwise than in the course of conciliation proceeding where such agreement has been signed by the parties there to in such manner as may be prescribed and a copy there of has been sent to an officer authorized in this behalf by the appropriate government and the conciliation officer

It means an adjustment arrived at in the course of conciliation proceeding before a conciliation officer or before Board of conciliation. It also includes a written agreement between the employer and the workmen otherwise than in the

conciliation proceedings. In such a case the agreement must be signed by the parties in the prescribed manner and a copy of which must be sent to an officer authorized in this behalf by the appropriate government and the conciliation officer. Thus the settlement indicates the agreement arrived at either in the conciliation proceedings or otherwise between employer and the workmen. Unfair labour practice. Generally to interfere with, restrain from, join or assist a trade union or to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection to establish employer sponsored trade union of workmen, to discharge or dismiss workmen by way of victimisation, to recruit workmen during a strike which is not an illegal strike etc.

Details of above are appended.

Wages

All remuneration capable of being expressed in terms of money which would if the terms of employment expressed or implied, were fulfilled, be payable to a workman in respect of his employment or of work done in such employment – includes

1. Allowances
2. House revert allowance
3. Traveling concession
4. Commission for sale or business does not include bonus, gratuity provident fund etc.

Workman

Any person employed in an industry to do any manual and unskilled, skilled, technical, operational Clerical or supervisory work for hire or reward whether the terms of employment be express or implied, and for the purpose of any proceeding under 1.D Act in relation to q 1.D includes any such person who has been dismissed discharged or retrenchment in connection with or as a

consequence of that dispute or whose dismissal discharge or retrenchment has led that dispute, but does not include – Navy, police, managerial, administrative position holders or working with wages exceeding one thousand six hundred rupees per month

Questions

1. Define industrial relations?
2. Explain industrial dispute?
3. What is unfair labour practice?
4. Give suggestion for improvement of Industrial Relations.
5. What is Industrial Relations personal relations?

1.9 Summary

In this chapter we see, what is dispute in industrial atmosphere? We come across different definitions connected with Industrial Relations, 1.D etc We study the reason for industrial conflict and try to find a solution

1.9 Suggestion

In this we have to go through different definitions given and relate it at various levels. 1.R and 1.D is explained fully and we have to go through these several points given to understand rest of the chapter.

Concept and determinants of Industrial relations and its position in India

2.1 Objectives

In this we try to find the concept of Industrial Relations and its determinants We discuss the parties for better Industrial Relations. Some of the major causes for industrial unrest and discuss the sequel to unrest and its manifestations.

2.2 Introduction

2.3.1 Concept of Industrial Relations

2.3.2 Determinants of Industrial Relations

2.3.3 Parties to Industrial Relations, IR in India

2.3.4 Causes of industrial unrest, consequences of Strike Lockout lay-off retrenchment.

2.4 Self Assessment Questions

2.5 Summary

2.6 Key Answers.

Concept and determinates of Industrial Relations

2.2 Introduction

Industrial Relations Definition

It is concerned with the relationships between management and workers and the role of regulatory mechanism in resolving any industrial dispute.

The relation between workers and management have undergone Himalayan changes in our country there had been a system of king and his subjects, all should work to improve the coffers of the king. Later Zamindars came and workers were at their mercy – some time bonded also, later with the formation of East India company and British Rule a heart less Hire and fire system was established Industrial workers were no man's child neither the employers nor government cared for them, there were no union also. Gradually enlightened leaders came in like, Gokale, MK Gandhi Roy, Tilak etc felt the need for worker's union. Their relentless efforts forced both governments and the employers to think of workers lot small unions were formed, government enacted rules like 'Trade union Act 1926. Industrial disputes Act etc.

The workers began to realise their status and they were awakened.

A sort of uprighting workers and reluctant management has started functioning.

Soon workers motivated by different Industrial Acts enacted by parliament supporting them, and looking after their health, welfare, safety, social security etc. Got emboldened to raise their voice. At the same time management also has started improving, more and more industries were nationalised, public sector came in to existence at number of places, textile insurance, banks transport etc.

With increasing number of public sectors, workers life style changed, assured job arrogated unions, appeasing management, administration with less accountability – workers had their field day. Public sectors started doing more of social service than business and profit doling out public exchequer.

Slowly this trend is changing with the government's reversal policy, decentralization Privatisation etc. Compelled by universal need to compete in business, activated by world. Trade organisation global economy etc government turned towards foreign investments and industrial set ups by foreign investors. Stringency of some of the laws are disappearing monopolies Restrictive Trade Practice, F.E.R.A etc consequently issues like productivity linking productivity with emoluments are also coming into fore front. With new companies coming in, formation of merry unions have come to a stand still, no union worth the name is there in I.T sector in our Tradiad Park, Chip's World etc. Job security is diminishing, legislations, are not coming as before because we have to live in a competitive world, of industries where down sizing out sourcing productivity, etc has become the 'watch word'.

2.3.1 Concepts determinates of Industrial Relations

From the words of TISCO management. "The welfare of the labouring classes must be one of the first cares of every employer, Any betterment of their conditions must proceed more from the employers downwards rather than be forced up by demands from below since labour, contented, well housed, well fed and generally well looked after, is not only an asset and advantages to the employer but serves to raise the standard of industry and labour in the country"

It is sheer injustice on the part of any management to take advantage of the poor, helpless conditions of workers and exploit them with more work extractions and less insufficient payment. Workers illiteracy and lack and training made them to work in unhealthy conditions for very low compensation. At this Juncture industrial relations need was felt to protect workers rights, wages etc. At the

same time industrial relations cannot remain producing the rights of one side only in the industry they have to protect the rights of employers also. As such IR has declared through act, what are illegal strikes and various standing orders to protect the dignity of supervisors, managers and of course employers.

The main concept of industrial relations are

1. preservation and promotion of economic interest of workers along with social interest
2. Peace and productivity goes hand in hand hence. attempt to reduce industrial dispute and promote peace is a necessity.
3. Employer employee relation should be made healthy and growing
4. Running of the industry, day to day work should be made more democratic with increasing workers participation
5. Producing products at a very competitive price so that country can promote export and our economy can improve.
6. Bringing mental revolution in management.

2.3.2

The determinants of good industrial relation can be promoted

1. Measures for securing and preserving unity and better relations between workers and employers
2. Arrange to probe and settle industrial dispute between employer employee or employer and employer or employee and employee, give proper representation to workers union and industrial federations of employers.
3. Both the ultimate weapons of employers and employee – strike and lock out should be prevented at any cost. Proper relief to workers after a ‘lock out’ or ‘lay off’ through government agencies
4. Workers participation at all levels and encourage give and take principle in collective Bargaining.

Industrial relation requires a study regarding I) conditions of work (ii) compensation paid for the sweat the worker makes iii) permanency of the job assured continuance of work or otherwise.

The parties to Industrial Relations are

- 1) Workers and their unions, the intelligence level knowledge of workers, back-ground of worker leaders, real or boghus their linkage with political unions, are to be considered for the effective relations.
- 2) Nature of employment and employers, whether benevolent, interested in workers or aiming to get as much profit as possible squeezing workers their attitude plays vital role in maintaining better relations. Whether they want to have team, and growth of their team as a whole or just hire and fire system.
- 3) Position of government, political will whether opportunitie favouring employers or interested in workers, are to be seen. Their interest in workers can be seen through their actions in creating Laws for labour welfare and implementing them effectively.

2.3.3 Industrial relations development can be based

- 1) On a spirit of team development team building workers are to be seen as partners in the industry for national development thro industrial development, most of the laws and government's directives wants to enforce workers participation joint councils, collective improvements work etc.
- 2) In the above method it is Bipartite, partite there is yet another arrangement of tripartite nature; introduction acceptance and bringing up of unions.

In the first case the welfare / personal man is the link between employers and employee. In this type of I.R approach the unions are encouraged as a unifying force and to make workers understand the policies – from a different position. The work becomes easier if unions are working with spirit of development and understanding. In this type of industrial Relation approach unions are having upper hand. Some times they make workers as pawn. only workers interest is put on the front, for getting the status of employers. Pressure tactics are adopted, some time leading to strike to extract maximum from employer, this attitudes which may push towards terror tactics may not yield desired results. Quite likely entrepreneurs may start shrinking, existence of such industries may be jeopardised. an unwanted situation. Similarly the employers roaming with a ‘lock’ in his hand also will not contribute for better relations.

It is the mutual understanding and appreciation only will give better results.

2.3.4 Industrial Relations in India

I.R has undergone a wide change in Indian scererio, during the end of british period in India an awakening in working class was seen. The world wars forced the employers to become more friendly with the workers, to see un interrupted production is ensured during war time. Out of their self interest they have to become benevolent, At the same time leaders also came up, Mr. Roy Tilak Mahatma Gandhi and others were instrumental to organise workers union, and also force government to frame labour laws, to improve the lot of workers.

In 1929 Industrial dispute Act was enacted later in 1947 it became industrial dispute, act where in machineries to solve industrial dispute were indicated.

- (1) The Directive principles of state policy, as enshrined in our constitution stipulate that the state should endeavour to improve the workers conditions, working conditions, and also productivity of industries which will improve wealth of nations.

- (2) Several acts are enacted by parliament both before and after independence which were focusing on workers interests, welfare health etc. The 'Tric Act' Factory, Act. Industrial Dispute Act; Trade union Act gives major direction to achieve the constitutional directives.
- (3) Besides this, wages Act 1948, Bonus Act 1965, Grativity Act 1972, Equal remuneration Act 1975, are some of the acts in the above direction.
- (4) In 1972 National commission on labour, recommended setting up a permanent industrial Relations commission this was not well received by government.
- (5) National conference in 1982 made several recommendations
 - b) Emphasis on formation of permanent industrial Relations commission
 - c) Stringent action on contravention of a mutually agreed code of conduct
 - d) A check off system was prescribed where in by ballot election, how many are real members of a union how many, dual, boghus etc could come to light. This did not find well with unions but some unions have arranged for deduction of their subscription through employers pay counter to some extent the check of system is working.

Causes of industrial unrest in India can be classified mainly under four heads they are

1) Financial Aspects

- a) Demand for increase of wages, salaries and other perks. workers demand goes on increasing with the increase in cost of living
- b) Demand for more perks, and fringe benefits. Issue of bonus also has become a contentious one, even though Bonus Act has come fixing minimum rate payable as 8 1/3% of their total salary inspite of profit or loss incurred by the industry.
- c) Incentives festivals allowances, concessions etc requires a hike every now and then, workers compare these benefits with other industries and demand them – without comparing the capacity of the industry where they are working.

2) Non financial aspects

- a) Working hours, rest hours, Traveling hours are source of disputes. If houses are provided some section of workers want to include travel time also as working hours.
- b) Introduction of machines, computers modernisation, automation – In effect any act of management which may result in economy in man power is resisted
- c) More facilities like free meals free group travel etc are sought every now and then

3) Administrators Causes

- a) Non implementation of agreements awards and other local settlements – with full sprit
- b) stifling with recognition of labour unions though registered,
- c) Attempt to weaken existing trade unions and trying to foist fake unions
- d) Un healthy working conditions

- e) Lack of skill on the part of leaders supervisors
- f) Disproportionate works loads, favoritism
- g) Victimisation, nepotism attitude of management in recruitment, promotion, transfer etc
- h) Instead of re deployment or skill improvement easier way of retrenchment forced voluntary retirement schemes (C.R.S) are adopted.

4) Government and political pressures

- a) Industrial unions affiliating with political unions which are in power, resulting in frequent shift of loyalty and resultant unrest
- b) Politician influencing workers group closes examples is the Nalco – taken over by Sterlite, the state government supported (propped up) strike at Chattisgarh state against Nalco, for months together resulting in total stoppage of the industry for some time.
- c) Some time unions, workers strike against mergers, acquisition, taken over, disinvestments policies, of government and private sectors.

5. Other causes of strained relations.

- a. Refusal to have workers participation in the running of the industry.
- b. Non adherence to laid out 'standing orders' grievances procedures
- c. Refusal to have free frank, and transparent collective bargaining.
- d) Sympathetic strike – a show of readership to workers of neighboring industries, and conducting a token strike when they are in full strike.
This may cause internal bitterness.

Consequences of strained Industrial relations

1. May result in go slow tactics, Strike, lock out etc.

2. Industrial production and productivity may be affected, growth of industries will be stunted
3. May result in recited atmosphere, law and order situation will deteriorate
4. Employer, Management, labour relations will be affected mutual faith and team spirit will vanish.
5. Absence of mutual co operation affects, participation forums and Bargaining Plot forms.
6. Government also will loose revenue, and may need to spend more to keep law and order around the industry
7. National income, per capital income will go order
8. Will result in loss in earnings of workers with added suffering.
9. The industries also will suffer loss, and it is a loss to common consumers also.

The manifestation of industrial strife, disputes come in the form of strike lockout, layoff and retrenchment.

To maintain good Industrial Relations we should know what are these weapons in the hands of employers

and workers and to diffuse it. Our law markers in India have enacted about these manifestation of disputes

Strike: Section 2 (q)

Means a cessation of work by a body of persons employed in any industry acting in combination or a concerted refusal or a refusal under a common understanding of any number of persons who are or have been so employed to continue to work or to accept employment.

The ingredients can be summed up as

1. A cessation of work
2. This abstinence of work must be by a body of persons employed in an industry
3. The strikers must have been acting in combination.
4. They must be persons working in an industry as per this 1.D Act 1947.
5. There must be concerted refusal or refusal in a common understanding, they must stop work for some demands relating to this employment or its terms, or conditions of labour.

The strike may be manifested in different forums like, hunger, sit down, solve down, pend own, lighting etc.

Lock out : As per section 2 (1) of 1.D Act It means the temporary closing of a place of employment or the suspension of work, or the refusal by an employer to continue to employ any number of person employed by him

There is temporary closing of employment.

The elements of demand for which the industry is locked out must be present. The intention to reopen or take the workers back if they accept the demands, must exist lock out is not closure it is a tactics in bargaining it is intended for the purpose of compelling the employee to accept any terms or conditions affecting employment. It is a weapons in the hands of employers, A lock out declared in consequence of an illegal strike or a strict declared in consequence of a illegal lock out shall not be deemed to be illegal.

Lay off : As per section 2 (kkk) of 10 Act means, failure, refusal or inability of an employer on account of shortage of fuel power or raw materials, or the accumulation of stock or the breakdown of machinery to give employment to a

workman whose name is on the master rolls of his industrial establishment and who has not been retrenched.

It is a short term removal of workers.

The essentials of a lay off are failure refusal in ability of the employers to give work

The employees must be permanent in nature at the time of lay off

The failure to give work should be due to reason beyond his powers like

- a) a major break down of machinery
- b) Shortage of raw material, power, coal etc.
- c) Marketing problem of stocks resulting in accumulation
- d) Any other act of god beyond employer's control.

The workman must not have been retrenched

Retrenchment section 2 (oo) of 1.D Act means termination of the services of a workman by employer for any reason whatsoever otherwise than as a punishment inflicted by way of disciplinary action, but does not include,

- a) Voluntary retirement of the workmen, or
- b) retirement of the workman or reaching the age of supermuation
- c) 10 Termination (natural) at the end of a contract
- d) Termination due to continuous ill health.

Essentials of retrenchment

1. Termination of services of a workman not amounting to dismissal
2. Termination on the ground of surplus labour or staff
3. Service terminated must be a continuous one perpetual in nature.
4. Termination not to victimize or due to unfair labour practice.
5. The above 4 weapons may create industrial relations strain, cause dispute etc.

Attempts by government to safeguard IR

1. The strikes may be declared illegal if adequate notices are not given if given it becomes legal and they may get compensation etc if any action is taken by employer.
2. During lay off which is beyond the control of employers, workers should be paid $\frac{1}{2}$ the wages for sustenance at least up to 45 days.
3. Lockout can be as a consequence to illegal strike. If strike is withdrawn work can resume, of course punitive action can be completed.
4. Retrenchment is an extreme action, but when industry comes back to normal running, the retrenched workers can re establish their lien, and they will be given preference for absorption.

Thus it can be seen every attempt is made by government and various acts to retain relationship between worker and management which only can give industrial peace for progress.

2.4 Self Assessment Questions

1. Explain strike and lay off.
2. What is lockout state its consequences
3. What are causes of industrial unrest?
4. What are the determinants of Industrial Relations.?
5. Explain retrenchment.

2.5 Summary

In this we have seen the concept and determinants of Industrial Relations Position of I.R in India. The causes of Industrial unrest is discussed along with its consequence. The weapons in the hands of employers and employees are discussed.

2.6 Key Answers :

Industrial Relations when strained boils to strike, unrest and consequential employer's reaction lock out retrenchment etc. This chapter deals with methods to solve the unrest problems.

Managing Industrial Relations changes, Industrial Relations and Productivity

3.1 Objective

With increasing education level of workers, growing industries, foreign companies coming in, etc requires our scrutiny of relations with industrial workers. There should be a shift in the maintenance of industrial relations in the light of above changes

Structure

3.2 Introduction

3.3 Personal management, Human relations management and industrial relations

3.3.1 Industrial Relations changes and management

3.3.2 Industrial Relations and productivity

3.3.3 Productivity influence

3.4 Self Assessment questions

3.5 Summary

3.6 Key Words

3.1 Introduction

Managing Industrial Relations changes. There are phenomenal changes in industrial relations field in India why globally also the same thing. To improve the working conditions in industries and also to safeguard the interest of the workers and to put a check on amassment of wealth by industrialists, in early fifties Nationalisation of industries galore started. This has resulted in public sector undertakings, with improved industrial relations.

Now after half a century the myth of socialistic pattern public sector mode is having a shift to privatization which has become a global necessity also. Need for cordial relation became necessary

1. To have workers whole hearted co-operation in our modernization endeavors
2. More transparency is required every where and this helps in better collective bargaining
3. This will not only facilitate enhancement in production but also improve productivity
4. The net outcome of increasing efficiency and profit will go to industrialists as well as to workers.

3.3.1 P.M and H.R.M – Industrial Relations

Companies have started to improve their personal management, instead of personal management, concept of human relations management. has taken over this aspect. This has created new ways to improve relation.

- 1.This enables to consider work force as a part of management and proper motivation and career planning etc are attended to properly
2. By developing team spirit ‘give and take’ policy is pumped in, the memorandum of understanding M.B.O approach which fixes the thing at proper perspective is gaining momentum by improving relations
3. The above approach and flattened hierarchial set up, improves the communication and no room is given for suspicion misunderstanding.
5. Since there is ‘spelt out’ career growth this helps to improve efficiency of workers for mutual benefit.
6. H.R.M is giving more scope for proper union activities resulting in better negotiations and meaningful settlements.
7. The participative forums envisaged right from 1947 thro Factories Act etc is gaining momentum improving Industrial Relations.

H.R.M replacing personal management has made lot of changes in personal relationships and personal handling the Industrial Relations changes are visible as follows.

1. The rules regulations etc are now days so tailored to suit the workers they are seen with a humanitarian approach. The old pattern, I don’t

know what you will do is changed, a co-operative attitude is taken now, this has resulted in a jump in Industrial Relations.

2. The laid out procedures are contracted as per need of the hour – The focus is to get the things done not to stick to reties and get stuck up.
3. The superintendence pattern is shifted and a guidance pattern is adopted by managers hence workers feel homely and as a team.
4. The managers facilitate the works under the transformed leadership – not the old transfixed position.
5. Team work is facilitated ‘Go and do it’ is changed into ‘let us go and do it’
6. Industrial workers are industrial assets has become the motto of Tata iron and steel company’s motto is Tata family a feeling of oneness this has resulted in owning of the industry. This motto has paved way for its phenomenal growth and diversification more or less it is coming towards Japanese style.
7. Higher thrust is given for the development of workers, skill improvement, management development career growth planning etc has improved the industrial relations.

Industrial Relations Changes has brought lot of changes in

- a) Management, entrepreneurs, employees because of necessity and compelling circumstances.
- b) In the trade unions
- c) In the workers themselves
- d) Attitude of the government, politicians
- e) Judiciary also

This can be discussed as follows

1. Management has changed Human Relations Management policies.

2. Employers have formed their effective associations to tackle not only their workers but also to compete
3. Linkage with international business organisations, participation in world trade suggesting requisite changes in commercial laws etc. has become the order of the day.
4. Linkage with international labour organisation they can, up to date, the informations to see their suggestions and improve workers conditions.
5. ASSO CHAM chamber of commerce etc have emerged as confederation of Indian Industries.

B. Status of Trade unions: After independence of our country more and more industries were coming, trade unions were becoming stronger.

In private sectors trade unions were masters they could to strong arms tactics at the same time some industrialists could suffocate the unions with their 'gangs' Things were extreme union leaders were in the pocket of industrialists.

4. When nationalization of industries started, more public sectors came in to being public sector bureaucrats cannot purchase or give pressure on union leaders like private management hence they have to take other steps to keep the relations better. Hence industrial relations had to be attended to keep industries running smoothly.
5. With Nationalisation spree trade unions affiliated themselves to political parties more vigourously, rather unions became a pawn in the hands of politician. Real union leaders lost their faces. Masked politicians became the string pullers in industrial affairs

C. Change and Workers

1. Workers have started making hay while the sun shines they joined unions which are powerful, not unions which are principled.
2. Might is right those who can get us more will be our leader, their's is our union.

3. Interests of management, justifiable demands etc gone with the winds the net result employers dilemma and lack of their enthusiasm. This was a stage at which the most union minded comradary states Kerala and west Bengal – became almost devoid of industries worth the name in Bengali language ‘for going to office wages, and to work O.T’ was a saying.
4. Gamut of industrial social security Acts came into being only keeping in mind the interest of industrial workers without any thought about the industry or the employers.

D. Attitude of government and politician

1. Politicians were jubilant while there was nationalization since they can hold the reins
2. The profit loss of P.S.U were linked with government money, which is unlimited, as such politician and government machineries were comfortable industrial relations got a boom.
3. Back bone less management was seen in most of the industries, workers wages enhanced, with out increasing their responsibility or accountably.
4. Almost after half a century after independence when the euphoria of independence waned – there was a sudden stop on nationalization, reversal started.
5. More privatization disinvestments started, this has created strain or industrial relations.
6. Amalgamation, merger, takeover, N.R.1. Companies, Foreign Companies invasion, started with full speed, workers baffled, unions got submerged, global competition necessity was felt by one all as such industrial relations was at balance.
7. The new pattern of employment in information Technology, computer world- the word workers disappeared hence unions become out of questions. If persons are posted as supervisors and managers straight away – they are not coming under workmen Act. The new employment set up of the country has money and comfort as such the relations of employers employee is cordial.
8. Industries which were having workers saw the competitive world and both employer employee appreciated the necessity for good relations – to compete with others. This has become a golden relations’ period.

E. Change in Judiciary

1. Judicial Activism was pronounced, judges were free to decide for the country’s welfare

2. A slight shift was perceptible in some place where employers action was justified.
3. Through there were frequent brushings between judiciary and parliament, by and large development of the nation got a boom.

3.3.3 Industrial relations and productivity, “Industrial relations are that part of management which is concerned with the man power of the enterprise whether ordinary, skilled workers or manager” Betrel smith. Good industrial relations provides congenial atmosphere where workers can think of their job management thinks of their welfare and goal of the company the workers also are concentrating to achieve the goal of company. Welfare of the company where both manager and worker works becomes foremost there by all derive their benefit. Motivated workers moral become high the team spirit participative management profit sharing scheme etc. leaves the worker satisfied A Satisfied workers is a most productive worker. Thus good I.R achieves better productivity increasing production is one thing, but increasing productivity is another thing. The achievement of greater productivity can be had by good industrial relations only.

1. Productivity can be of manpower, finance, marketing and workers productivity man power productivity can be had by efficient development of work force, right man, the right place at the right time, for right type of job.
2. A deployment which equates full load to a perfect worker his optimum capacity is brought out. He can bring out his optimum only when he is fully satisfied his psychology is in good condition. Improvement of industrial psychology is done by good relations only.
3. Finance productivity is deployment of finance for just and best output. The receipt of finance at low interest and payout should fetch high interest payment to workers also. If payment to workers are just and incentive oriented, stimulating, competitive, workers interest is aroused –

results in higher production and more return on the money invested as finance, Hence this besides creating mutual confidence develops a team spirit and better relations.

4. Marketing productivity, for the efforts taken expenditure incurred by marketing department if sales are high it may be called a productive marketing philosophy more marketing can be achieved if cost of production is less. Cost of production will be low if workers are a satisfied lot, if wastage is avoided, if best quality is produced, if disciplined production takes place within stipulated time at the stipulated cost and quality. This is easily achieved if morale of work force if high is they are motivated.
5. Workers productivity with increased sense of responsibility which comes of best team and co operative spirit, we will produce, shows togetherness, best relation between employer and employee. Besides satisfied employment results in less absenteeism and reduced turnover absence of both automatically increase production and productivity.

Strained industrial relations leads to industrial disputes which is an production loss to both employers and employee

3.3.4 A comparative industrial dispute man days lost figure

Year	No. of dispute	No.of.worker involved(000)	No. of Mandoss left(000)
1951	1071	691	3819
1961	1357	513	4919
1971	2752	1615	16546
1975	1943	1144	21901
1980	2856	1900	21900
1991	1810	1342	26428

Source Annual report, ministry of labour Government of India hand book Labour Statistics

3.3.5 “Productivity implies development of an attitude of mind and a constant urge to find better, cheaper, quicker easier and safe ways of doing a job manufacturing an article and providing a service” – V.K.R. Menon.

Normally productivity is ratio of output / Input as per international labour organisation. “The ratio between output and on of the factors of input (men, material, money, talent etc) is generally known as productivity of the factor concerned so far we explained this greatest output with smallest input productivity is to be calculated from the quantity of produce vis-q-vis the resources utilised (make best out of the things available) for that production. Productivity is necessary for all type of enterprises government quasi government or private sector etc.

Not mere production will elevate us we are to compete with the world, hence effective production improvement and productivity alone can raise us national productivity level should be hoisted up, economic growth will be stable only with rising productivity and industrial goal is centred around good industrial relations when productivity goes up economic growth shoots up, the industrial climate remains cordial and congenial to production development activities economic use of raw materials avoiding wastages giving optimum thrust by industrial workers reduces the cost of production the benefit of which goes to customers and society at large with more sales and profit automatically the workers wages and benefits becomes better developing countries like us should give more thrust on productivity and attempts are made to link bonus with productivity a ‘golden rule’ if it comes to adoption legally. In a way increase in productivity expenditure on sees that Industrial Relations is stable input is reduced capital investment also may be reduced hence general economy improves with heightened productivity we see.

1. Industrial workers touch their peak of efficiency
2. Wasteful expenditure, wastages are systematically reduced.
3. Total cost is reduced

4. Automatically the quality improves by fine tuning by dedicated, motivated workers.
5. Workers emoluments are increasing and get share in the increasing profits.
6. Industrial environment becomes healthy for expansion diversification and more employment industrial relations and productivity are influenced by
7. The competitive market and dynamics of change necessities required. globally has pushed us to resort to automation introduction of new and modern technology, mechanisation, computarisation etc. all those are aimed to improve not only production, but productivity also which can be achieved only by improved relation with workers.
8. Up gradation of employees by proper training development programmes etc. only will bring them at par to match with technology change etc as envisaged earlier simultaneously, they are to be motivated there should be morale boosting which will improve the relations and go to improve productivity.
9. A capable H.R.M management should be there to cope up with the aspirations of new set of workers under new technology the managers should be talented to deal and convert the workers in to a useful team to achieve common goal.
10. From its side, the government rules, regulations sops, etc should be compatible with the industrial needs. They should aid the improvement in productivity, such as pressure for a bonus which is productivity linked etc putting more responsibility on workers in industrial production. This will improve employers relations which is also a part of industrial relations

Following actions of management may affect labour relations.

- I) un balanced management of men material by supervising managers here workers may be displeased and lower their efficiency
- II) Untrained low calibre management, cannot cope with modernization resulting in fall out and cannot contribute to improve productivity or industrial relations.
- III) Failure to make scientific management to evolve systems and boost productivity.
- IV) In competency at all three levels of management to bolster production or productivity.

The productivity can be increased along with better industrial relations and allied activities like.

1. Adoption of supply chain management to get best raw materials where maximum utilisation becomes possible
2. giving better environment to workers and improved working conditions environment should remove boredom or monotony and create zeal and dynamism.
3. updated machines with full scale mechanisation will reduce cost of production
4. The work force should be correctly selected properly trained and fully loaded. This should be followed by training for updating.
5. Proper rewards, either monetary or non-monetary should be arranged, incentive plans mutually agreeable should be framed and adhered to for moral boosting.

Grievance Procedures should be implemented to 'nip the grievance in the bud' stage to avoid conflict, dispute etc.

7. 'Quality circles' should be formed along with workers to take care of quality products wastage avoidance etc, which will improve productivity, but above two quality control and wastage control, can be there if relations are good thus interlinking has become a perpetual need.

3.4 Self Assessment Questions

1. Why industrial Relation necessary?
2. With the ushering in of H.R.M what are the visible Industrial Relations changes.?
3. What are the roles of government and judiciary in Industrial Relations change contemplated above.
4. Describe the status of trade unions in the recent period.
5. please link Industrial Relations and productivity.

percentage distribution of disputes by causes (nearest round number approximate figures)

Causes	1963	1973	1983	1991	1992
Salary wages and allowances	28%	34	29	25	24
Bonus	10%	10	6	4	4
Retrenchment	26%	24	22	18	15
Leave and hour of work	4%	2	2	1	1
Indiscipline and dividend	-	6	14	18	21
other Causes	32	24	27	34	35

Source – Pocket Book of Labour statistic labour Bureau ministry of labour.

3.5 Summary

With the new industrial Scenerio we have to change our personal management mode to the new H.R.M mode, more flexible worker oriented, enlightened etc. Productivity will automatically increase when the workers are satisfied. These in turn reduces industrial conflicts.

3.6 Productivity and production are different. A satisfied worker is more productive with increase in productivity both management and workers can have better conditions and co operation. In turn better and less costly by products reaches the society.

Changing Technology, effective Communication and I.R management.

Structure

4.1 Objective

The main object is to understand that we cannot survive our industries unless we compete with others, other nationals. Because now we are facing global economy to make this we have to change improve technologies of production of industries. As such to make it effective we have to change our approach, communication pattern with our workers – through whom only we can have the changes.

4.2 Technology or Industrial Relations Introduction

In the modern times industries can survive only if they bring a change management, There should be organisational changes and also with dynamism gradual change – we cannot cope up with leaping nations to grab the world market yesterday it is U.S.A today Japan tomorrow, Korea Singapore Germany will be striving to lead – where are we? unless we change that to with zeal and dynamism, existence of industries will be at stake.

The dynamics of change include.

1. Change in technology
2. Human relations
3. Production methods
4. marketing strategies
5. New Financial management et.

4.2.1 In this we will concentrate how technology and Industrial Relations are going to move. As discussed earlier new technology should be adopted to increase production productivity. Now when question of production comes – It is the workers base who must be motivated, brought up by our attempt to improve our production productivity hence we must improve our relations with them improve their faith in us. There may be resistance by workers to receive new technology of production etc. this is natural but it is managers who should deal with them by having transparency they should be brought around

Introduction of new technology creates

1. Fear of un known in the hearts of workers.
2. Loss of job due to mechanisation and consequent displacement .
3. Panic reaction since they may not learn how to operate the new machines and use new techniques.
4. A feeling of inferiority complex and consequent depression.
5. A feeling of distancing from the machines with which they lived for years together, say right from start of their careers. all these things creates bad industrial relations, strained attitude of workers. leading to poor production productivity. Some times strikes voilant behaviours also are seen in such circumstances.

Case

When computerization was contemplated at Life Insurance corporation of India – Mount Road madras office few years before all the workers and staff came out to the strechts saying we will not allow computer to enter our office – It will enter on our dead body only – Such fierce resistance was there in the L.I.C against technology advancement of course today – even the lowest paid may be having a computer in their house

When this is the problem of technology and 1.R we have to approach it continuously in a humanitarian reassuring way.

1. Even before the machines are to come workers, are to be taken in to confidence tell them, educate them, and sell them so that they can own them.
2. Tell the workers the disadvantages of remaining static explain the competition prevailing around the industry locally, and internationally. Explain then how our leather technology has fallen behind and our leather shops are closing, explain how our domestic articles consumables are falling down behind – china invasion in marketing we have to awake, arise and proceed in technological advance to compete.
3. Workers to be explained how the price will be down by mass production, quantum production which will result in more profit and better co conditions for our industry and workers. Thus the contributory factor of less production cost and more profit, should be utilised to improve our relations with workers.
4. Workers should be initiated into new Technology with prior training and with tolerance. While importing training to adopt new Technology, the knowledge skill activity, dynamism of the workers should be taken in to account and accordingly they should be lead. The load should be bearable not baffling scientific loading is better.
5. Along with this the wage aspect should be taken into account different work different pay structure should be evaluated. There should be proper wage structure so that workers would be tempted to learn more and more about new technologies and get better climb in wages proper structure of wages will be an incentives

Case : If a pay loader operator gets Rs. 300/- day make a structure of Rs. 600/- day for shovel, back hoe operators. The new jobs change in technology of loading will allure them because of heavy hike in pay thus we will be in advantage workers also.

6. With improved modern machines the working conditions also should be improved. There was a suggestion to air condition shovels and Drill machines to get better work this will improve their working habit.
7. Create climate for automation, remote control operations of machines.
8. A Port from these all the human relations should be improved with technological advances because we may need to handle better qualified workers.
9. After certain level of salary in the new technological operations, workers require improved relations greater respect.

This is seen in change of designation also upto car, jeep, small dumpers the person who drives it are called drivers New technological equipment, big haulers, shovels the person who drives them are called operators this small difference in nomenclature improve the relations and they feel elated.

4.3.3 Effective communication system and I.R management any good administration requires proper communication system. In the case of industries where we have get pronounced hierarchical system communication system should be sufficient to move upwards, downwards and laterally. There should be adequate communication to keep the employees informed about decision which affect their interest Communication is essential to building trust and team work among employees, To become successful leader your must have a greater team your effectiveness depends on you ability to reach others through the different mediums.

4.3.4 Communication is basically of two types operational, Personal

It is personal communication we are concerned which is vital to improve personal industrial relations.

This communication is exchange of information and feelings in which we human beings engage whenever we come together. Industrial workers attitude has a bearing on their productivity. The nature of conversation in a work

situation affects attitudes. Where there is friction, heated exchange of words, and frayed tempers are often present, the employees, are not likely to make their usual productive efforts. Also the extent of personnel communication to be permitted should be guarded. Too much talk may dilute authority and strictness in exacting the work, dereliction of personal communication could lead to emotional upset.

In a good industry the communication (internal, external, and personal) we see different type of information flow. Each day several communication takes place. Regarding industrial relations it is the communication we make downward and the reply we get from grass root, improves our relations.

The downward communication - There is flow of instruction message from top brasses to workers this can be through notices on board, circulars or through workplace microphones. There can be meetings with subordinates etc. In this there can be two way discussion and the message communicated reaches the worker fully and without ambiguity. To some extent this helps in settlement of grievance which promotes industrial relations. Upward communication. If an employer gets communication from down the line - he can gauge their sentiments and take corrective action. He can know the extent of work carried out following his instructions and may try to give solution to expedite. If employer keeps an open mind, useful suggestions communication will flow from downward improving the relations of employer employee.

Informal communication or grape vine the formal methods of communications are normally, departmental meetings, conference, bulletins etc Informal is grape vine communication this is fast and spontaneous. But there may be distortion for communication purposes we can do formal and at the same time all grape vine information which travels quickly

Again out of the two normal modes of communication oral and written, oral communication is

1. The direct face to face exchange of words generates an affinity develops a co operative spirit.
2. The intent of the communication the mood of the worker comes face to face and with flexibility goods are properly delivered.
3. Clearing doubts in the communication becomes possible
4. The symbols and the attitudes as seen, conveys the employer employees mood – corrective or ratifying actions could easily follow.

This is not suitable for lengthy messages write message is more confirmative and comfortable.

In the case of written communication to workers.

1. This leaves evidence and can remain with them for frequent reference, if he forgets.
2. This can be preserved
3. While writing utmost care is taken to make it sweet and up to the point.
4. We can reproduce it for expansion of message

Improper communication affects industrial relations communication with employees may be affected due to following problems, barriers.

1. Semantic problem: That is problem of language of employer and employee communication is two way process worker should understand your language and react in his language which may be common.
2. Perception Problem: People may not see eye, to eye the management and workers do not travel in the same wave l length during communication the messages should be easily understandable to suit and attract the employees. Depending upon their perception limitations the toning, volume depth of message should be tailored.
3. Besides this there may be failures due to
 - a) Faulty speech and faulty hearing

- b) Translation may not carry the forcefulness and the intent of the employer
- c) There may be hierarchical blocks
- d) Status blocks.

Since we accept that proper communication improves industrial relations – in turn gives better output and productivity

Hence to improve I.R improve effective communication

1. The message of Communication should be short, sweet and up to the point leaving no ambiguity the objective must be clear.
2. Communicate in a language which used by most of the workers,.
3. There should be adequate doses of communication. the intention should be to reach and create a stir not just say something. There must be freedom from tension and stress at the top and a genuine willingness to attract communication from the down.
4. Before dissemination of information ensure what you want to communicate and how much
 - i) use language endearing so that it can get a lodgement
 - ii) The velocity voltage and amperage of your talk should be as per the receiving end's capacity carry a nursery changer – For proper spoon feeding whenever necessary. Keep in mind the intelligent levels are not same.
5. Use a proper medium either oral or written to suit the message and its nature
6. Always communicate at a appropriate time and provide right climate.
7. Utilise the benefit of the meaning of communication a 'Two Way Process' to bring home your necessities give a patient hearing to them.
8. keep the subordinate in good humour devoid of boredom and blankness.

9. It is worth while to train workers to teach about communication its methods etc so that they can be free and frank and there can be fruitful exchange of ideas which will result in improved industrial relation.

4.4 Self Assessment Questions

1. What are the ripples created by New Technologies in industries?
2. What are the problems of New Technologies and Industrial Relations?
3. Describe type of communication suitable for better industrial relation?
4. State advantage of written communication in an industry
5. How to make effective communication.

4.5 Summary

This chapter we deal with the technological explosion we are facing and the compatible I.R change needs. I.R improves out of better communication understanding delivery mode etc. This has been discussed at length.

4.6 Key Answers

The answers to Industrial Relations problem with the advent of new technology lies in making compatible adjustments in our HR dealings coupled with the suitable way of communication.

Indian Culture, Industrial Relation International Labour Organisation

5.1 Objectives

The objective of the lesson is to see how the culture and labour practices were there in India; Further what are normal, unfair labour practices done by industries to jeopardise the industrial relations part played by International labour organisation.

5.2 Introduction

5.3.1 Unfair Labour Practices

5.3.2 International Labour Organisation

5.3.3 Mechanisms to reduce / smoothen Industrial Disputes

5.3.4 Self Assessment Questions

5.3.5 Summary

5.3.6 Key to Answers

5.3.7 References

5.1 Introduction.

Our industrial culture has undergone a radical change. From Vedic times upto British rule our industries (Whatever were there) were having 'Raja Praia' culture All the wealth goes to king, all the sweat goes to the king. From there our culture changed to zamindar's system of management. A sort of bonded labour. All the workers who are with in a particular area will sweat for a particular zamindar's. Following this came British pattern. hire and fire was the relation with workers. Engage whenever required and then throw them off.

During pre independence saga because of the national leaders like Mr. Roy, Mahathma Gandhi Tilak and others, a concern was developed for workers welfare. British government at the fag end of their tenure enacted few acts like trade union act, Industrial disputes Act etc.

Our workers culture which were all along like slavery slightly improved and unions were formed.

After independence several welfare measures were taken by the government to protect the rights of industrial workers and to improve their working conditions to give them several rights and to improve their relations with employers a number of legislations were made like, Factories Act, amended industrial disputes Act wages Act etc. All were to improve the healthy atmosphere in the industries.

Our Indian culture is not fighting or belligerent nature workers are normally docile and peace loving hence industrial relation are by and large smooth. Only the intervention of political parties in the running of the industry creates ripples and Industrial Relations gets strained.

Our sathvik culture was liked by most of the western countries. That is why even though so many youngsters are job less in their countries, Countries like U.S.A Canada etc. They recruit and employ Indian boys in their establishments Their is a slight shift in our culture probably due to British impact which has become more prone towards employers welfare hence to fix the proper labour practices through our legislation some of the practice have been prohibited.

Unfair labour practice as per V schedule of 1.D Act 1947 on the part of employers or their trade unions:

1. On the part of employers and trade unions of employers:
 1. To interfere with, restrain from, or coerce, workmen in the exercise of their right to organise, form join or assist a trade union or to engage in concerted activities for the purposes of collective bargaining or mutual aid or protection, that is to say:
 - a. Threatening workmen with discharge or dismissal, if they join a trade union;
 - b. Threatening a lock – out or closure, if a trade union is organised;
 - c. Granting wage increase to workmen at crucial periods of trade union organization, with a view a undermining the efforts of the trade union at organization.
 2. To dominate, interfere with or contribute, support, financial or otherwise, to any trade union, that is to say:
 - a. An employer taking an active interest in organising a trade union of his workmen, and
 - b. An employer showing partiality or granting favour to one several trade unions attempting to organise his workmen, or to its members, where such a trade union is not a recognised trade union.
 - c. To establish employer-sponsored trade union of workmen.
 3. To encourage or discourage membership in any trade union by discriminating against any workman, thus is to any:
 - a. Discharging or punishing a workman, because he urged other workmen to join or organise a trade union;
 - b. Discharging or dismissing a workman for taking part in any strike (not being a strike which deemed to be an illegal strike under this Act) ;
 - c. Changing seniority rating of workmen because of trade union activities ;

- d. Refusing to promote workmen to higher posts on account of their trade union activities
 - e. Giving unmerited promotions to certain workmen with a view of creating discord amongst other workmen, or to undermine the strength of their trade union;
 - f. Discharging office-bearers or active members of the trade union on account of their trade union activities.
4. To discharge or dismiss workmen :
 - a. By way of victimization ;
 - b. Not in good faith, but in the Colourable exercise of the employer's rights ;
 - c. By falsely implicating a workman in a criminal case of false evidence or on concocted evidence;
 - d. For patently false reasons;
 - e. On untrue or trumped up allegations of absence without leave;
 - f. In utter disregard of the principles of natural justice in the conduct of domestic enquiry or with undue haste;
 - g. For misconduct of a minor or technical character, without having any regard to the nature of the particular misconduct or the past regard or services workman, thereby leading to a disproportionate punishment.
 5. To abolish the work of a regular nature being done by workmen, and to give such work to contractors as a measure of breaking a strike.
 6. To transfer a workman mala fide from one place to another, under the guise of following management policy.
 7. To insist upon individual workmen, who are on a legal strike to sign a good conduct bond, as a pre-condition to allowing them to resume work.
 8. To show favouritism or partiality to one set of workers, regardless of merit.
 9. To employ workmen as budlis, casuals or temporaries and to continue them as such for years, with the object of depriving them of the status and privileges of permanent workmen.
 10. To discharge or discriminate against any workman for filing charges or testifying against an employer in any enquiry or proceeding relating to any industrial dispute.
 11. To recruit workmen during a strike which is not an illegal strike.
 12. Failure to implement award, settlement or agreement.
 13. To indulge in acts of force or violence.
 14. To refuse to bargain collectively in good faith with the recognised trade unions.

15. Proposing or continuing a lock-out deemed to be illegal under this Act.

II. On the part of workmen trade unions of workmen

1. To advise or actively support or instigate any strike deemed to be illegal under this Act.
2. To coerce workmen in the exercise of their right to self-organization or to join a trade union or its members to picketing in such manner that non-striking workmen are physically debarred from entering the work place;
 - a. For a trade union or its members to picketing in such a manner that non-striking workmen are physically debarred from entering the work place;
 - b. to indulge in acts of force or violence or to hold out threats of intimidation in connection with a strike against non-striking workmen or against managerial staff.
3. For a recognised union or refuse to bargain collectively in good faith with the employer.
4. To indulge in coercive activities against certification of a bargaining representative.
5. To stage, encourage or instigate such form of coercive actions as willful “go slow”, squatting on the work premises after working hour or “gherao” of any of the members of the managerial or other staff.
6. To stage demonstrations at the residences of the employers or the managerial staff members.
7. To incite or indulge in willful damage to employer’s property connected with the industry.
8. To indulge in acts of force or violence or to hold out threats of intimidation against any workman with a view of preventing him from attending work.

Thus by declaring what are all unfair labour practice through schedules expressly stating government has banned such type of dealings. These actions serve to improve industrial relations.

5.3.3 International labour organisation, has organised several conventions and India has ratified several of them out of about 170 resolutions held by International Labour Organisation India has ratified 39 resolutions points as per our need environment requirement and also suiting our culture.

Through International Labour Organisation we come in contact with countries having high industrial standards – and from there we can adopt pick up and follow better standards for progress

Labour commissions – national commission on labour has suggested establishment of Industrial relations commission. This could be attempted National labour conference suggestions as above and regarding strike with 60% participants only should be taken up for legal consideration and sever penalty clauses for vacation of employer, employees rights etc should be taken up for further follow up actions in the interest to improve industrial relations.

Machineries for smooth industrial relations solve industrial disputes they are of three types

- i. voluntary in built
- ii. Through mediators arbitrators.
- iii. By Adjudication.

They are

Works Committee. It is a committee formed by representatives of workmen employers at workshop level. Equal number of representation of employers and workmen to ensure democratic spirit.

The works committee duty is to promote measures for securing and preserving amity and good relations between employers and workmen and to that end to comment upon matter of their common interest or concern and endeavors to compose any material difference of opinion in respect of such matters. The main function is to promote measures for securing and preserving amity and good relations and for this purpose take steps of adjustments between employers and workmen so that situation many not turn into industrial dispute.

a) Joint management councils another step in advancing workers participation in management this will help 1. Promote productivity and general benefit of both management and workers

2. Giving employees a better understanding in the working of industry and of the process of production.

3. Satisfying the workers urge for self expression thus leading to better industrial relations. It is felt that areas where both may be in harmony are areas of safety, health good working condition and proper up keep.

b. Workers participation in management

This participatory forum got a shot in the arms during emergency, one of the twenty point programmes envisaged during 1972 worker participation in industry was high lighted it was to create awareness among the workers of the objectives of the organisation. It was contemplated the scheme shall be operated both at the shop floor level and at plant levels in all public sector undertakings.

It will consist of shop plant level workers and supervisors categories of persons (not managers) both will be equally represented.

They will discuss about shop level, floor level operational areas, safety and economic areas personnel matter welfare and environmental areas.

There were workers directors also in the board

c. Collective Bargaining

Here representation of workers and management discuss bargain their necessities in a given and take style. Discuss about wage and financial matters.

This forum also consists equal number of participants.

2. A Conciliation officers.

It is a recognised process of settling mutual conflict between individuals and groups. Conciliation officer can call for documents summon waitresses try for a settlement through conciliation proceedings.

The conciliation officer will hold conciliation proceedings he will assist them employer and employees (he cannot adjudicate) to arrive at a fair and just settlement. he is to play the role of an advisor friend of both parties he will investigate and induce parties to come to be fair and amicable to have a

settlement. If no settlement is reached he will submit detailed report to the government.

b) Board of conciliation

Certain disputes (where the conciliation fails) may be referred to the board they will investigate the dispute and try for a right settlement the board has powers of a civil court. The chairman will have two to four persons from both the parties to assist him.

c) Arbitrators:

In arbitration both the parties seek the help of a third knowledgeable party for a decision. Arbitrators are chosen by both parties consensus. This is voluntary arbitration. If there is disagreement to get a consensus candidate court may order for an arbitrator. Whom both should accept.

d) Commissioners

Can be appointed by government to enquire and report about the occurrence, dispute etc.

e. Labour court

It is one of the adjudicating machineries. It consists of one person appointed as presiding officer of labour court. It provides machinery for investigation and settlement of industrial dispute it makes provision for constitution of an adjudication machinery besides the authorities of investigation and settlement of industrial disputes. Normally labour court presiding officers of Industrial Tribunal.

f. Industrial Tribunal

It consists of one person appointed as presiding officer

They will deal with wages, including mode of payment, compensatory allowances, hours of work and rest intervals, leave with wages and other holidays, bonus profit sharing, P.F. gratuity. etc. They will also adjudicate matters of second schedule

g. National Tribunal

If a dispute is of national importance, or of such a nature that industrial establishment situated in more than one state are likely to be interested in or affected by such dispute, and that the dispute should be adjudicated by a national tribunal the central government may regardless of whether it is the appropriate government in relation to that dispute or not, refer the dispute to a national tribunal for adjudication.

5.4 Self Assessment Questions

1. What are unfair labour practice generally done by employer
2. What unfair labour practice unions can resort to.
3. What is International Labour organisation
4. What are the internal machineries to solve industrial problems, disputes.
5. Describe the external machineries to solve industrial disputes.

5.5 Summary

Our culture has changed slowly right from the time of moghul rule and then zamindari, and the British Rule. After independence we are necessitated to improve our industries to compete with the world. As such we have to keep our dispute resolving machineries in good condition and improve it.

5.6 Key to Answers

Lies in knowing about unfair labour practice done by employers and employed several machineries internal and external are there. Internal machineries are bipartite external machineries intervention is Tripartite

5.7 References:

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UNIT II

1 TRADE UNION

1.1 MEANING

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I. TRADE UNION

Objectives Of The Study

1. Meaning of Trade Union and Definition Of Trade Union
2. Characteristic of Trade Union and Need for Trade Union
3. Nature and Scope of Trade Union
4. Purpose of Trade Union
5. Functions of Trade Union
6. Structure of Trade Union

1.1 Meaning

The trade union is an association, either of employees or employers or of independent workers. It is a relatively permanent combination of workers and is not temporary or casual. It is an association of workers engaged in securing economic benefits for its members.

Definition

According to Section 2(b) of the Trade Unions Act of 1926, “a trade union is any combination of persons, whether temporary or permanent, primarily for the purpose of regulating the relations between workers and employers, or between workers and workers and for imposing restrictive conditions on the conduct on the conduct of any trade or business, and includes the federation of two or more trade unions.

Sydney and Beatrice Web have defined Trade Union as a “Continuous association of wage earners for the purpose of maintaining or improving the conditions of their working lives.”

G.D.H. Cole defines Trade Union as an association of workers in one or more occupations – an association carried on mainly for the purpose of protecting and advancing the member’s economic interests in connection with their daily work.

Laster defines Trade Union as an association of employees designed primarily to maintain or improve the condition of employment of its members.

According to Cunnison, Trade Union is a monopolistic combination of wage earners who stand to the employers in a relation of dependence for the sale of their labour and even for the production, and that the general purpose of the association in view of that dependence is to strengthen their power to bargain with the employers.

1.2 CHARACTERISTICS OF A TRADE UNION

Association of employees-A trade union is essentially an association of employees belonging to a particular class of employment, profession, trade or industry. For example, there are unions for teachers, doctors, film, artistes, weavers, mine workers and so on.

Voluntary Association-An employee joins the trade union out of his free will. A person cannot be compelled to join a union.

Permanent Body-a trade union is usually a permanent body. Members may come and go but the trade union remains.

Common Interest-The member of a trade union have certain matters of common interest-job security, better pay and working conditions and so on, which bring them together.

Collective Action: Even when an individual employee has any grievance over certain management decisions, the matter is sorted out by the intervention of the

trade union Employees are able to initiate collective action to solve any problem concerning any particular employee or all the employees.

Rapport with the Management: The trade union seeks to improve relations between the employees and employers. The officials of the trade union hold talks with

The members of the management concerning the problems of the employees in order to find an amicable solution. It is thus possible for the employees to have better rapport with the management.

Need for Trade Union

Workers join trade unions to achieve certain objectives that they may not be able to achieve in their personal capacity. Trade unions are necessary.

1. To ensure job security and right pay for the members

One of the basic needs of any employee is security of service. The main reason why an employee joins a union is to get him secured. Apart from job security and employees need to get pay commensurate with their qualifications and skills. Trade unions strive to get both job security and correct pay for all employees.

2. To ventilate the grievances of employees to the management:

When the employees in general or some in particular have any grievance, they may not be able to convey the same to the management in their personal capacity. Such grievances may be brought to the knowledge of the management through the trade union. The members of the management may be indifferent to the demands of the individual employees but they cannot be so when it comes to union demands.

1.3 Nature and Scope of a Trade Union

The employer's association or professional bodies were not included in any of the above definitions. The employee's unions are different from that of the employers or professional bodies. The employee's unions are primarily

concerned with the terms and conditions of employment of their members. The employer's associations on the other hand are concerned among other things with influencing the terms of purchase of services in favour of their members. Hence, the two should not be placed in one category. The associations of professional members also differ fundamentally from employees unions. Professional associations include self employed as well as the employees where as trade unions consist only of the people who are employed by others. In India the term Trade Union refers besides employee's organizations to employers association also. Similarly in Britain, even the associations of professional people such as Artists Federation or Musicians Unions are also recognized as Trade Unions.

Thus trade unions are a major component of the modern industrial relation system. A trade union of workers is an organization formed by workers to protect their interests. i.e. improve their working conditions etc. All trade unions have objectives or goals to achieve, which are contained in their constitution and each has its own strategy to reach those goals.

Trade Unions are now considered a sub-system which seeks to serve the specific sub-groups interest and also considers itself a part of the organization, in terms of the latter's viability and contribution to the growth of the community of which it is a part.

1.4 PURPOSE OF TRADE UNION

Trade Union came into being for a variety of purposes. Individual workers found it more advantageous to band together and seek to establish their terms and conditions of employments. They realized that if they bargained as individuals, the employer would have a better leverage, for an individual would not matter as much as a group in terms of the running of the enterprise. A group's contribution is much larger than an individual's so are the effects of its withdrawal. An individual may not be able to organize and defend his interests

as well as a group can. Therefore workers saw the advantages of organizing themselves into groups to improve their terms and conditions of employment. Employers also found it advantageous to deal with a group or a representative of a group rather than go through the process of dealing with each individual over a length of time.

With the changed political, social and equational environment in terms of awareness of rights the right to organize, the right to bargain and settle terms and conditions of employment – labour or worker unions sprang up in order to protect and further worker in acquiring a foot hold in the labour movement also provided the impetus for the formation of labour unions.

Precisely, the major objectives of trade union are the following:

1. Better wages
2. Better working conditions
3. protection against exploitation
4. Protection against victimization
5. provide welfare measures
6. Promote industrial peace
7. Take up Collective Bargaining
8. Look after the interest of trade

1.5 Historical Evolution of Trade Unions in India

Between 1850 and 1870, foundation of modern industry was laid. Indian working class started emerging at this point of time. In the national economy, one could see the growth of Indian enterprises along with English ones, growing steadily. During this period, the working and living conditions of the labour were poor and their working hours were long. The Indian Factory Labour Commission (1908) and the Royal Commission of Labour (1931) have rectified the fact in their reports. The working hours were longer, but the wages were low and the general economic condition was poor in industries. Indian Factories

Act (1881) was enacted to regulate the working hours and other service conditions of the Indian textile labourers. As a result, child labour was prohibited. This act required the formation of machinery for the inspection of factories. In 1885, the birth of the Indian National Congress has provided the background for the emergence of Trade Union.

The Trade Union movement in India can be divided into three phases. The first phase falls between 1850 and 1900 during which the inception of trade unions took place. Guided by educated philanthropists and social workers the growth of the trade union movement was slow in this phase. In all industrial cities many strikes took place in the two decades following 1880 due to the prevailing poor working conditions and long hours of work. Small associations came out in Bombay and Calcutta.

The second phase falls between 1900 and 1947. This phase was characterized by the development of organized trade unions and political movements of the working class. It also witnessed the emergence of militant trade unionism. Organised trade unionism was prepared during 1900-1915. End of Ist World War, and the Russian Revolution of 1917 gave a new turn to the Indian Trade Union movement and led to organized efforts on the part of workers to form Trade Unions. It was estimated that in 1920 there were 125 unions, with a total membership of 2, 50,000. In 1920, the first national trade union organization was established. Many of the leaders of the organization were leaders of the national movement (Monappa, 1937)

The third phase began with the emergence of independence India. The government sought the cooperation of the unions for planned economic development. The working class movement was also politicized along the lines of the political parties. Indian National Trade Union Congress is the Trade Union arm of the Community part of India. Subsequently, the socialists left to set up another national worker federation, the Hind Mazdoor Sabha. The center

of Indian Trade Unions organized in 1970, has close links with the Community Party of India – Marxist. Besides workers, white collar employees, supervisors and managers are also organized by the trade union. For example, in the banking, insurance, petroleum industries and Aviation the Trade Union exist.

Craft and General Union

Developed Western Societies have the unions like the one just cited. In these places the industrial way of life has had a longer history. A craft union is built around a certain specialized skill, which has necessitated a special type of training. Craft unions are open to members of a certain trade/skill, like Air India's navigator's union. Alternatively, a general union is open to all members irrespective of their skills cutting across trades/skills and includes unskilled, semi and skilled workers.

Union Shop

When the union acts as supplier of labour, once an employee is employed then he has to join the union. Here the union makes employment conditional on union membership.

Check Off

The check-off system is a practice where the management collects an employee's union dues, as a wage deduction and gives a lump sum amount to the union. This is a facility that ensures totality of collection of union dues with no excuse for employees to resist from paying for one reason or the other as it could happen in a voluntary system. Such a facility is provided only to a recognized union.

Distinction Between Workers

Based on the level and status of the employee for membership of the unions a distinction is being made. All shop floor workers are termed blue collar workers and all clerical or office staff, who does not work on the shop floor, are termed white collar workers.

White collar workers are different from the blue collar workers on socio economic background, education, manner of speech, social customs and ideology. They are being paid monthly and enjoy longer holidays and various privileges as compared to blue collar workers. Nature of work clearly and significantly differentiates one from the other.

In recent times white-collar unionism is expanding. Through the methods of agitation and litigation, white collar workers achieve the goals like better pay scales, more fringe benefits, internal promotion etc. A large membership, sound finance and internal leadership are a few strong points.

Trade union leaders started influencing vital channels of productive and strategic functions. Economic and social decisions affecting workers are taken by the government in consultation with the leaders of the trade union movement.

The workers are turning to be militant since they realized that by exerting pressure on employers through union power their ends will be met sooner.

Trade Union Growth

In India the trade union remains as adhoc bodies or strike committees but as features of the industrial society. The various factors like political, economic historical and industrial have all helped the unions to get a legal status and represent the workers. However, the unions are handmaids of political parties. They joined with one or the other political parties as more adjuncts of the parties, instead of partnership based on equality and independence as in England. The Trade union rivalries also have become chapter in free India. Most of the viable unions are split into new unions having sympathies with political parties have permeated unions operating in different levels. But they have been able influence public policy, labour and industrial legislation. They have played an important role in involving suitable machinery for joint consultation in negotiate various issues between labour and management.

Comparing other countries India has large number of trade unions for a single country. In India, though there are more than 52000 registered trade union in the country, only 17% of them are submitting returns and whose activities are on the record. Further, the density of the trade unions in India is as low as 9.1% as against 81% in Sweden, 54% in Norway, 39% in U.K, 32% in Germany, 30% in Canada. The Indian trade union movement also suffers from problems like small size, poor finance, outside leadership, domination by political parties, intense inter union, etc. Due to new political and economic trends these problems are further multiplying at a rapid pace. In spite of these problems trade unions have brought about some economic, political, and social changes for the better conditions of workers. Economically, they have improved the relative lot of the workers. Politically, they have produced a mighty secular, anticapitalist, anti-imperialist, egalitarian and socialistic force in the country. Socially, they have emerged as a unique force of national integration.

Union Leadership

One of the most crucial factors in this sphere is the leadership that is provided. The leadership provides the direction and goals for a particular union. The leader's task is to make the union effective, by improving the terms and conditions of employment of the worker and also by being concerned with the viability of the enterprise. The trade union organization based as it is, in many cases on individuals or the national federations and their ideologies, has not been able to evolve a professional cadre of leadership at the grass roots to the desired extent. In fact, quite often, a single union executive leader is responsible for running a large number of unions. "A survey of trade union leadership in Bombay in 1960 showed that one leader was president of 17 unions and secretary of two more. Another was an office bearer of 20 unions.* R.J.Mehta is President of the Free Trade Unions which control more than 14 unions.* This brings us to a consideration of the next issue, i.e. outside leadership vs. internal

leadership. In fact, the Trade Union Act of 1926 makes a provision for this and allows for 10% of the leadership to be from outside the sphere of the organization.* An outside leader is one who is not a full time employee of the organization, whereas the internal leader is such a person. Many lawyers and politicians have been union leaders in the early part of their careers. The former President V.V.Giri was one such example, so were former Central Ministers like G.L.Nanda and Khadilkar. There are advantages and disadvantages either in terms of policy or in terms of implementation of administrative action, especially if he belongs to or has linkages with the ruling party. On the other hand his involvement with the plant level problems is much less as he is not on the shop floor to understand the intricate issues applicable to a particular plant. Not being an employee of the enterprise or an insider, he lacks the required depth of understanding of local issues and specifics. The outsider is a professional who has many units under his wing all of which demand his time, including the larger function of liaison. The insider would not only have greater knowledge of the enterprise specifics but also have more time for sustained work, being concerned as he is with just one enterprise. Also, external issues and ideologies are not unnecessarily inducted, which could happen when outside leaders are in control for whom ideology may be more important than getting the best deal under the circumstances.

- R.D.Aggarwal (Ed.), Dynamics of Labour Relations in India: A Book of Readings, Tata McGraw-Hill, Bombay-Delhi, 1972, pp.58-82.
- India Today, op.cit.
- B.R.Sheth, Indian Labour Laws: A supervisor Should Know, New Delhi, All-India Management Association, 1978.

The leadership role in a trade union has a variety of demands placed on it. Not only does it require a certain amount of technical knowledge of the nature of business of the particular organizations, but also a sympathetic understanding of

the workers, their attitudes and their problems. A certain amount of commitment and empathy for a cause, even in uncertain conditions, is necessary. Till now the attraction for persons entering this occupation has been the possibility of a political career in the future. However, there have been some plant unions which have been run very professionally and have at the same time been concerned with the viability of the firm or the enterprise as well as the good of the workers. The erstwhile Simpson Workers Union under the stewardship of Gurumurthy was an example, and TLA is an example of an industry level federation.

Trade Union Finances

If an organization is to grow, survive and meet the needs of its rank and file members in terms of attaining their objectives etc. It needs money. For a variety of reasons, the finances of May trade unions have not been very bountiful. It must be noted that to every general statement, there are a number of exceptions and so is the case with some financially strong unions. Funds are needed for attracting and retaining competent staff for, however idealistic the cause, people do need to survive. It is only with competent staff that some of the objectives like research, comparative data generation, company studies, presenting demands and resolving workers problems can be achieved. Again, funds are necessary for political lobbying; for sending union representatives to the local bodies, state and central legislatures. If inertia sets in, an organization will wither away or the rank and file will shift to a more active and useful organization. Funds therefore are needed to pursue activities, which will in turn benefit the members who will then contribute, not only financially but also in terms of their services and sustain their membership. Activities resulting in something worthwhile will arouse the enthusiasm of the members and make them concerned for the allocation and proper utilization of scarce resources. The divisive nature of Indian trade unionism has also led to the dissipation of

funds amongst a large number of organizations, with the result that there are many small unions without much financial backing and without much staff to do any substantial work. The generation of funds has been wholly inadequate. In some cases, subscriptions are not collected promptly or are paid by members only when they have a problem. In the former case, it is overlooked by the trade union management for fear of losing membership. On the other hand, there are according to some trade union executives, shrewd members who do not mind paying subscription to more than one union in order to protect their interest in times of need.

One other mechanism employed nowadays besides the usual collection is the special levy at the time of distribution of bonus. Some national federations and independent unions often generate some reserves to pay at the time of strike as strike fund or to employ research staff to keep abreast with current trends, but this is not the case with all unions.

1.6 FUNCTIONS OF TRADE UNIONS

Functions of Trade Unions in the USSR

In the erstwhile USSR, the trade unions used to undertake (Trade Unions Act, 1959) the following functions:

Raising of labour productivity; improvement in the quality of production, participation in the planning and regulation of wages: improving wage rates; assisting in the fusion of technical progress; concluding collective agreements (with managements on questions of wages and other working conditions within the limits set by the planning authorities); participation in the settlement of industrial disputes, conclude agreements with the employers on the manner of utilization of funds allotted for measures of social and industrial security; setting up sanatoria and rest houses; striving for a better organization of medical assistance to the labourers and of the protection of the health of women and children, organizing funds of mutual assistance; assisting members in raising

their ideological, political and general educational level; spreading scientific and political knowledge; conducting broad propaganda on matters of productive techniques, set up clubs, homes, libraries, develop artistic mass activity, promote culture, sports and tourism among the employees; help attract the women into public, productive and social life; drafting, issuing, implementing and supervision of labour legislation; maintenance of labour discipline, provision of housing and other welfare amenities.

Prior to disintegration, the functions of trade unions in the USSR were not only confined to production and collective bargaining only but they also enjoyed supreme power and their functions were all-pervasive, ranging from the organization of workers' holidays to looking after canteens, libraries and dispensaries, and taking part in the determination of the nature and rates of compensation for industrial accidents.

The workers right to strike was either not known or non-existent or is never resorted to the collective agreements, known as the Socialist Labour Agreement tried aimed to "seek participation of workers in friendly collaboration, free from exploitation as a worker or an employee, fulfilling a certain function in a given socialist undertaking.

Functions of Trade Unions in the Republic of China

In China, the functions of trade unions have been enumerated thus:

- (i) To organize the workers to launch labour emulation drives, strengthen labour discipline and ensure the fulfillment of plans.
- (ii) To improve the material and cultural standards of workers' lives and to supervise the managements with a view to implement the various targets of the plan.
- (iii) To organize political, educational and technical studies as well as cultural and sports activities.

- (iv) To enroll members, collect funds and give reports about these activities.
- (v) To educate the workers in the three R's vocational efficiency and current economic and political problems.
- (vi) To provide recreational facilities for the workers in the form of clubs and places of culture and by organizing dances, theatrical performances, music, concerts, cinema shows, games, sports, and facilities for physical education; circulating entertainment instruments and organizing libraries.
- (vii) To get equal pay for equal work.
- (viii) To guarantee material assistance to the workers in old age, and in case of illness or disability.
- (ix) To protect women and children from exploitation.
- (x) To participate in various activities which are directed towards the improvement of living conditions?
- (xi) To enter into collective agreements with the management for mutually fulfilling the targets in respect of production, wages, labour norms, labour safety, welfare, social security, workers' participation in management, material obligations etc.

Functions of Trade Unions in the USA

According to the first President of A.F.L. trade unions in the USA perform the following functions.

Protecting the wages of worker against capitalist exploitation; increasing wages; reducing hours of work; securing just and human working conditions, improving the safety and sanitary conditions of the workshop; increasing the workers' share in the national income; introducing working rules and democratize labour management; freeing the labourer from tyrannies, petty or otherwise, which

serve to make his existence a slavery; achieving equality of opportunity for all workers; supporting legislation which aids workers and opposing harmful legislation; protecting and strengthening democratic institutions; aiding and promoting the cause of peace and freedom in the world; protecting the labour movement against corruption and racketeers; safeguarding the labour movement from communists, fascists or other totalitarians; encouraging workers to register and vote; encouraging the sale of union-made goods through the use of the union label; and participating in various community activities and in local government organizations, such as school boards and city councils.

Besides, they also take part in administration work; negotiation and administration of collective agreements; provision of educational and beneficial activities and participation in community, state and national affairs; provision of research facilities; get protective and social security legislations enacted by the state; provide life insurance and health benefit and pension programmes, recreational facilities, co-operatives, labour banks, credit unions, radio programmes and housing projects, etc. In the USA, trade unions been working as protective organizations. They have conferred immense benefits on society as a whole by strengthening democratic processes and seeking economic stability.

The methods which the trade unions deploy to achieve their goals include collective bargaining with the employers and influencing the state machinery through political activities to enact favourable labour laws. The strikes have been their major instrument.

Functions of Trade Unions in the USA

The British TUC Report Post-War Reconstruction distinguished three mainsets of objectives namely:

- (i) Maintaining and improving wages, hours and conditions of work, and also what wages can buy; and increasing the size of the real

national income and the share of it which should accrue to the working people.

- (ii) Providing and improving opportunities for the advancement of the workers to obtain “full employment” is an aim which trade unions have always pursued:
- (iii) Extending the influence of the working class over the policy and purposes of industry and arranging for their participation in management

Flandes and Cleggre have laid down the main objective of a trade union as under:

- (i) Defining or improving the wages and conditions of work;
- (ii) Raising the status of the worker as a citizen of industry and of society; and
- (iii) Extending the area of social control of the nation’s economic life and participating in that control;

Prof. Laski has said the trade unions to-day are pluralist in character and pragmatic in method; if they are not, they are unlikely to survive the demands made upon them by so swiftly changing an environment. The trade unions in Britain not only defend or improve the wages and conditions of labour but also raise the status of workers, both in industry and society. They extend the area of social control of the nation’s economic life and participate in that control. John Price observes: ‘In England, trade unions have provided cash benefits for themselves and have worked for the development of social services by the state, recognizing that the needs of the individual are, to a large extent, the responsibility of the whole community. Trade unions are helpful in creating such conditions of work and service and wage payment that, on the one hand, they avoid inequalities between the different sections of the community, and on

the other hand, provide opportunities for the progressive raising of the standard of living of large numbers of people. They also provide for the development of the human personality in its manifold aspects by arranging for educational programmes.

Functions of Trade Unions in the India

As per the Indian Trade Union Act, 1926, the primary function of a trade union is to protect and promote the interests of the workers and the conditions of their employment. They can also have other objectives, which are not inconsistent with this primary purpose or opposed to any law. In India, trade unions generally undertake the following functions:

- (i) To achieve higher wages and better working and living conditions for the members.
- (ii) To acquire control over running of the industry by workers.
- (iii) To minimize the helplessness of the individual workers by making them stand-up unitedly and increasing their resistance power through collective bargaining; protecting the members against victimization and injustice by employers.
- (iv) To raise the status of the workers as partners in industry and citizens of society by demanding an increasing share for them in the management of industrial enterprises.
- (v) To generate self-confidence among the workers.
- (vi) To encourage sincerity and discipline among workers.
- (vii) To take up welfare measures for improving the morale of the workers.

The National Commission on Labour has underscored certain basic functions to which trade unions have to pay greater attentions such as:

- (i) To secure fair wages for workers.

- (ii) To safeguard the security of tenure and improve conditions of service.
- (iii) To enlarge opportunities for promotion and training.
- (iv) To improve working and living conditions.
- (v) To provide for educational, cultural and recreational facilities.
- (vi) To cooperate and facilitate technological advancement by broadening the understand.
- (vii) To promote identity of interests of the workers with their industry.
- (viii) To offer responsive cooperation in improving levels of production and productivity, discipline and high standards of quality.
- (ix) To promote individual and collective welfare.

Besides these basic functions of trade unions, the Commission enjoined the following responsibilities upon the unions:

- (i) Promotion of national integration.
- (ii) Generally, influencing the socio-economic policies of the community through the active participation in their formulation at various levels.
- (iii) Instilling in their members a sense of responsibility to industry and the community.

The First Five Year Plan while spelling out the role of trade unions emphasized that they should:

- (a) Present plans to workers so as to create enthusiasm among them for the plans.
- (b) Exercise the utmost restraint in regard to work stoppage.
- (c) Formulate wage demands which are attuned to the requirements of economic development and are in keeping with considerations of social justice.
- (d) Assume greater responsibility for the success of the productive effort.

1.7 Structure of Trade Unions in India

In India, the structure of trade union consists of three levels: plant/shop or local, the state and the centre. It is generally from the central level that the ideology of the important central federations of labour in India percolates down to the state and local levels. Every national or central federation of labour in India has state branches, state committees or state councils, from where its organization works down to the local level.

There are two types of organizations to which the trade unions in India are affiliated:

- (i) National Federations, and
- (ii) The Federations of Unions

Here a brief discussion of this trade union form is given.

1. The National Federations have all the trade unions in a given industry as their affiliated members. Every trade union, irrespective of the industry to which it belongs, can join a general national federation. Such federations are the apex of trade union policies a national character. The central union organizations are national federations of labour based on different political ideologies.

Because of their political leanings, the affiliated trade unions in the field of labour relations follow either a militant policy or a policy of cooperation with the employers and the government, or a policy of continuous strife and litigation.

The trade union leadership to these national organizations is generally provided by the politicians. Such leaders are found leading a dozen or more unions in a particular state. These unions may be in the petroleum industry, the transport industry, electricity supply undertakings or craft unions, such as the rickshaw pullers' union or taxi drivers' union. Some of the trade union leaders and MPs

and MLAs, corporators of city corporations and members of important committees dealing with the labour policy of the country.

The national/central federations are empowered to decide the question of jurisdiction of the various local and national unions.

A majority of these federations allow their affiliates to bargain independently with their respective employers. The federations only act as coordinating authorities for different unions under their control. They also select delegates to represent workmen in international conferences organized by the International Labour Organisation or the International Confederation of Free Trade Unions.

The all-India federation of trade unions has a regular structure. For example:

The INTUC consists of a central organization, affiliated unions, industrial federation, regional branches and councils functioning under the direct control or supervision of the central organization, the assembly of delegates, the general council and the working committees.

The INTUC functions through its affiliated unions, delegates, assembly, general council (including office-bearers), the working committees of the general council and the Pradesh bodies.

The UTUC consists of the general body (.delegates' assembly) general council, and the working committee of general council.

The Hind Mazdoor Sabha (HMS) works through the general council, the working committee and affiliated organization.

2. Federations of Unions: These are combinations of various unions for the purpose of gaining strength and solidarity. They can resort to concerted action, when the need for such action arises, without losing their individuality. Such federations may be local, regional, state, national and international. There are a few organizations which are local in character, such as the Bharatiya Kamgar Sena, the Labour Progressive Federation, Chennai, the National Front of Indian Trade Unions and the Co-ordinating Committee of Free Trade Unions.

Many Unions are affiliated to one or the other type of the following central organizations of workers:

- (1) The Indian National Trade Union Congress
- (2) The All-India Trade Union Congress
- (3) The Hind Mazdoor Sabha
- (4) The United Trade Union Congress
- (5) The Centre of India Trade Unions
- (6) Bharatiya Mazdoor Sangh
- (7) The National Front of India Trade Unions
- (8) The United Trade Union Congress (LS)
- (9) The National Federation of Independent Trade Unions
- (10) The Trade Union Co-ordination Committee
- (11) Indian Confederation of Labour
- (12) Hind Mazdoor Kisan Panchayat
- (13) National Labour Organization

Besides the affiliated unions and their federations, there are a large number of associations and federations which have not joined any one of the central workers' organizations. Some of these are:

- (1) The All India Bank Employees' Association;
- (2) The All India Bank Employees' Federation;
- (3) The All India Insurance Employees' Association;
- (4) The All India Defence Employees' Federation;
- (5) The All India Railway men's Federation;
- (6) The National Federation of Posts and Telegraphs Employees;
- (7) The National Federation of Indian Railway men;
- (8) All India Pvt. Employees Federation;
- (9) All India Electricity Employees Federation;
- (10) All India Port and Dock Workers Federation;

- (11) All India Defence Workers Federation;
- (12) All India Chemical and Pharmaceutical Employees Federation.

In Great Britain, the British Trade Union Congress and in the USA, the American Federation of Labour and the Congress of Industrial Organisation (AFL.CIO) are the national organization of trade unions.

At the international level, the World Federation of Trade Unions (W.F.T.U.) and the International Confederation of Free Trade Unions (I.C.F.T.U.) are two important organizations.

Questions

1. Define Trade Unions? Why do workers organize into Unions?
2. Trace the Historical Evolution of Trade Union movement in India?
3. What are the aims and objectives of Trade Unions?
4. Explain the Structures and types of Trade Unions in India?
5. What are the functions of Trade Union?
6. Explain the Need and Scope of Trade Union?

II. TRADE UNION LEGISLATION

2.1 THE TRADE UNIONS ACT, 1926

Introduction

The origin of the passing of Trade Union Act in India was the historic Buckingham Mills Case of 1920 in which the Madras High Court granted an interim injunction against the Strike Committee of Madras Labour Union forbidding them to induce certain workers to break their contract of employment

by refusing to return to work. Trade Union leaders found that they were liable to prosecution and imprisonment for bonafide union activities and it was felt that some legislation for the protection of trade unionism was necessary. In March, 1921, Mr.N.M.Joshi, the then General Secretary of the all India Trade Union Congress successfully moved a resolution in the Central Legislative Assembly that Government should introduce legislation for registration and protection of trade unions. But opposition from employers to adoption of such measure was so great that it was only in 1926 that Trade Union Act was passed.

Object of the Act

The object of passing the Act was to make necessary provisions in regard to the registration of Trade Unions and to define the law relating to registered Trade Unions. The Royal Commission on Labour in India observed that the object is to give trade unions the necessary protection from civil suits and criminal laws relating to conspiracy in order to enable them to carry on their legitimate activities.

The Act extends to the whole of India including the state of Jammu and Kashmir. It came into force on the first day of June, 1927.

Trade Dispute

A trade dispute means any dispute:

- (a) between employers and workmen
- (b) between workmen and workmen
- (c) between employers and employers

Any such dispute as mentioned to be a Trade Dispute must also be associated with –

- (a) the employment
- (b) non-employment
- (c) the terms of employment
- (d) the conditions of labour of any person

The definition of Trade Dispute in this Act is almost similar to the definition of Industrial Dispute given in the Industrial Disputes Act, 1947. In Trade Dispute, it is necessary that there must be a demand from one party and refusal to accept those demands by other party. There can be real and substantial between parties to such dispute.

Trade Union

The term trade union can be expressed both in an ordinary sense and in broad sense. In ordinary sense it is a combination of workmen and in a broader sense it includes combination of employers and federation of two or more such combinations. The trade union means:

Any combination whether temporary or permanent formed for the purpose of regarding relations between –

- (a) workmen and employers
- (b) workmen and workmen
- (c) employers and employers

The above combinations put restrictions on the conduct of any trade or business but certain agreements given below have been excluded from the scope of the term trade union.

- (a) Agreement between partners in a business
- (b) Agreement in consideration of the sale of the goodwill of a business or of instruction in any profession, trade or handicraft.

Similarly an association whose main object was to acquire patent right was held not to be a trade union. Similarly federation of teachers cannot be referred as association of trade union for teachers not being in the employment of industry.

Trade union should send an application for registration to the Registrar and shall be accompanied by the following:

- Name and addresses of members making the application.
- The name of the Trade Union and address of its head office

- The titles, names, ages, addresses and office bearers of the Trade Union
- General statement of the assets and liabilities of the Trade Union, if the union is in existence for over one year.

The Trade Union can be registered only under the Trade Unions Act, 1926 and the registration of the Trade Unions under any other Act such as the following shall be void:

- The Societies Registration Act, 1860
- The Cooperative Societies Act, 1912
- The Companies Act, 1956

The registration of Trade Union is not legally necessary but it brings certain advantages which are:

- It becomes a corporate body by name
- It can enter into a contract
- It attains a legal entity
- It can sue and be sued in its registered name

The registrar can cancel or withdraw the registration and can exercise power on Trade Unions for the following issues where:

- Certificate of registration has been obtained by fraud or mistake
- Trade Union has ceased to exist
- Trade Union has violated any provision of this Act
- The primary objects of the Union are no longer statutory objects

The Trade Union can request the registrar to cancel their registration after the approval of the general meeting of Trade Unions or majority of members of Trade Union. The Registrar must give at least two months notice in writing giving the grounds on which he proposes to cancel the certificate of registration. Registration confers on the Trade Unions certain rights and privileges which are as follows:

1. Body corporate
2. Separate fund to political purposes
3. Immunity from criminal conspiracy
4. Immunity from civil suit
5. Enforceability of agreements
6. Right to amalgamate
7. Right to inspect books of Trade Union

2.2 REGISTRATION OF TRADE UNIONS

Appointment of Registrars (Section 3)

As regards registration of a trade union, the Act empowers the appropriate Government to appoint a person to be the Registrar of Trade Union for each state. The appropriate Government may appoint as many additional and deputy registrars trade unions as it thinks fit. They shall work under the superintendence and direction of the Registrar.

The appropriate Government shall specify and define the local limits within which any additional and Deputy Registrar shall exercise and discharge his powers and functions.

Mode of Registration

A Trade Union can be registered only under the Trade Union Act., 1926. The Societies Registration Act, 1860, the Co-operative Societies Act, 1012, and the Companies Act, 1956, shall not apply to any registered Trade Union, and the registration of a Trade Union under any such Act shall be void (Section 14)

Any seven or more members of a Trade Union may apply for registration of the Trade Union. All the members applying for registration must subscribe their names to the rules of the Trade Union and also comply with the provisions of the Act relating to registration.

Application for Registration (Section 5)

Every application for registration of a Trade Union shall be made to Registrar. It shall be accompanied by a copy of the rules containing matters as given in Section 6. It also contains a statement of the following particulars.

- (a) the names, occupations and addresses of members making the application
- (b) the name of the Trade Union and the address of its head office; and
- (c) the titles, names, ages, addresses and occupations of the office-bearers of the Trade Union

Where a Trade Union has been in existence for more than one year before its registration, a general statement of the assets and liabilities of the Trade Union in the prescribed form must be submitted along with the application.

Rules of Trade Union – To provide the following (Section 6)

- (a) Name of the Trade Union
- (b) Objects
- (c) Purposes for which the general funds shall be applicable
- (d) Maintenance of a list of its members – facilities for its inspection
- (e) Admission of the number of honorary or temporary members
- (f) Payment of subscription – not less than 25 paise per month per member
- (g) Conditions under which members can enjoy the benefits and under which fines may be imposed on them
- (h) Manner in which rules may be amended
- (i) Manner of appointment and removal of the members
- (j) Safe custody of the funds, an annual audit, facilities for inspection of the accounts
- (k) Manner in which Trade Union may be dissolved

Registration (Section 7)

The Registrar will register the Trade Union, if he is satisfied that the trade union has complied with all the requirements of this Act in regard to registration. The Registrar shall register; the Trade Union by making necessary entries in the register, to be maintained in such form as may be prescribed. The particulars

relating to the Trade Union contained in the statement accompanying the application for registration shall be entered in the register.

Where the Registrar takes no action on an application for more than three months, writ under Article 226 can be issued commanding the Registrar to deal with the application.

Certificate of Registration (Section 9)

The Registrar, on registering a Trade Union, shall issue a certificate of registration which shall be conclusive evidence that the Trade Union has been duly registered under the Act.

It is obligatory on the part of the Registrar to register a Trade Union provided the provisions of the Act are complied with. He is not entitled to question whether the Union is lawful or unlawful.

Advantages of Registration

Although it is not legally necessary for a Union to be registered, registration does provide it with certain advantages. Some of the advantages gained by registration as given in Section 13 are as under:

1. A Trade Union becomes a body corporate by name under which it is registered and it a legal entity distinct from its members of which it is composed.
2. It gives perpetual succession and common seal.
3. It can acquire and hold both movable and immovable property.
4. It can enter into a contract.
5. It can sue and be sued in its registered name.

Cancellation of Registration (Section 10)

Power to withdraw or cancel registration of a Trade Union is given to the Registrar. The Registrar can exercise the power in the following case, namely:

1. On the application of the Trade Union for such a course

2. Where the certificate of registration has been obtained by fraud or mistake
3. Where the Trade Union ceased to exist
4. Where the Trade Union has willfully and after notice from the Registrar allowed any rule to continue in force which is inconsistent with the provision of this Act
5. Where the Trade Union has willfully and after notice from the registrar violated any provisions of this Act
6. Where the primary objects of the Union are no longer statutory objects

Where the Union desires to have its certificate of registration withdrawn or cancelled, the Registrar on receiving such application, must, before granting the application satisfy himself that the withdrawal or cancellation was approved by a general meeting of the Trade Union or if it was not so approved, it had the approval of the majority of the members of the Trade Union.

The Registrar is not competent to cancel registration of a Trade Union without giving requisite notice and giving an opportunity to the Trade Union to show cause against the proposed action.

The Registrar must be given not less than two months, previous notice in writing giving the grounds on which it is proposed to withdraw or cancel the certificate of registration. No such notice is required where such application is made by the Trade Union itself.

Appeal (Section 11)

Section 11 of the Act gives a limited right of appeal from the decisions of the Registrar. Any person who is aggrieved by the refusal of the Registrar to register a Trade Union or the withdrawal or cancellation of certificate of registration is given the right of appeal. The appeal must be within 60 days of the date of which Registrar passed the order against which appeal is made.

Trade Union can be restrained by injunction from applying its funds for an unauthorized object or for an unlawful purpose, because such expenditure shall be ultra virus the Act. Thus it would be illegal it devote Union funds in support of any illegal strike or lock out.

Rights and Privileges

Registration confers on the Trade Union certain rights and privileges. Similarly some rights are granted to the member of a registered Trade Union both collectively and individually. These are as under:

Body Corporate (Section 13)

Every registered Trade Union is a body corporate by the name under which it is registered. A registered Trade Union is an artificial person in the eyes of law capable of enjoying rights like a natural person. It has a perpetual succession and a common seal. It has the right to acquire and hold both movable and immovable property. It can enter into a contract and can sue and be sued in its registered name.

The Objects on which General Funds may be spent (Section 15)

- (a) Salaries, allowances and expenses to office bearers
- (b) Expenses for administration and audit of the accounts of funds of the union
- (c) Towards Prosecution or defence of any legal proceeding to which the union or its member is a party
- (d) The conduct of trade disputes on behalf of the union or its members
- (e) Compensation for the members at the time of dispute.

2.3 Penalties and Procedure

Under Sections 31 to 33 the Registrar of Trade Unions is empowered to impose penalty on the trade union for default in submitting returns or for supply of false information or statements.

(i) Failure to submit returns (Section 31):

- (a) failure to give notice which is required to be given by a registered trade union;
- (b) failure to send any return, required to be sent by a registered trade union; or
- (c) failure to send any documents, required to be sent by a registered trade union.

Every office-bearer or other member of the executive committee is bound to give such information, or send statements or documents as required under the provision of the Act, and if this is not done, they are punishable with fine which may extend to Rs. Twenty-five. In the case of a continuing default, an additional fine extending to Rs. Twenty-five may be imposed for each week after the first week during which the default continues. But in no case the total fine shall exceed rupees five hundred.

The following information or statements are required to be submitted by the registered trade union:

- (i) Notice of change in the address of the head office of the trade union;
- (ii) Notice of change of the name on amalgamation of the unions;
- (iii) Notice of change in the officers of the trade union;
- (iv) Copies of the corrected rules ;
- (v) Copy of every alteration made in the rules;
- (vi) Notice of dissolution of the trade union; and
- (vii) Annual returns for the period ending March 31.

Any person who willfully makes, or causes to make, any false entry in, or any omission from the general statement, or the copy of the rules or the copy of altered rules, which are required to be submitted to the Registrar in the case of a registered trade union, shall be punishable with fine which may extend to Rs. 500 (Section 31).

Any person who contravenes any of the orders of the Registrar for verification of the membership of a registered trade union (under Section 28A) shall be punishable with fine which may extend to five hundred rupees (Section 31).

(ii) Supplying False Information about Trade Unions (Section 32):

The Act also lays down that where any person with intent to deceive gives:

- (a) to any member of a registered trade union, or
- (b) to any person including or applying to become a member of such trade union, or (c) any alteration as are for the time being in force, shall be punishable with fine which may extend to Rs.200.

Similarly, any person who with intent to deceive gives a copy of any rules of an unregistered trade union to any person, on the pretence that such rules are the rules of a registered trade union, shall be punishable with fine which may extend to Rs.200.

(iii) Cognizance of Offence (Section 33): Any offence under this Act cannot be tried by a court inferior to that of

Metropolitan Magistrate or a Judicial Magistrate First Class.

Further, no court shall take cognizance of any offence unless complaint thereof has been made by both or with the previous sanction of the Registrar or by the person to whom the copy was given, within six months of the date on which the offence is alleged to have been committed.

Individual employees, if not required to become members in good standing in the union, may refuse to follow contract provision. Other employees, although benefiting from union activities, may also refuse to support the union. These “free riders” can create dissatisfaction among union members, who may also likewise refuse to continue their support to union activities. For these reasons, unions often propose some system of union security, of which all employees are required to be or to become and to remain union members.

The Union Security covers:

- (a) **Sole or Exclusive Bargaining Agent:** Under this type of security, the union is accepted as a bargaining agent for all employees (members and non-members) in the unit.
- (b) **Preferential Union Shop:** Under this, additional recognition is granted to a union by agreement that management shall give the first chance to union members in recruitment.

2.4 Unionization in the Indian Context

Trade union law and political parties and their strategy are relevant for the process of unionization in the Indian context.

The Trade Union Act 1926 states, “Any seven or more members of a trade union may be subscribing their names to the rules of the trade union and by otherwise complying with the provisions of this act with respect to registration, apply for registration of the trade union under this act.

This has resulted in a large number of registered and unregistered trade unions. Another factor is that the major political parties have a federation at the apex or national level to which unions at the plant and state level are affiliated. The organization pattern of a trade union federation is usually three-tiered. Units exist at the plant or shop, state and the national level.

National Level Federation

Historically, four major federations have been in existence and have established a national network of federal unions. They are:

1. The All India Trade Union Congress (AITUC)
2. India National Trade Union Congress (INTUC)
3. United Trade Union Congress (UTUC)
4. Hind Mazdoor Sabha (HMS)

Of the four, the penultimate one, UTUC, has to a certain extent merged with the Center of Indian Trade Union (CITU)

Other than the above,

1. National Labour Organisation (NLO)
2. Bhartiya Mazdoor Sangh (BMS) and
3. Hind Mazdoor Panchayat (HMP)

are a few having stronger regional affiliations than a national coverage.

2.5 INDUSTRY LEVEL UNIONS

Textile Labour Association

Ahmedabad is an example of the industry level union. TLA has diversified into an unorganized sector. However, its strength and major contribution has been in the textile industry.

Local Level Unions

Many Indian Unions are not affiliated to an industry level federation and in many cases may not have any affiliation to the national federation. They are thus independent local unions centered on a particular plant or a multi plant organization. Irrespective of occupational groups all are admitted to this union. The numbers may vary among the small, medium and large ones. In specific situations, the assistance or guidance of the larger federations or other large unions in related industries are sought.

2.6 RECOGNITION OF A UNION

There are two issues of concern here:

The first is the issue of recognition of a union peruse, especially in a non-unionised situation. The first question that arises is: Which union is one to recognize, or should more than one union be recognized? Related to this is the problem of verification, the process by which the contending unions' claim to membership is cross-checked, to enable one to seek representative status.

The two issues are related to: (i) the need to recognize a union; and (ii) the process to be employed for verification when a union stakes its claim, either in a new union situation or in multi-union situations. This problem arises because at

the moment there is no uniform legislation available in all the states and union territories with regard to the recognition issue. There have been attempts time and again at restructuring and streamlining the system but nothing has been affected so far. It is only in states where the Bombay Industrial Relations Act is in force, e.g. Gujarat and Maharashtra, that there are elaborate provisions regarding recognition. The Act classifies trade unions into three categories:

1. Representative union
2. Qualified union,
3. Primary union

The basis of this classification is the percentage of membership that a union has at the industry level (Chemical industry) or at the lowest level, the primary union.

The representative union should be able to muster 15% of the total number of employees, employed in any one industry in a contiguous area. The qualified union should have 5% of the employees in an industry enrolled as members and finally the primary union should have 15% or more employees enrolled in a unit or a plant. Therefore it is apparent that there is a scaling down of numbers in terms of the status accorded. The idea is to provide some basis to assess the relative strength of a union seeking recognition.

The Verification Process under the Code of Discipline

In a situation where a union puts forth a claim to be recognized under the Code of Discipline the Labour Department satisfies itself about the union's representation. The department would collect the following:

1. Particulars of existing unions in the plant, registration number and date of registration, whether the existing recognized union has completed a two-year period, whether any of the unions has completed a two-year period, whether any of the unions committed a breach of the Code of Discipline as established by an enquiry of the implementation

machinery. Within 10 days the aspirant unions and other existing unions will have to produce documentary evidence to the verification officer in respect of the list of members who have paid subscriptions for three months out of the preceding six months.

2. Membership and subscription.
3. Money receipt counterfoils.
4. Books of accounts.
5. Bank account books (statements)
6. A copy of the constitution of the union.

If there are two unions then both need to furnish the required data. However, if the unions abstain from providing data, the verification officer after giving 10 days notice, will go ahead with the verification process and come to a judgment. The verification officer scrutinizes the documents in the presence of the union(s) submitting the above data. If any member has been claimed by both the unions then an explanation is called for.

The muster roll of the firm will also be checked to ensure that the names tally in terms of employment and union membership.

After this process of checking and rechecking, the unions concerned can themselves go through the verified list of members and notify their objections, if any. Only specific objections will be considered. The objections will then have to be verified. In order to establish this, a systematic sample of employees will be selected for personal interrogation. The proportion of interviews varies from a figure as high as 29% or a minimum of 100 when the number of names objected to is 500 to 2% or 250 when the number is above 5000 or more.

The verification officer will then submit his report to the government as well as to the management of the firm. This verification process is according to the Code of Discipline. However, since the code is not a statute, his findings have

to be accepted in good faith by both the management and unions during their bilateral talks. Many agreements incorporate the acceptance of such voluntary codes.

2.7 Rights and Responsibilities of Registered Unions

While the main clauses of the Trade Union Act of 1926, concern the formation of unions, certain other features are also worth noting. Registration, which means formal recognition of a representative body, also entails certain pre-conditions. A registered union must allow membership to anyone over 15 years of age and have 50% of the office bearers from within the industry. It must keep its books of account in order and send its income and expenditure statements to the registrar of trade unions on or before 31st March.

The union can spend its funds on salaries of office bearers, prosecution, defence, etc. for protecting its trade union rights, to provide compensation to members, levy subscription fees, publish periodicals, etc. More important, a registered union can claim protection from being prosecuted for legitimate trade union activities. This protection is under Section 120 B, subsection 2 of the Indian Penal Code.

The issue that arises, therefore, is the distinction between a recognized union under the Code of Discipline and a registered union under the Trade Union Act of 1926. The former is a voluntary act and may well concern a representative union, while the latter may not always cover a representative union, especially in multi-union situations where there are many small unions or two or three factions. In the absence of any statute, the recognition of a majority bargaining union of the workers still remains a cumbersome process.

Questions

1. Define Trade Union under Trade Union Act 1926.
2. What is the Registration Procedure of Trade Union and Explain?
3. Explain the Recognition of Trade Union?
4. What is Rights and Responsibilities of Trade Union?
5. Explain Penalties and Procedures under Trade Union Act?

III. MULTIPLICITY OF TRADE UNIONS

3.1 Multiplicity of Trade Union

In India, many of the unions are general unions. In this environment, a combination of factors seems to operate – the first being the democratic principle of any seven members being able to form and register a union. In a democracy, even a minority is given an opportunity to organize and further its interests. The Trade Union Act of 1926 also gives sanction to this principle of seven members forming a union. Secondly, given the large number of trade union federations at the national and regional level, which are vying with each other for increased membership there is bound to be disunity among the workers. There is no single federation to which all the other federations belong. The trade union leaders, some of whom are outsiders while others have come up from within the trade union movement, have different approaches to the problems at hand and hence there may, and does come a parting of ways on many occasions.

In multi-union situations at the plant level, the problem of inter-union rivalry frequently poses a managerial problem. Disagreement among unions to technological change, rationalization, automation or terms and conditions of employment causes work stoppage. Sometimes one union agrees while the other does not, for a variety of reasons. These rifts are also due to the rivalry among leaders, or to differences in strategy to be adopted or to differences in ideology. A clash of personalities and egos also plays its part.

One of the effects of industrialization, which has meant the stepping up of the rate of capital formation, has been a strain on the living standards of workers. This has been coupled with another side effect. i.e. job insecurity – a problem that workers usually face in the initial stages of industrialization. The growth of unions in such cases has generally been to protect the interest of the working

class. The process of industrialization itself makes for increase in the rate of unionization. In India this process has not followed the pattern that existed in the developed countries. The merchant-craftsman's stage of capitalism was bypassed and we had instead an abrupt transition from the agricultural pattern of production to the factory pattern of production. In the process the emphasis on craftsmen and their skills got de-emphasised. This, when coupled with the low level of skill formation, not only meant a greater number of unskilled industrial workers, but, also as a consequence, led to the growth of several general industrial unions and hence the problems of inter-union rivalry.

Another factor was the political linkage with unionization. Unions through their collective action are organizations concerned with the interest of a particular class. Hence they are also concerned with the distribution of power. Since distribution of power and decision-making is linked with the political process, the inter-relationship between politics and unionism is part of this process which is perpetual. Both political parties and unions have a vested interest in each other as the effect of their actions and strength is of interest to each other. Unions have a vital stake in the political process and the decisions that will change or restructure the balance of power within their society.

The growth of the four major national federations can be traced directly to the growth of the major political parties which have different ideologies and approaches to the distribution of power and the role of labour in society. The ideological links between these federations and the political parties are, therefore, responsible for cleavages in the union movement.

Another phenomenon has been the role of the 'outside leaders' in the union. This is partly due to the low level of education of the workers, their lack of opportunities to gain experience and therefore their dependence on small elite of educated and influential people. All these factors have led to the domination of the trade union positions by 'outside' leaders. The technical demands in terms

of understanding the voluminous and all-embracing legislation are formidable and a legalistic approach seems to be all-pervading. Therefore familiarity with the various pieces of legislation does play a part in getting things done. The social distance between the manager and the worker has also played its part. In a tradition-bound society which gives due deference to authority, the distance between the manager and the worker has been substantial. The gap has therefore been filled by politicians turned union executives.

3.2 Detrimental Effect of Multiple Unionism

The large number of national federations at the macro level means that the 'unit' level concept has been considerably de-emphasised. It leads to the diffusion of union power at the top and therefore damages the political leverage of labour. It also leads to inefficient efforts to change or introduce new legislation in order to improve the lot of workers, which could have been possible if there was one cohesive body at the macro level.

Similarly at the micro or plant level the unions have an 'extra-plant' orientation of the unions which is inherent in their political groupings. This restricts their ability to judge a plant issue on its own merits without adding an 'extra' (political) dimension to it. The different unions are unable to come together to submit a common charter of demands as their differing ideologies make it impossible to take a united stand, with each individual union seeking to gain more leverage for itself from the particular situation. Managements also find it difficult to respond to these union demands as they are not plant-oriented and thus outside the management's control.

Multiple unionisms also lead to multiple enrolments in unions and non-subscribing members, causing delay or failure to get recognition. This restrains a union's bargaining power during a period of prolonged strife while the unions are squabbling among themselves for dominance, the workers are deprived of their wages and the plant suffers a loss of production. One can say that the

effect of multiple unions has by and large been detrimental to the objectives of the trade union movement. Again, at the plant level, multiple unionism qualitatively weakens the movement resulting in the formation of small-sized unions without effective organization, a precarious financial position and an inability to achieve significant benefits or rights to the members through their own efforts. Collective bargaining is not possible and there is greater dependence on government machinery in labour-management relations. This constant power struggle and jostling for the position of being the major trade union results not only in propaganda amongst fellow workers to gain support for a particular union but at times in violence and disharmony.

The primary role of a union is to protect the workers and to channelise their efforts into more rational directions so that the viability of the plant is also enhanced. The effect of having multiple trade unions both at the macro-and-micro-levels serves only to weaken the workers' power base while at the same time negatively affecting the viability of the plant. A variety of remedies have been suggested, which will be discussed later.

However, it must be noted that in spite of the foregoing there are many organizations where multiple unions exist and the management does effectively negotiate, and conclude agreements. In many plants, workers are unionized – on a craft basis – their special skills or training bonding them together. Multi-unionism is more a problem where general unions exist, for whom all categories can be organized in one general union

Questions

1. What is multiplicity of Trade Union?
2. What are the effects on multiplicity of Trade Union?

IV. CONFLICT RESOLUTION

4.1 Conflicts

Although a multitude of causes lead to industrial conflicts, it is not always easy, in specific instances, to ascertain the particular cause or causes involved. The surface manifestations of unrest and dissatisfaction which appear to be responsible for work stoppage may cover deep-seated and more basic causes which cannot be observed at first sight. Moreover, the relative importance of the causes, when more than one is present, is often very difficult to evaluate.

In spite of this observation, it has been pointed out by industrial relations experts that the causes of conflicts between labour and management are usually the same, wherever capitalist economy prevails. In this context, Mukerjee observes that “The development of capitalistic enterprise, which means the control of the tools of production by a small entrepreneur class, has brought to the fore the acute problem of friction between management and labour throughout the world.”

Prof. Lester notes: “When people sell their services and spend their working lives on the premises of the purchaser of those services, a varying amount of dissatisfaction, discontent, and industrial unrest are likely to occur. The employees are specially interested in higher wages, healthy working conditions, opportunity to advance, satisfying work, some voice in industrial affairs, and protection against loss of wages, overwork and arbitrary treatment. But when such things are denied to them (because employers cut down their expenditure on labour to inflate their profits), they are forced to exert their rights and stop working to make the employers understand their grievances and redress them.”

4.2 Causes of Conflicts:

Industrial relations may be harmonious or strained and acrimonious. In the latter case, there may be many causes which are rooted in historical, political

and socio-economic factors, and in the attitudes of workers and their employers. These causes are being discussed under the following heads:

- (A) Industry related factors;
- (B) Management-related factors;
- (C) Government-related factors; and
- (D) Other factors.

(A) *Industry-related factors:*

- (i) Under this category, some of the causes of a dispute may be: The Industry - related factors pertaining to employment, work, wages, hours of work, privileges, the rights and obligations of employees and employers, terms and conditions of employment, including matters pertaining to:
 - (a) Dismissal or non-employment of any person;
 - (b) Registered agreement, settlement or award; and
 - (c) Demarcation of the functions of an employee.
- (ii) An industrial dispute which connotes a difference which has been fairly defined as is of real substance; i.e. a matter in which both parties are directly and substantially interested; or which is a grievance on the part of a worker which the employer is in a position to redress; or which is such as the parties are capable of settling between themselves or referring it to adjudication.
- (iii) Disputes often arise because of: relatively higher working population and labour force. There is sharp increase in the quantum of unemployment from one plan period to another. A high quantum of job-seekers in the employment market would create serious industrial relations problems. Further, the policy of liberalization that calls for

the adoption of high tech in industries would further complicate the problem by reducing employment.

- (iv) The galloping prices of essential commodities, their shortages and/or non-availability, all these, erode the value of money, as a result of which the real wages of the workers go down. The existing inadequate and unjustified wage structure which has been chaotic,, confusing and full of anomalies; and failure to pay a “need-based wage” and D.A. all these have created dissatisfaction among workers and constrained tem to demand higher wages.
- (v) The attitude and temperament of industrial workers have changed because of their education, their adoption of urban culture and the consequent change in social values, the growth of public opinion and progressive legislation enacted for their benefit. They are, therefore, very conscious of their rights and will not put up with any injustice or wrong done to them.
- (vi) The trade unions at large have failed to safeguard the interest of working class on account of reasons like:
 - (a) The growing inter-union rivalry and multiplicity of trade unions have destroyed the solidarity of the working class;
 - (b) Non-recognition of some trade unions as “bargaining agents” of their members;
 - (c) Increasing compulsory adjudication of disputes has made trade unions indifferent to the wages and working conditions of industrial employees which can now be determined by courts, tribunals and wage boards;
 - (d) The trade unions generally do not bother about any aspect of the lives of industrial labour except their wages;

- (e) The trade union leaders who are not themselves industrial workers have become eye-sore.
- (f) The trade unions generally are organized on the basis of caste, language or communal considerations, which “divide” rather than “unify” workers.

(B) Management Related Factors : The management-related factors that lead to disputes are:

- (i) Management generally is not willing to talk over any dispute with the employees or their representatives or refer it to “arbitration” even when trade unions want it to do so. This enrages the workers.
- (ii) The management’s unwillingness to recognize a particular trade union and the dilatory tactics to which it resorts while verifying the representative character of any trade union have been a very fruitful source of industrial strife.
- (iii) Even when the representative trade unions have been recognized by employers, they do not, in a number of cases, delegate enough authority to their officials to negotiate with their workers, even though the representatives of labour are willing to commit themselves to a particular settlement.
- (iv) When, during negotiations for the settlement of a dispute, the representatives of employers unnecessarily and unjustifiably take the side of the management, tensions are created, which often lead to strikes, go-slow or lockouts.
- (v) The management’s insistence that it alone is responsible for recruitment, promotion, transfer, merit awards, etc. and there is no need to consult employees in regard to any of these

matters, generally annoys workers who in turn become un-co-operative and unhelpful and often resort to strikes.

- (vi) The services and benefits offered by the management to its workers in most of the cases is far from satisfactory, which invariably leads to conflict.
- (vii) The decisions of managements to change their working methods, resulting in surplus of which employees are to be thrown out of employment and some-times close the establishment for various reasons.

(C) Government-Related Factors:

The various Government-related factors that breed disputes are as under:

- (i) The changes in economic policies also create many dispute situations. For instance, policies of liberalization and privatization have caused many strikes in the country.
- (ii) Though, there exists a plethora of enactments for the promotion of harmonious industrial relations, yet their ineffective or unsatisfactory working causes conflicts, a few instances of which are:
 - (a) Most of the labour laws have lost their relevance in the context of the changed industrial climate/culture;
 - (b) Improper and inadequate implementation of labour laws by most of the employers; and
 - (c) Inherent difficulties in monitoring the working of various labour laws.
- (iii) The growing irrelevance of Government's conciliation machinery because:
 - (a) both the employees and the employers have little faith in it:

- (b) both have become litigation-minded;
- (c) it is inadequate, poor the number of disputes referred to it are very large and the personnel dealing with them is hopelessly inadequate, particularly because in addition to labour disputes, it is called upon to see to it that labour laws are properly implemented: and
- (d) the officers associated with conciliation proceedings have very little training in handling the problems or disputes which are referred to them.

(D) Other Causes:

Among these may be included the following:

- (i) The trade union movement is highly influenced by politics. Quite often, politicians and political parties “engineer” strikes, gheraos and bandhs to demonstrate their political strength, invariably, the political party which is in power favours that trade union organization which is affiliated to it, as a result of which a number of disputes often arise.
- (ii) The political instability and sometimes the strained centre-state relations are reflected in industry, resulting in industrial conflicts.
- (iii) Other potential factors, such as rampant corruption in industry and public life, easy money, conspicuous consumption, permissive society, character crisis and general breakdown in national morale have brought, in their train, debasement of social values and social norms – all these can and have perpetuated all kinds of unrest, including industrial unrest.

- (iv) The tense inter-union rivalry among less important and dominant trade union invariably sparks off disputes.

Questions

1. What are conflicts?
2. What are the causes of conflict?
3. Explain the conflict resolution?

V. INDUSTRIAL RELATIONS

5.1 Industrial Relations

Industrial relations consists of state labour policy, enactment and enforcement of labour laws, labour judiciary, role of labourers in economic development, recruitment, selection and training, standing orders, absenteeism, labour turnover, migration, working conditions, labour welfare , social security, personal management policies and practices, wage problems, incentives, joint consultative machinery, workers' associations with management etc. Similarly, the collective bargaining and collective agreements, prevention and settlement of disputes, strikes and lockouts have a direct bearing on industrial relations.

Among other things, industrial relations involve the interplay of various types of factors such as rate of growth, degree of industrialization, technology, personal characteristic of the labour and management. Fortunately, the industrial relations are highly structured in India by state interventions and there are four parties constituting industrial relations system. i.e. the state, management, workers and trade unions.

The Indian Industrial relations are different from other countries in the following ways: Most of the managements in India consider trade unions as necessary evil of the industrial system while the trade unions consider challenging and

opposing the decisions of the management as their main task. The future of collective bargaining in India is very weak owing to the basic disagreement between the political parties who control the unions. Generally, most of the Indian trade unions are highly conservative in contrast to the European and American trade unions. In India, the industrial relations are marked by industrial conflicts, militant trade unions and authoritarian employers. Due to the introduction of new liberalized economic policies, India has witnessed radical changes un-thinkable even decades ago. In this context, it is worthwhile to think of some of the prominent spheres where the changes have taken place with the introduction of the new economic policy.

5.2 WELFARE AND PRODUCTIVITY

Collective Bargaining

Collective Bargaining is a process in which representatives of two groups (employers and employees) meet and try to negotiate an agreement which specifies the nature of future relationship (pertaining to employment) between the two. According to Beach, "Collective Bargaining is concerned with the relations between unions representing employees and employers (or their representatives). It involves the process of union organization of employees; negotiation, administration and interpretation of collective agreements covering wages, hours of work and other conditions of employment; engaging in concerted economic action; and dispute settlement procedures."

According to Dale Yoder, "Collective Bargaining is the term used to describe a situation in which the essential conditions of employment are determined by bargaining process undertaken by representatives of a group of workers on the one hand and of one or more employers on the other." In the words of Flippo, "Collective Bargaining is a process in which the representatives of a labour

organization and the representatives of business organization meet and attempt to negotiate a contract or agreement, which specifies the nature of employee employer-union relationship.”

Features of Collective Bargaining

The essential features of collective bargaining are as follows:

- (i) It is joint or collective process. The representatives of both the management and the employees participate in it.
- (ii) It is a continuous process. It establishes regular and stable relationship between the parties involved. It involves not only the negotiation of the contract, but also the administration of contract, but also the administration of contract. When we say that collective bargain includes the administration or application of the contract also, it means that bargaining is a day-to-day process. In this context, Summer Slitcher has rightly observed, “It would be a mistake to assume that collective bargaining begins and ends with the writing of the contract. Actually that is only the beginning of collective bargaining.”
- (iii) It is a dynamic process. The parties have to adopt a flexile attitude throughout the process of bargaining.
- (iv) It is a form of industrial democracy.
- (v) It is an adjustment formula based on give and take approach of both sides.
- (vi) It is an attempt to achieve and maintain discipline in industry.

Subjective matter of collective bargaining

The subject matter of collective bargaining covers a variety of issues affecting employment relationships between the workers and the management. According to Ghosh and Nath the issues covered in the collective bargaining are

recognition of union or unions, wages and allowances, hours of work, leave and festival holidays, bonus and profit sharing schemes, seniority, rationalization and the issues relating to the fixation of workloads, and standard labour force, programmes of planning and development influencing workforce, issues relating to retrenchment and lay off, victimization for trade union activities, provident fund, gratuity and other retirement benefit schemes, incentive systems, housing and transport facilities, issues relating to discipline and shop rules, grievance procedure, working conditions and issues related to safety and accident prevention, occupational diseases and protective clothing, employee benefits such as canteens, rest rooms, medical and health services and creches, administration of welfare funds, cooperative thrift and credit societies and educational, recreational and training schemes.

The Indian Institute of Personnel Management, Calcutta, gives the following as the subject-matter of collective bargaining:

- (i) Purpose of the agreement, its scope and the definition of important terms;
- (ii) Rights and responsibilities of the management and of the trade union;
- (iii) Wages, bonus, production norms, leave, retirement benefits and terms and conditions of service;
- (iv) Grievance redressal procedure;
- (v) Methods and machinery for the settlement of possible future disputes; and
- (vi) Termination clause.

Importance of Collective Bargaining

Collective Bargaining not only includes negotiation, administration and enforcement of the written contracts between the employees and the employers, but also includes the process of resolving labour-management conflicts. Thus,

collective bargaining is a legally and socially sanctioned way of regulating in the public interest the forces of power and influence inherent in organized labour and management groups.

Importance of Employees

Collective Bargaining helps the employees:

- (i) To develop a sense of self-respect and responsibility among the employees.
- (ii) To increase the strength of the workers. Their bargaining capacity as a group increases.
- (iii) To increase the morale and productivity of employees.
- (iv) To restrict management's freedom for arbitrary action against the employees. Unilateral actions by the management are discouraged.
- (v) To strengthen the trade union movement.

Importance to Employers

- (i) The workers feel motivated as they can talk to the employers on various matters and bargain for higher benefits. As a result, their productivity increases.
- (ii) It is easier for the management to resolve issues at the bargaining table rather than taking up complaints of employees individually.
- (iii) Collective bargaining promotes a sense of job security among the employees and thereby tends to reduce cost of labour turnover to management, employees as well as the society at large.
- (iv) Collective bargaining opens up the channels of communications between the top and bottom levels of organization which may be difficult otherwise.

Importance to society

Collective Bargaining helps the society:

- (i) To attain industrial peace in the country.

- (ii) To establish a harmonious industrial climate which supports the pace of a nation's efforts towards economic and social development since the obstacles to such development can be largely eliminated or reduced. As a vehicle of industrial peace or harmony, collective bargaining has no equal.
- (iii) To extend the democratic principle from the political to the industrial field. It builds up a system of industrial jurisprudence by introducing civil rights in industry and ensures that management is conducted by rules rather than by arbitrary decisions.
- (iv) To check the exploitation of workers by the management.
- (v) To distribute equitably the benefits derived from industry among all the participants including the employees, the unions, the management, the customers, the suppliers and the public.

Industrial disputes

Our modern industrial system is threatened by the ravaging industrial disharmony characterised by the embittered relationships between the employers and the workers. A smooth industrial relations requires that all the participants are to be motivated to work whole heartedly for making the system to work. According to the new economic policy during 1991 a series of industrial fiscal and trade reforms were announced by the government to create industrial peace and prosperity. Generally, the reasons for industrial disputes in India were psychological, political and economic. To achieve industrial peace, changes in the attitude of workers, employers and trade unions are required along with political and economic changes. It is to be seen that whether such changes have taken place in India after the instruction of new economic policy.

Questions

1. What is Industrial Relations?

2. Explain about importance and features of Collective Bargaining?

VI. SOCIAL RESPONSIBILITY OF TRADE UNION

In addition to main economic functions, some unions have now started undertaking and organizing welfare activities and also providing variety of services to their members and sometimes to the community of which they are a part, which may be grouped under the following heads:

Welfare Activities

They are provided to improve the quality of work life including organization of mutual fund cooperative societies for providing housing credit and socio cultural programmes, banking and medical facilities.

Education

Education of members, creating awareness about the environment around them, enhancement of their knowledge particularly in regard to issue that concern them, their statutory and other rights and responsibilities, workers participation scheme, and procedure for redressing their grievances.

Publication of periodicals

News letters or magazines for establishing communication with their members, making the latter aware of union policy and stand on certain principal issues and personnel matters concerning members, such as births, deaths, marriages, promotion and achievements.

Research

Of late this is gaining importance and is intended mainly to provide updated information to union negotiators systematically collected and analysed at the bargaining table. Such research is to be more practical than academic concerning problems relating to day to day affairs of the union and its activities and union and

management relations. Some of the research activities like , collection and analysis of wage data including fringe benefits, and other benefits and services through surveys to comparative practices, data on working conditions and welfare activities.

Questions

1. Explain social responsibility of Trade Union?

VII. INDUSTRIAL RELATION MANAGEMENT AND MANAGEMENT OF TRADE UNION

7.1 The State Government Labour Policy

Due to launch of the new economic policy, a number of measures were taken by the government for safeguarding the interest of the interest of the working class on account of their growing obsolescence resulting from technological transformation. The prominent among them were the policy changes made by the recommendations of Indian Labour Conference and setting up of the National renewal Fund. The amended ESI Act of 1989 was made applicable to non- seasonal factories also using power and employing 10 or more workers and non power using factories employing 20 or more workers. The wage limit for the workers to be covered under the Act has been raised from Rs. 16000 per month to 3000 2with effect from April 1992.

The standing Labour committee and the *Indian Labour conference which met in October 1995 industry 1995 respective took important decisions on matters pertaining Triparte the committee on plantation s was constituted which to labour standard employment vocational training and bounded labourers inspire

committee on plantation queen constituted which review an Act force_their purpose of strengthening health cove of, plantation workers.

The, Government has created a separate Women's cell Directorate
General of

Training to boost employment potentials of women. The National Renewal Fund was established to provide funds for compensation of workers affected Restructuring or closure of industrial units to provide assistance to cover the cost of retaining and development of employees arising as result of modernisation technological upgradation and industrial restructuring and to provide funds for employment generation and social security net to labour needs arising from comnsequences of industrial restructuring these focus on the fact that since new economic policy was geared to meet the consequences that new economic policy may create on the labour force of the country.

7.2 Problems of the Trade Union Movement in India

The shortcomings or the weakness of the trade union movement in India are as follows:

1. Lack of balanced growth
3. Low membership
4. Poor financial position
5. Political control
6. Multiplicity of unions
7. Inter-union rivalry
8. Lack of able leaders
9. lack of recognition
10. Opposition from employers
11. Indifferent attitude of members

Lack of Balanced Growth

Trade unions are often associated with big industrial houses. A vast majority of the working population is without any union backing. The entire agricultural sector is highly unorganized in India. The agricultural workers are subject to all kinds of exploitation. The same is true with respect to those working in small scale and cottage industries. Lack of balanced growth of trade unions in all sectors is one of the major weakness of the trade union movement in India.

Low Membership

Trade unions , with the exception of few have low membership. This is because many employees are not willing to join unions although they are ready to enjoy the benefits arising out of the union actions. The reasons for the hesitation of employees to join unions include, among others, the need to take part in strikes and such other programmes, fear of pay cut and fear of punishment.

Poor financial Position

Low membership is one of the reasons for the poor financial position of the unions.

Moreover, the subscription payable by every member is kept low.

Some members may not even make a prompt payment of the small amount of subscription. These are also not very many sources from which unions can get funds.

They may probably depend on contributions from philanthropists. The poor financial

Position can only weaken the trade union movement.

Political Control

Most popular trade unions in India are affiliated to certain political parties.

These political parties are only keen on making every grievance of the working class a political issue to attain political gains. As a result the problem only gets wide publicity and remains unsolved.

Multiplicity Of Unions

Often there exists more than one union within the same industry each backed by

a political party. These various unions have conflicting ideology. If one union comes out with a strike proposal another union may work against it. As a result, none of the unions is actually able to solve the problems of the workers.

Inter-Union Rivalry

The existence of many unions within a particular industry paves way for what is called inter-union rivalry. These unions do not work together for the cause of the workers. Each union may adopt a different approach to the problem. The inter-union

rivalry may become a more serious problem of the workers. As a result, the employees are unable to derive the benefits of collective bargaining.

Lack of Able Leaders

Another barrier to the growth of trade unions is the lack of able leaders.

Some union leaders give a strike call even for petty problems that can easily be resolved through talks. On the other hand, there are leaders who have secret pact with the management. They get bribes from the government and work against

the interests of the employees. Some leaders don't convene a meeting of the general body at all even when a crisis develops. They take unilateral decisions that are thrust on the employees.

Lack of recognition

Most management is not prepared to recognize trade unions. This happens because of any of the following reason.

1. The existence of low membership that reduces the bargaining power of the union.
2. The existence of more unions within the same industry.
3. Inter-union rivalry.
4. The indifferent attitude of the employees themselves towards trade unions.

Opposition from employers

Apart from the fact that most employers are not prepared to recognize trade unions, they also do not let their employees form a union. This the employers are able to achieve by adopting certain punitive measures like intimidating employees victimizing union leaders, initiating disciplinary action against employees indulging in union activities and so on.

Some employers also start rival unions with the support of certain employees.

Sometimes, they may go to the extent of bribing union leaders to avert a strike or such similar show of protest by employees. The employers fail to understand that the union enables the employees to express their grievances in a democratic manner and can also be used as a means of promoting better labour management relationships.

Indifferent Attitude of the Members

Union leaders alone cannot be blamed for the weakness of the trade union movement. The indifferent attitude of the members of certain unions is also a barrier. Some members do not even make a prompt payment of the subscription amount. The treasurer of the union has to go behind them, remind and persuade them to pay the subscription that is often a very small amount.

There are on the other hand, members who do not attend the general meetings nor do they bother to know what is discussed in such meetings. There are still others who do not take part at all in any of the programmes of the union organized to press the demands of the employees like slogan shouting procession, demonstration, hunger strike etc. Members generally expect the office-bearers to do all that is necessary to achieve the demands.

7.3 Measures to strength Trade Unions

The following are some of the measures that can be adapted to strength trade union.

Improve financial position

The poor financial position of the trade union does not permit it to undertake certain activities. For example it requires fund to permit pamphlets and booklets, to prepare banners and placards, to enable the officer-bearers to travel to different places to mobilize support and so on in the processes of working for the cause of the employees

The first corrective action that is necessary therefore is to improve the financial position of every trade union. The following steps may be taken in this regard.

1. The amount of subscription must be increased in tune with the increase in the cost of operations.
2. The members must be persuaded to make prompt payment of the subscription
3. Donations may be sought from philanthropists.

Increase Membership

Steps must be taken to increase then membership of trade unions. The employees must be enlightened on the importance of cooperation and collective bargaining. This must be done on a continuous basis or till such time the employees take the decision to join the union. The office bearers must take the initiative to make the employers understand. The philosophy of “United We Stand and Divided We Fall”

Get rid of Political Affiliation

When trade unions have political affiliation, the political parties make an Attempt to use the power of unions to their own political gains. It is therefore important that our unions free themselves from political control. When the employees have certain genuine demands, they must represent the same to their employers through able leaders who are none other than their own fellow workmen No attempt should be made to politicalise any issue.

Do away with Multiple Union

The existence of many trade unions within the same industry only reduces the power of collective bargaining. Moreover, Every such union works to its own ideals. The general interests and well being of the employees thus are ignored. It is therefore necessary to make efforts to bring all the employees under one union.

Securing recognition –every employee working in any industry must be made to realize the importance of trade union. He must come forward to join the union willingly. Once the support of the employees is received; the next step is to make all possible efforts to persuade every management to recognize the trade union.

Essentials for success of a Trade Union

The first essential of a trade union is to have an enlightened labour force to guide and direct the movement. This presupposes, according to R.K.Mukherjee, the existence of correct leadership, “which is not prepared to sacrifice the interests of the workers to imported doctrinaire enthusiasm but desires to hack a highway for them to attain their stature as participants in a new order of things.”

Another essential is that a trade union should have its foundation laid on solid ground so that it may achieve success in the attainment of its objects.

The objective of a trade union should be clearly enunciated. The trade unions with a complexity of objectives are looked upon with suspicion, and the employers, who should be willing to sit with them round a table for discussion and negotiation, often try to bypass them.

The trade unions should have a coherent and well-conceived policy with regard to their structure. A haphazard growth of trade unions is likely to give rise to difficult problems of jurisdiction and spheres of activity. A trade union

should be regarded as a business organization which requires careful planning and sound organizational methods.

According to George Mean (former President of the American Federation of Labour), trade unions must possess some basic characteristics, if they are to be effective and useful. These characteristics are:

“First and foremost, a good union must be able to protect its members and win a reasonable measure of economic justice for them.

“Second, a good union must be run by the members and for the members. There must be leaders, able and willing to stand firm for what they believe is right and to fight for it against what might appear at times to be a popular position. But they must always be subject to the support or rejection of the general membership of the union.

“Third, a good union must be an honest union. This goes beyond finances; just being ‘money honest’ is not enough. The integrity of a good union is all-inclusive. It extends to its relationship with employers, to what it says to its own members, the formulation of its policies and the evaluation of its own performance.

“Fourth, a union must look beyond its own horizons. It must recognize and fulfill its proper role in the life of the nation and of the community in which it lives.”

CONCLUSION

Trade unionism in India suffers from a variety of problems, such as politicization of the unions, multiplicity of unions inter and intra-union rivalry, small size and low membership, financial weakness, and lack of welfare facilities for the members, weak bargaining power, reliance on litigation and strikes, and dependence on outside leadership. This vicious circle has adversely affected their status and bargaining power, and must be broken at as many points as possible. In this context two measures should receive due attention. One, the

development of a sound trade union education, which would create a body of competent, well-disciplines and full-time trade union leaders. Two, the unions have to play a vital and constructive role in improving the quality of life of the workers. They should evince greater interest in such welfare programmes for their members, as education, including literacy, health and family planning, and recreational and cultural activities. They can also promote personal and environmental hygiene and a sense of thrift. The government can consider some financial aid to those trade unions which take up such welfare activities. Such involvement in constructive activities would help trade unions in furthering the interests of their members.

The factors that make a trade union strong and healthy are unflinching adherence to the union's constitution and rules, regular payment of dues, fully representative character of the union, co-operation with sister unions and a sound leadership. A methodological organization with an enlightened labour force is an essential.

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Unit III
STRUCTURE

**EMPLOYEE COUNSELLING – TYPES, METHODS, CONTENTS,
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- 1.2. Counselling in Industry
- 1.3. Objectives
- 1.4. Characteristics of Counselling
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EMPLOYEE COUNSELLING – TYPES, METHODS, CONTENTS, PROBLEMS

This lesson comprises three units. The first unit gives an overview of employee counselling in terms of concept, objectives, characteristics, functions and benefits. Second unit refers to types, methods and process in employee counselling. The last unit broadly sketches the various problems in employee counselling.

I. EMPLOYEE COUNSELLING

1.1. Introduction

Counselling has been practiced in one form or other since the evolution of mankind. In every field which requires dealing with people, counselling is essential. Counselling is a dyadic relationship between two persons; a manager who is offering help (counsellor) and an employee whom such help is given (counselee). It may be formal or informal. Formal counselling is a planned and systematic way of offering help to

subordinates by expert counsellors. Informal counselling is concerned with day to day relationship between the manager and his subordinates where help is readily offered without any formal plan.

Every manager has a responsibility to counsel his subordinates. When individual managers are unable to deal with specific problems, the counselling services of a professional body is required. An organization can either offer the services of a full-time in-house counsellor or refer the employee to a community counselling service.

Counselling occasionally is necessary for employees due to job and personal problems that subject them to excessive stress. Counselling is discussion of a problem that usually has emotional content with an employee in order to help the employee cope with it better¹. Counselling seeks to improve employee's mental health. People feel comfortable about themselves and about other people and able to meet the demands of life when they are good in mental health.

The counselling need not be limited to work-related issues. Marital problems, problems with children, financial difficulties or general psychiatric problems may not be directly related to the job, however, we recognize that individuals cannot completely separate their life away from the job from their life on the job. Therefore personal problems do affect a worker's job performance. So counselling is also necessary for personal problems along with work- related issues.

Performance counselling involves helping an employee understand his own performance, find where he stands in relation to others and identify ways to improve his skills and performance. It focuses, essentially, "on the analysis of performance of the job and identification of training needs for further improvement"².

An increasingly popular form of counselling involves employees who are about ready to retire. Pre-retirement counselling prepares individuals to deal with the realities of leisure, as well as outlining details about social security benefits and company pension provisions.

1.2. Counselling in Industry³

It is required of every manager to help his subordinate in the free exploration of his strengths, abilities, competence, interests and other related positive features. It requires participation from both the parties in the performance review and goal-setting process. Thus, performance counselling has become an important feature not only in performance review but also in the implementation of the appraisal system in the organization.

It is natural that subordinates need guidance, coaching or help of an experienced person. This role may be played by the immediate superior or the personnel manager. The managers or superiors who have to play the role of 'counsellor' can play it successfully if they develop the skill for counselling. Such a skill would be useful in understanding subordinates, assisting them in their efforts to grow and develop, and in improving their interpersonal relations both at work and in the society at large.

Counselling is a two-way process in which a counsellor provides help to the workers by way of advice and guidance. There are many occasions in work situations when a worker feels the need for guidance and counselling. The term "counselling" refers to the help given by a superior to his subordinate in improving the latter's performance. It is in effect a process of helping subordinates to achieve better adjustment with his work environment, to behave as a psychologically mature individual, and help in achieving a better understanding of others so that his dealings with them can be effective and purposeful.

1.3. Objectives

Counselling helps a person overcome emotional problems and weaknesses relating to performance. It involves the following objectives:

1. Provide empathic atmosphere of genuine concern about his difficulties, tensions, worries, problems, etc., so that he can freely discuss and share his views with counsellor;

2. Understand himself better and to gain knowledge about his potential, strengths and weaknesses;
3. Gain an insight into the dynamics of his behaviour by providing necessary feedback;
4. Have better understanding of the environment in which he functions;
5. Increase his personal and interpersonal effectiveness by assisting him in analyzing his interpersonal competence;
6. Prepare alternate action plans for improving on his performance and behaviour.

1.4. Characteristics of Counselling⁴

1. Counselling is an exchange of ideas and feelings between two people.
2. It tries to improve organizational performance by helping the employees to cope with the problems.
3. It makes organization be more human and considerate with people's problems.
4. Counselling may be performed by both professionals and non-professionals.
5. Counselling is usually confidential in order to have free talk and discussions.
6. It involves both job and personal problems.

1.5. Need for Counselling

Need for employee counselling arises due to various causes in addition to stress. These causes include: emotions, inter-personal problems and conflict at place, inability to meet job demands, over-work load, confrontation with authority, responsibility and accountability, conflicts with the superiors, subordinates and management and various family problems, health problems, career problems etc.

1.6. Functions of Counselling

The general objective of counselling is to help employees to improve their mental health and develop in self-confidence, understanding, self-control and ability to work effectively. This objective can be achieved by performing various counselling functions. They are:

1. Advice

One of the important functions of counselling is offering advice to the counselee. The counsellor has to understand the problem of the counselee completely, before offering advice and suggesting a course of action.

2. Reassurance

In order to give courage to face a problem confidently, counselling provides employees with reassurance. Normally reassurance is not acceptable to the counselee. However, it is useful in some situations.

3. Communication

Counselling will improve both upward and downward communication abilities of the counsees.

4. Release of Emotional Tension

Releasing emotional tension is an important function of counselling. People feel emotional release from their frustration after counselling. Release of tension may not solve the entire problem, but run over mental blocks to the solution.

5. Clarified Thinking

Release of tension and thereby removal of mental blocks to the solution through counselling allows the counselee to think freely and objectively. Thus, clarified thinking tends to be the result of emotional release.

6. Reorientation

Reorientation is not just emotional release or clear thinking, but it involves a change in the counselee's psychic self through a change in the basic goals and values.

1.7. Benefits

Performance counselling takes a positive approach. The underlying philosophy is quite simple: People can grow and improve their competence and performance with timely help and proper coaching. 'An effective counsellor-manager is one who helps

his employees to become more aware of their strengths and weakness and helps them to improve further on the strong points and overcome weaknesses'. Counselling, generally speaking, offers the following benefits to the counselee:

1. He learns to respond and adjust more positively to people and situations
2. He is able to improve his personal effectiveness
3. He is able to clear the mind of emotional irritants; overcome his personal weaknesses and work more effectively.
4. He feels more relaxed when he is able to share his concerns and problems with a trusted friend, the counsellor who assures confidentiality and extends a helping hand readily.

II. TYPES, METHODS AND PROCESS OF EMPLOYEE COUNSELLING

1.2.1. Types of Counselling

In attempting to help an employee who has a problem, a variety of counselling approaches are used. All of these approaches, however, depend on active listening. Sometimes the mere furnishing of information or advice may be the solution to what at first appeared to be a knotty problem. More frequently, however, the problem cannot be solved easily because of frustrations or conflicts that are accompanied by strong feelings such as fear, confusion, or hostility. A manager, therefore, needs to learn to use whatever approach appears to be suitable at the time. Flexibility is a key component of the counselling process.

1. Directive Counselling

It is full counseling. It is the process of listening to an employee's problem, deciding with the employee what should be done and telling and motivating the employee to do it⁵. This type of counselling mostly does the function of advice, reassurance and communication. It may also perform other functions of counselling.

2. Nondirective Counselling

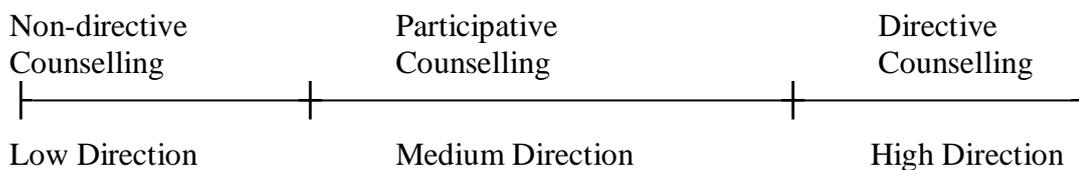
In nondirective counselling, the employee is permitted to have maximum freedom in determining the course of the interview. It is the process of skillfully listening and encouraging a counselee to explain troublesome problems, understand them and determine appropriate solutions⁶. Fundamentally, the approach is to listen, with understanding and without criticism or appraisal, to the problem as it is described by the employee. The employee is encouraged, through the manager's attitude and reaction to what is said or not said, to express feelings without fear of shame, embarrassment, or reprisal.

The free expression that is encouraged in the nondirective approach tends to reduce tensions and frustrations. The employee who has had an opportunity to release pent-up feelings is usually in a better position to view the problem more objectively and with a problem-solving attitude.

3. Participative Counselling

Both directive and non-directive methods suffer from limitations. While the former is often not accepted by independent employees, the latter needs professionals to operate and hence is costly. Hence, the counselling used in most situations is in between these two. This middle path is known as participative counselling. Participative is a counselor-counselee relationship that establishes a cooperative exchange of ideas to help solve an employee's problems. It is neither wholly counsellor-centred nor wholly counselee-centred. Counsellor and counselee mutually apply their different knowledge, perceptions, skills, perspectives and values to problem into the problems and find solutions.

These methods of counselling can be used depending upon the problem, employee, situation, availability and ability to employ professional counsellors.



Source: Keith Davis and John, W. Newstrom, op. cit., p.498.

1.2.2. Methods of Counselling⁷

Effectiveness of counselling largely depends on the methods and techniques as well as the skills used by the counsellor. Methods and techniques change from person to person and from situation to situation. Some of the assessment tools are psychological testing, statistical methods, Attitude Measurement, Caring Relationship Inventory, Interpersonal Behaviour Surveys, Observation, Taylor-Johnson Temperament Analysis, etc.

It involves the following methods:

1. Desensitization

According to Desensitization, once an animal has been shocked in a particular situation, it will continue to avoid it indefinitely. This is quite true in respect of human beings also. Once an individual is shocked in a particular situation, he gives himself no chance for the situation to recur. This method can be used to overcome avoidance reactions, so as to improve the emotional weak-spots.

If an employee is once shocked by the behaviour, approach or action of his superior, he would continue to avoid that superior. It is difficult for such superiors to be effective counsellors, unless such superiors prove otherwise through their behaviour or action on the contrary. Similarly, once an employee is shocked by a particular situation, he can be brought back to that situation only if he will be convinced through desensitization that the shock will not to take place further. Counsellor can make use of desensitization in such situations.

2. Catharsis

Discharge of emotional tensions can be called catharsis. Emotional tensions can be discharged by talking them out or by relieving of the painful experience which engendered them. It is an important technique as a means of reducing the tensions

associated with anxiety, fear, hostility, or guilt. Catharsis helps to gain insight into the ways an emotional trauma has been affecting the behaviour.

3. Insight

With the help of insight one may find that he has devalued himself unnecessarily, or his aspirations were unrealistic, or that his childish interpretation of an event was inaccurate. Then he can overcome his weakness.

4. Developing the new patterns

Developing new patterns becomes very often necessary when other methods to deal with weak spots remain ineffective. In order to develop new, more satisfying emotional reactions, the individual needs to expose himself to situations where he can experience positive feelings. The manager who deals with such individuals may motivate or instigate them to put themselves into such situations, so that their self-confidence may increase.

Every counsellor must concentrate his full attention on two aspects viz., using of assessment tools, and utilizing counselling methods, choice of which differs from person to person, situation to situation, and from case to case.

1.2.3. The Process of Counselling: Sequential Steps⁸

The counselling process has three phases: rapport building, exploration and action planning, these are discussed below:

1. Rapport Building

Initially the counsellor-manager should level himself with his employee and tune himself to his orientations. General opening rituals like offering a chair, closing the door to indicate privacy, asking the secretary not to disturb are all important in demonstrating the manager's genuine interest in employee's problems. The counsellor must listen to the feelings and concerns of the employee carefully and attentively. Leaning forward and eye contact are important signs of active listening. The

employee must feel that he is wanted and the counsellors is interested in him genuinely.

2. Exploration

Besides active listening, the counsellor should help the employee find his own weaknesses and problems through open and exploring questions. He should be encouraged to open up fully and talk more on the problem. This would enable both parties to uncover various dimensions of the problem clearly. Once the key issue is identified, (e.g., inability to get along with colleagues, not being promoted despite hard work, boss does not like his work etc.,) it should be diagnosed thoroughly. Open questions like- why do people pick arguments with you? On what occasions did you try to get ahead in the race? Who are coming in your way and why? – may help the employee visualize the problem from different angles. The whole exercise is meant to generate several alternative causes of a problem.

3. Action Planning

Counselling should finally help the employee find alternative ways of resolving a problem. The list of alternatives could be generated after two or three brain storming sessions. The merits and limitations of each course of action could also be identified and the best course of action picked up-keeping the background factors (boss, colleagues, work-related issues, competitive pressures etc.) in mind. The employee should be encouraged to self-monitor the action plan without seeking further helps from the counsellor. The counselling sessions could be monitored and reviewed at regular intervals later on.

1.2.4. Effective Counselling⁹

Counselling is an art. It requires serious effort on the part of the counselee to learn from each situation and stand on his own. The counsellor is there to lend a helping hand, clarify things, enable the counselee look at the picture himself clearly, show the alternative paths and suggest action plans for improvement.

The prerequisites for effective counselling are as follows:

1. Open two-way communication between the counsellor and the worker.
2. Genuine concern of the counsellor for providing necessary help to the worker and develop him further; and
3. Influence by the counsellor by recognizing worker's feelings, by sharing his experience and ideas, by posing questions that stimulate his thinking, and by helping him to solve his problems.

The counsellor should give sufficient importance to the communication process by listening carefully to what the subordinate has to convey and by, being responsive to the same. Any movement which distracts the subordinate's attention should be controlled e.g. fidgeting with paper weight, clip, pencil, rubber and etc. Moreover, it is essential to generate the necessary confidence in the subordinate and to assure him the counsellor's interest in helping him.

III. TYPES OF PROBLEMS FOR EMPLOYEE COUNSELLING

1.3.1. Problems in Counselling

A manager has to deal with various types of problems in dealing with his subordinates, employees and particularly problem employees. Basically no employee is a problem employee, except hereditary and inborn perversions, criminal tendencies, addictions, and nervous and psychological breakdowns. Once an employee turns to be a problem employee, the employer has mainly two options viz., repair and recover, or replace. For the purpose of repairing and recovering and rehabilitating, counselling has an important role to play. Problems are generally associated with the causes like:

1. Inferiority and Low Self-Esteem

Inferiority feeling of an employee may play great havoc in individual life and work. Though a mild form of inferiority in certain persons may help them to work hard and overcome the inferiority. But very often, inferiority complex may lead a person to utter disappointment and depression leading to withdrawal perversion, absenteeism and even psychosomatic and psychotic problems.

Inferiority is a feeling of inadequacy in comparison with others, or a feeling of being inferior to others. When the inferiority feelings in a person become overwhelming and persisting, it may develop into a state which Adler called “inferiority complex”. Recently thinkers started believing that inferiority can be overcome with the help of self-esteem, and effective counselling helps in gaining self-esteem.

Self-esteem is closely linked with self-image, self-worth and self-concept. Self-concept and self-image are the terms which represent the picture which we have of ourselves. Self-image and self-concept may include a list of character traits, physical features, attitudes, feelings, strengths, weaknesses etc. Self-esteem refers to the evaluation which an individual makes of his worth, competence, value and significance.

When a person loses self-esteem, he develops inferiority in him, which grows into an inferiority complex. Such people do not feel worth of themselves. Hence, the basic task of a counsellor is to improve self-esteem in such counselees.

2. Injustice or Ill-treatment

Very often injustice or ill-treatment make considerable impact in their minds resulting in behavioural problems, inferiority and low self-esteem. Depriving an employee of adequate wages, leave, or any perks, giving him an arrogant treatment, depriving a legitimate promotion, promoting somebody overlooking the legitimate candidate; may such incidents take place in organizations very often which may result in inferiority feeling or feeling of low self-esteem and low morale affecting the efficiency of the aggrieved employee. As far as possible such incidents must be avoided. Once such a situation arises and an employee is aggrieved, it is better to rectify it. However, if the aggrieved employee is counselled and rectification is promised at a later date, he or she can be brought back to the proper track.

3. Premarital Anxieties and Sexual Perversions

Premarital anxieties are common in many young employees. Once the marriage is arranged and the person is engaged, his anxiety increases. Two people of different family backgrounds, different cultures, different environments, etc., are bound to have anxieties before they come together. If one happens to wait unmarried after a particular age too, one's anxiety is bound to increase. Similarly, there are possibilities for sexual perversions in not only young employees but even in married employees. There are people with broken relationships who are tempted to be subject to sexual perversions and resulting guilty conscious. In all such cases the concerned employee needs counselling before a total breakdown and collapse of personality. Such people can be spiritually motivated, educated, kept under the close contact of an influence group, and so on.

4. Alcoholism

Alcoholism is, perhaps, the largest threat to the human element of organization. In fact, alcoholism is a serious social, moral and health problem. It ruins careers, disrupts families, affects productivity and efficiency, destroys bodies, and leads to untold human misery. Many traffic accidents are caused by alcohol abuse.

a. Causes of Alcoholism

There are many causes which lead to alcoholism. Prominent among them are:

- (i) Hereditary drinking;
- (ii) Executive culture;
- (iii) Executive stresses;
- (iv) Physiological reasons;
- (v) Broken family set up;
- (vi) Environmental influence;
- (vii) Low job satisfaction and morale;
- (viii) Tasks involving strenuous physical exertion;
- (ix) Perpetuating influences ;
- (x) Feelings of depression and stagnation; and
- (xi) Feeling of isolation and loneliness.

A counsellor's job is not easy as far as an alcoholic is concerned. One or a few counselling sessions may not yield any considerable effect. However, a sincere effort on the part of an executive-counsellor may help an alcoholic employee, at least in the long-run. Some medical intervention may also be helpful along with counselling.

5. The problem of Addictions

Another important employee problem which deserves counselling is addictions. Addiction is a very dangerous problem which torments the social and work environment of today. Drug addiction has gone beyond proportions among youngsters now-a-days. Not only drug addiction, many people are addicted to alcohol, pornographic materials, television, sexual immorality, smoking, compulsive spending, overeating, gambling, and so on. There are some people who are addicted to earning money and amassing wealth by hook or by crook. There are workaholics who have addiction to work, due to which there are many broken families in the urban society.

Addiction is any habit, practice, behaviour or even thinking which is habitually or compulsively attached to a person, which exerts more and more control and power over him. There can be many causes for addiction; some of which are :

(i) Inadequate parental care; (ii) Broken family atmosphere; (iii) Bad company; (iv) Peer or other social influence; (v) Feeling of emptiness in life; depression or stresses; (vi) Low self-esteem and deception; and (vii) Psychological problems.

Both drug addiction and alcohol abuse involve behaviour change, physical deterioration, family stresses, financial problems, career destruction, increasing psychological disintegration, lawlessness and so on. Addiction affects both the victim and his family. Even the psychologists and counsellors may exhaust and drain themselves out by constant pressure of dealing with addicts. Hence, it is not an easy task for executives to deal with such cases. However, very tactful approach on the part of the executives and managers may make a considerable effect in helping them if they act in time. "A stitch in time saves nine".

6. Mental Conflict in Union Rivalries

In recent times, there are many employees who lose their confidence, mental peace, job satisfaction and productivity due to union rivalries. Many right thinking and unattached employees become the victims of such rivalries. Some militant trade union leaders and their henchmen even manhandle assault and ill-treat such employees. Their legitimate promotions and claims are blocked by such trade unionists. Sometimes even management becomes helpless in doing justice to such employees due to the obstructions and resistances created by such union leaders.

In such situations victims are bound to be disappointed, disgruntled and aggrieved resulting in depression and stress. Executive counsellors and human resources executives have great role to play in rebuilding the personality and career through counselling and timely intervention. They can be recovered, and revitalized through counselling and timely guidance. They can then be exposed and developed through training followed by redeployment and a change in placement.

7. Breakdown in Interpersonal Relationships

Breakdown in interpersonal relationships is another important problem which creates low morale and depression in work-life which deserves timely intervention and counselling. There are many stress situations in one's work life. Organizational causes of stress are occupational demands, role conflict, role ambiguity (stress from uncertainty), stresses from overload and under load, responsibility for others, stresses from evaluation, poor working conditions, unwanted changes, and such other factors lead to personal stresses. Interpersonal stresses make more impact in work life.

Strains and breakdowns in interpersonal relationships have direct relationship with individual stresses. When cordial relationships exist in the work place, impact of other stresses may get effectively tackled. But when stresses from strained interpersonal relationship in the work environment increase, the individual's effectiveness, balance and productivity can get affected. In all such occasions, counselling and guidance

would become necessary to help the individual to control his problem emotions and sustain himself to be effective in the group.

8. Low Job Satisfaction and Morale

Another important cause which affects the human behaviour in organization is low job satisfaction backed by low morale. Low job satisfaction leads to low morale and vice versa. According to Kolasa¹⁰, “morale and job satisfaction are closely tied to the basic concepts of attitudes and motivation”. Katz¹¹ and associates have identified four measures of general job satisfaction viz., (1) Pride in work group; (2) Intrinsic job satisfaction; (3) Company involvement; and (4) Financial and job status satisfaction.

Wages have been found to be the basic determinant of job satisfaction. However, once the monetary needs are considerably met by the wages, other aspects like self-actualization, fulfillment, working conditions, security of employment, prestige, agreeability of the job, group cohesiveness, expertise, etc., also determine the job satisfaction. Some researchers (for example Hoppock) have thrown light on the positive relationship between occupational level and job satisfaction. Accordingly to Morse, job satisfaction has a considerable relation with the promotion possibility. Superior-subordinate relationship and cooperative and affectionate attitude and approach of the superior may also influence the job satisfaction level of the subordinates, though much empirical work has not been done in this area.

Low job satisfaction and low morale must be tackled at the root. Immediate supervisor or superior may first come to know about the problem in his subordinate and initiate timely and sincere counselling efforts. At times, assistance of professional counsellors can be sought. Every manager must make up his mind to nip in the bud all such problems which adversely affect job satisfaction and morale with the help of skillful counselling.

9. Breakdown in Family Life

Every individual, rich or poor, has to face many family problems, some of which can seriously affect the peace of mind, happiness, achievement motivation and efficiency. Those who have broken family lives and serious family problems may possibly become unsuccessful in their work life too. Very often problem which affect the family life can convert a good employee into a problem employee. Studies have already proved that some alcoholics and drug addicts are the products of broken families. In fact, breakdown in family life very often affects the work life. Hence, if such employees are provided with ways to release their tension, their efficiency can be improved. Counselling is of great importance in such cases once such employees can be brought to proper track with the help of counselling, their personality, behaviour and performance can be improved with the help of exposure in training, T-group formation, etc., so that better sense of cohesion and commitment to organization can be ensured.

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CONSULTATIVE BODIES – TRIPARTITE AND BIPARTITE

This lesson comprises three units. The first unit dwells upon the evolution and different tripartite bodies. The second unit takes care of bipartite bodies to resolve the conflicts. The third unit discuss about the bipartism link with tripartism and mutual contribution to each other.

I. TRIPARTITE BODIES

2.1.1. Prelude

Tripartism is a system of labour relations in which the state, employers, and workers are autonomous yet interdependent partners, pursuing common interests and participating in decisions affecting them in a binding spirit of mutuality and reciprocity. This can take place at either or both macro and micro levels.

Tripartite consultation is an important feature of India’s industrial relations system. It has a long history in India as it was set up as early as 1942. The Indian Labour Conference (ILC) and the Standing Labour Committee (SLC) are two main forums for Tripartite Consultation. The objectives of Tripartite Consultation could be mentioned as under:

- i. To promote uniformity in labour legislation.

- ii. To lay down a procedure for settlement of industrial disputes.
- iii. To consider matters of importance to both the managements and labour.

Tripartite forums evolve norms or standards in the form of guidelines.

There are a number of tripartite bodies which operate at the Central and State levels. The Indian Labour Conference, Standing Labour Committees, Wage Boards and Industrial Committees operate at the Central level and State Labour Advisory Boards operate at the state level. All these bodies play an important role in reaching at voluntary agreements on various labour matters. Though the recommendations of these bodies are only advisory in nature they carry considerable weight with the government, workers and employers. Some important measures agreed to by the Indian Labour conference in past are:

1. Setting up of bipartite works committees, joint consultative and production committees.
2. Adoption by employers and unions of a voluntary code of discipline;
3. Following proper grievance and disciplinary procedures;
4. Deciding norms for fixing need based wages;
5. Rationalizing and revising wage structures of important industries through non-statutory wage boards; and
6. Encouraging voluntary arbitration for the settlement of industrial disputes.

Industrial relations in India have been shaped largely by principles and policies evolved through tripartite consultative machinery at the industry and national levels. The aim of the consultative machinery is “to bring the parties together for mutual settlement of differences in a spirit of co-operation and goodwill.” The role of the tripartite machinery has been summarized by the Planning Commission thus¹. “Labour policy in India has been evolving in response to the specific needs of the situation in relation to industry and the working class and

has to suit the requirements of planned economy. A body of principles and practices has grown up as a product of joint consultation in which representatives of government, the working class and the employers have been participating at various levels. The legislative and other measures adopted by government in this field represent the consensus of opinion of the parties vitally concerned and thus acquire the strength and character of a national policy, operating on a voluntary basis.”

A large number of tripartite bodies have been set up by the government to provide a forum of discussion and consultation on various labour-related issues.

Among these bodies, a few notable ones are:

1. The Indian Labour Conference (ILC);
2. The Standing Labour Committee (SLC);
3. The Committee on Conventions;
4. The Industrial Committee; and
5. Other bodies of tripartite nature deals with various aspects of labour problems.

There are 44 tripartite committees at the national level. Additionally, in the public sector, there is a national-level bipartite machinery in select core industries, such as banking, coal, oil, port, transport and steel. Such bipartite arrangements also exist at the industry-cum-region level in jute, engineering, plantations, textiles, etc., which are predominantly in the private sector.

2.1.2. Evolution of Tripartite Bodies

The need for consultation on labour matters on the patterns set by the I.L.O. was recommended by the Whitley Commission in 1931. It envisaged a statutory organization which should be sufficiently large to ensure adequate representation of the various interests involved; but it should not be too large to prevent the members from making individual contributions to the discussion. The representatives of employers, of labour and of government should meet

regularly in conference. The commission also recommended that labour members should be elected by registered trade unions and employers' representatives should be elected by their associations.²

But the recommendation was not implemented and nothing could be done in this respect till the outbreak of the Second World War, which necessitated the need for maintenance of industrial peace. During the Second World War separate consultations with the representatives of labour and employers were held in 1941 and 1942 by the Government of India to finalize post-war labour programmes. The experience of these consultations highlighted the necessity of holding joint meetings of the representatives of the government, workers and employers, thus, providing a common platform for the resolution of differences between the employers and workers by means of discussion and mutual understanding. Accordingly, the Fourth Labour Conference was held in August 1942. It set up a permanent tripartite collaboration machinery and constituted a Preliminary Labour Conference (later named as the Indian Labour Conference – ILC) and the Standing Labour Advisory Committee (which subsequently dropped the word Advisory from its title SLC). Initially the ILC consisted of 44 members whereas the SLC was about half the size of the ILC. The pattern of representation was governed by the obtaining in the International Labour Conference. It ensured:

- i. Equality of representation between the government and the non-government representatives;
- ii. Parity between employers and workers;
- iii. Nomination of representatives of organized employers and labourers was left to the concerned organizations; and
- iv. Representation of certain interests (unorganized employers and unorganized workers), where necessary, on an adhoc basis through

nomination by government. The delegates are free to bring one official and one non-official adviser with them³.

2.1.3. Tripartite Bodies

(1 and 2) Indian Labour Conference and Standing Labour Committee

Both ILC and SLC are two important constituents of tripartite bodies. They play a vital role in shaping, the I.R. system of the country. A brief account of these bodies is discussed here:

The objects of the Indian Labour Conference (ILC) are:

- a. To promote uniformity in labour legislation;
- b. To lay down a procedure for the settlement of industrial disputes;
and
- c. To discuss all matters of all-India importance as between employers and employees.

The function of the ILC is to “advise the Government of India on any matter referred to it for advice, taking into account suggestions made by the provincial government, the states and representatives of the organizations of workers and employers”.

The Standing Labour Committee’s (SLC) main function is to “consider and examine such questions as may be referred to it by the Plenary Conference or the Central Government, and to render advice taking into account the suggestions made by various governments, workers and employers”.

The representatives of the workers and employers were nominated to these bodies by the Central Government in consultation with the all-India organizations of workers and employers.

The agenda for ILC/SLC meetings was settled by the Labour Ministry after taking into consideration the suggestions sent to it by member organizations. These two bodies worked with minimum procedural rules to facilitate free and

fuller discussions among the members. The ILC meets once a year whereas the SLC meets as and when necessary.

- i. The rules and procedures, which characterize the Indian tripartite consultative machinery, are largely in tune with the recommendations of the ILO Committee on consultation and co-operation. (Recommendation No.113).

A detailed account of various resolutions adopted by the ILC's in their last two sessions is presented here:

a. The 30th Session of the Indian Labour Conference

The 30th Session of the ILC was held on September 7-8, 1993 at New Delhi. After deliberations, it arrived at the following conclusions⁴.

1. On the impact of New Industrial Policy, the chairman referred to the assurance by the Prime Minister that it would not lead to any human distress and the legitimate interests of labour would be protected.
2. In regard to retraining and redeployment, the conference desired identification of labour for such retraining and redeployment and a scheme for industry-wise and occupation-wise redeployment. The conference also expressed the view that Government should identify the agency for retraining and their redeployment. The conference also wanted to know how labour of one unit would be redeployed in another unit.
3. For absorption of surplus labour, if any, as for maximizing capacity utilization, the conference suggested diversification and broad-basing by working the units round the clock and on all days of the week.
4. The conference expressed its serious concern at the low productivity of Indian industry and expressed its determination to improve wherever necessary its productivity, enhance its quality and reduce the price of goods

to make them internationally competitive. The conference decided to strive for improvement in discipline and attitude to work at all levels. It also decided that bipartite efforts to improve productivity and quality should be institutionalized.

5. The Trade Unions demanded:
 - i. The removal of ceiling on bonus both for eligibility and for computation by promulgation of an ordinance;
 - ii. The immediate implementation of the DA rate of Rs.2 per point of the Consumer Price Index (1960 series).
 - iii. Permission for the managements of the public sector units to commence negotiations with the unions on their charter of demands immediately.
 - iv. Clearance by government to the agreement regarding pension and for the pension scheme for its early introduction.
 - v. Enhancement of the rate of interest on Employees' Provident Fund to at least 13 per cent.
 - vi. Enhancement of the limits of exemption of income tax substantially.
6. The employers wanted postponement of the decision on removal of ceiling on bonus both for eligibility and computation of bonus by one year so that a well- thought out scheme could be evolved. They also wanted productivity linked bonus as prescribed under the law.
7. The trade unions indicated that the first National Commission on Labour was appointed about 25 years ago and a time had come to set up another National Commission on Labour to examine the issues that labour was facing today in view of the many changes that has occurred in the meantime.
8. The Labour Cell in the Planning Commission may be revived to facilitate consultation with trade unions while formulating policies concerning labour. The view expressed by the participants in the conference with

regard to employment policy may be conveyed to the Planning Commission for its consideration and for the consideration of the two Sub-Committees of the Planning Commission/ NDC which are considering strategies for implementation of the employment policy.

b. 31st Session of I.L.C

This session of I.L.C was held at Delhi on 3rd-4th January 1995. In this session various problems of industrial relations in the context of changed economic environment were discussed. The various resolutions adopted at the said conference are as under.

1. The institution of the Indian Labour Conference should be strengthened further
2. The Central and State Governments and the social partners should come together in making the comprehensive industrial relations law a reality and an instrument of production, productivity, employment generation and enhancement of living standards.
3. Productivity of economic enterprises as a whole is of paramount importance.
4. The government should give special attention to streamlining the public distribution system, particularly in centers of concentration of working people.
5. The Government should review the situation arising out of the wage negotiations in Central Public Sector Undertakings and should facilitate speedy conclusion of wage negotiations and settlements.
6. The worker's representatives demanded that the eligibility and calculation ceilings under the Payment of Bonus Act should be scrapped, whereas the employers' representatives demanded that a quick decisions should be taken on introduction of DA slabs.
7. The government should introduce the Pension for Provident Fund subscribers on priority basis and there should be tripartite consultations

before its introduction. Management of Social Security Funds should be professionally handled so as to maximize the returns on investments.

8. Steps should be taken for speedy and orderly investigation into the rehabilitation of sick industrial enterprises registered with the BIFR, minimizing distress for the workers and disabilities for the employers.
9. The constitution and the functioning of the National Renewal Fund should be reviewed such that the Fund truly serves the purpose of industrial renewal and regeneration and creation of employment opportunities.
10. Implementation of training programmes should be undertaken within the framework of a well thought-out plan.
11. The Central and State Governments should give high priority to allocation of resources for elementary and vocational education. Special attention should be given to the education of women.
12. The government should enact, on priority basis, laws for covering agricultural and construction workers.
13. The Labour Ministry should set up an Advisory Body to review, from time to time, the status of women.
14. The Constitution of the Child Labour Advisory Committee should be reviewed to ensure that it is fully representative of the social partners.
15. Representatives from workers' and employers' organizations should be included in the National delegation to the World Summit for Social Development.
16. The Vocational Training System in the country should be reorganized.
17. The resolutions of the 32nd Session of the Standing Labour Committee in respect of the social clause, child labour elimination and bonded labour were fully endorsed. The social partners should take further follow up action on the resolutions.

18. The new International Economic Order holds out vast opportunities for economic betterment and upgradation of the living standards of the people. The risks involved in formulating and implementing economic policies to avail of these opportunities should be so handled as to minimize human distress⁵.

c. The 31st Session of Standing Labour Committee

The 31st session of S.L.C was held in New Delhi on July 25, 1992. The Committee arrived at the following conclusions:

1. It was resolved that future sessions of the Standing Labour Committee (SLC) should carry fewer items on the agenda so that these could be discussed in greater detail.
2. It was resolved that Government may bring specific proposals for new Industrial Relations Law in the ensuing session of Indian Labour Conference which should reflect the needs of the qualitative change in the industrial/economic scenario in the national/global context.
3. It was resolved to set up a tripartite sub-committee to review the implementation of important Labour laws.
4. It was resolved to set up an autonomous Bipartite Productivity Councils at the national, regional, industrial and plant levels.

d. The 32nd Session of Standing Labour Committee

The thirty second session of the Standing Labour Committee was held in New Delhi on October 27, 1994. It discussed various issues concerning employment, vocational training, child labour, bonded labour, labour standards and international trade. It adopted three important resolutions discussed below:

- (a) **Social Clause:** It was agreed that the government along with employers and labour organizations would resist in I.L.O. and all other fora any attempt to introduce “Social clause”, in relation to carrying our marketing at the international level, contingent upon enforcement of labour standards.

Further, it advocated sustained national and international action for upgrading labour standards without any trade linkage.

(b) **Child Labour:** With respect to child labour, it remarked that the “Central and State Governments and Organizations of employers and workers should take co-ordinated action for the elimination of child labour in hazardous occupations by the year 2000 and in other employments progressively”. It also emphasized that both Central and State Governments should implement time bound and action plans to take away children from work and provide them education, primary vocational training, health and nutrition and concurrently provide to the parents of such children gainful employment.

(c) **Bonded Labour:** It exhorted that all states should take fresh surveys for the identification release and rehabilitation of bonded labour. Besides this, measures shall be initiated to check the relapse of bondage of such labour.

(3) Committee on Conventions:

This is a three-man tripartite committee set up in 1954. The object was “(i) to examine the ILO conventions and recommendations which have not so far been ratified by India; and (ii) to make suggestions with regard to a phased and speedy implementation of ILO standards”.

(4) Industrial Committees

The eighth session of the ILC (1947) decided to set up Industrial Committees “to discuss various specific problems special to the industries covered by them and submit their report to the Conference, which would co-ordinate their activities.” These committees are tripartite bodies in which the number of workers’ representatives is equal to the number of employers’ representatives. They do not meet regularly; meetings are considered afresh each time a session is called.

The committees that were set up immediately after independence related to plantations, cotton textiles, jute, coal mining, mines other than coal, cement, tanneries, and leather goods manufactures, iron and steel, building and construction industry, chemical industries, road transport, engineering industries, metal trades, electricity, gas and power, and banking.

A special tripartite committee was constituted by the Ministry of Labour November 1992 to study the impact of the new industrial policy on various labour and other problems and for making useful recommendations. The committee in its meetings on December.21, 1991 and January.21, 1992 took a note of the analysis of the performance of public sector units made by the department of public enterprises in its monograph on performance status central public sector enterprises and recognized that some of the public sector units are chronically sick required radical treatment. The committee decided setting up of Tripartite Industrial Committees to examine endemically sick units and suggest preventive measures⁶.

As per the recommendations of special tripartite committee six industries committees viz... (1) cotton textiles, (2) jute, (3) chemicals, (4) engineering, (5) electricity, (generation and distribution), (6) road transport were revived. On the major conclusion of these tripartite committee was that there should be case by case discussion on sick unit for their revival and before taking a final decision on sick PSUs, BIFR should be urged to consider the views of tripartite committees. Another important conclusion of the tripartite committees was that at the enterprise level workers and management should prepare a joint revival plans on the basis data supplied by the concerned administrative ministry/management. The revival proposal would then be considered by the Sectorial tripartite committee⁷.

a. Other committees

(1) Committee on N.T.C. Turnaround

The Labour Ministry constituted a special committee to consider the turnaround strategy for NTC on June 26, 1993. On the recommendation of this committee, a sub-committee was constituted to consider the implementation of turnaround strategy. It had eight rounds of meetings. This committee led to the final agreement on April 9, 1994 for the modernization of N.T.C

(2) Committee on Plantation:

For the effective amendment of the Plantation Labour Act, 1951, a Tripartite Committee on Plantation was reconstituted. The first meeting of the committee took place on April 27, 1994.

A sub-committee of the tripartite committee also considered the specific issue relating to medical facilities was held on April 27, 1994. The consensus arrived at meetings called for amendment in Plantations Labour (Amendment) Bill 1992 (that was earlier introduced by the government in the Rajya Sabha).

The 41st session of the Labour Ministers conference was in held New Delhi. On August 13, 1992 under the chairmanship of Union Minister of State for Labour. After deliberations on various issues it arrived at the following conclusion:

- (i) The Ramanujan Committee report on trade unions was considered by the conference it was decided to place the report before the next I.L.C.
- (ii) It was decided to appoint a committee of labour ministers to go into the recommendations of National Commission on Rural Labour (NCRL) pertaining to (1) Social Security, (2) Central legislation for agriculture labour, (3) Central legislation for construction workers, (4) Appointment of National Commission on Bonded Labour.
- (iii) It was decided to convene a labour minister conference to consider the question of improvement of quality of medical services rendered under the E.S.I.C.

(iv) It was held that restriction on the employment of outsider and the problem of inter state migrant worker needs serious consideration and therefore be referred to inter state and even to the national integration council.

For safeguarding the interest of child labour it was emphasized that the Child Labour (Prohibition and Regulation) Act, 1986 needs more effective implementation. The conference also called for the amendment of the Act.

(5) Other Tripartite Committees

Besides the various committees discussed earlier, all those committees that have been playing a vital role in the implementing a uniform and co-ordinated labour policy in the country are discussed under this head. A few important committees are:

(a) Steering Committee on Wages

It was set up in 1956 as a study group on wages and was subsequently reconstituted as the steering committee on wages. It consists of representatives of state governments, employers and workers and an economist. The functions of this committee are: “(i) to study trends in wages. production and prices; (ii) to plan collection of material for drawing up a wage map of India; and (iii) to draw up reports from time to time for laying down principles which will guide wage fixing authorities”.

(b) Central Implementation and Evolution Machinery

The 18th session of the Standing Labour Committee in 1957 recommended the setting up of a special machinery at the Centre as well as in the states to ensure proper implementation of labour awards, agreements and Code of Discipline.

The implementation machinery at the Centre consists of an Evaluation and Implementative Division and a tripartite implementation committee, consisting

of 4 representatives each of central employers' and workers' organizations with the union labour minister as chairman.

(c) Central Boards of Workers' Education

Was constituted to encourage the growth of strong and well-informed trade union movement conducted by the workers themselves on responsible and constructive lines. This consists of representatives of employers and workers, and of central and state governments.

(d) National Productivity Council

Consists of representatives of the government, employers' associations, labourers' organizations and certain independent experts. It encourages the productivity in the country.

II. BIPARTITE BODIES

Bipartism is a system of industrial relations where social and labour issues are discussed between trade unions and management, usually at the enterprise level.

The bipartite consultative machinery comprises two important constituents, viz., the works committees and the joint management councils. These are purely consultative, and not negotiating bodies. This consultative joint machinery- with equal representation of the employers and the workers – has been set up exclusively for dealing with disputes affecting the plant or industry.

2.2.1. Evolution of Such Bodies

The importance of bipartite consultative machinery was first recognized as early as in 1920, when a few joint committees were set up in the presses controlled by the Government of India. They were also introduced in Tata Iron and Steel Company at Jamshedpur.

The importance of bipartite consultation was further highlighted by the First-Five-Year Plan which maintained: “There should be the closest collaboration, through the consultative committee at all levels, between employers and employees for the purpose of increasing production, improving quality, reducing cost and eliminating waste⁸,” The second Plan also stressed the need for “joint consultation and progressively associating the workers and technicians, wherever possible, in management⁹.”

2.2.2. Bipartite Bodies

The two important constituents of bipartite consultative machinery are (A) Works Committee, (B) Joint Management Councils. A brief review of these bodies is given here.

1. Works Committees

These committees have been regarded as the most effective social institution of industrial democracy and as a statutory body, established within the industrial units with representatives of the management and workmen, for preventing, and settling industrial disputes at the unit level. The works committee can be formed by any enterprise, employing 100 or more workers. Its objectives are:

- (i) To remove the causes of friction in the day-to-day work situation by providing an effective grievances-resolving machinery;
- (ii) To promote measures securing amity and good relationship;
- (iii) To serve as a useful adjunct in establishing continuing bargaining relationship; and
- (iv) To strengthen the spirit of voluntary settlement, rendering recourse to conciliation, arbitration and adjudication rather infrequent; for these are achieved by commenting upon matters of concern or endeavour to compose any material difference of opinion in respect of such matters.

2. Joint Management Council

These committees give labour a greater sense of participation and infuse a spirit of co-operation between the two parties without encroaching upon each other's sphere of influence, rights and prerogatives. They establish a channel of close mutual interaction between labour and management which, keeping tension at a low level, generates a co-operative atmosphere for negotiation and settlement. These committees also aim at making the will of the employees effective in the management; ensure the operation of the private-owned concern in conformity with national interests and provide for a popular agency for supervising the management of nationalized undertakings. In brief, such committees try to promote industrial goodwill and harmonious relations through better understanding of employees by management and of management by workers. To accomplish this goal, the works committees are entrusted with a number of functions which are of benefit to management as well as employees.

III. BIPARTISM'S LINK WITH TRIPARTISM

2.3.1. Introduction

Bipartism is complementary to tripartism at national and other levels. Bipartism and tripartism should be seen as the two sides of the same coin. Both mutually reinforce each other. The prerequisites for the success of both bipartism and tripartism-notions about equality among partners, freedom of association, the right to collective bargaining, and democratic decision-making, among others-are similar.

National and centralized tripartite consultations are usually more influenced by political considerations and state support. Bipartism arrangements, particularly in the context of the current trend towards decentralized firm/plant-level bargaining, adjustment to structural and other changes, and economic crisis, are influenced more by economic considerations. The institutional framework for

industrial relations influences substantially, the relative role of tripartism and bipartism in responding to economic changes/policies at macro level.

2.3.2. Tripartism's contribution to Bipartism

Tripartite consultations and agreements can exercise profound influence in directing and shaping collective bargaining and industrial relations. The three-tier frame work of industrial relations proposed by Kochan, (1987) suggests a direct and active role for tripartite consultation at macro level, to be reinforced by bipartite consultations, collective bargaining, communication, information sharing, and employee participation at industry and firm/plant level.

Whether it was the arrangements for the avoidance/settlement of disputes, procedures for recognition of unions, grievance redressals, consultations and cooperation at work place, or collective bargaining on a host of matters relating to industrial relations and human resources, tripartite initiatives played a substantial role in setting up international labour standards, enactment of national legislations, and conclusion of national agreements.

In the Indian context, for instance, the following tripartite declaration played a useful role, at least for a number of years, in influencing bipartite relations and agreements relating to union recognition, automation, and modernization.

1.Code of discipline, 2.Code of Conduct, 3.Automation Without Tears.

2.3.3. Bipartism's Contribution to Tripartism

Bipartism or more importantly, collective bargaining, which is a key instrument of bipartism, may reduce the need for tripartite interventions. In some cases, tripartism begins where bipartism fails. For instance, when bipartite dialogue does not result in dispute avoidance or settlement, tripartite interventions such as conciliation/mediation and arbitration/adjudication become imperative.

Bipartite arrangements can contribute in the following ways to facilitate meaningful and effective tripartite social dialogue at industry and national level:

1. In countries where the representative character of the social partners is very much limited due to the predominant characteristics of an economy (large unorganized, in formal-sector economy), the outcomes of tripartite discussions do not necessarily reflect the wishes of the large majority of the working population, not to speak of the society at large. In these and similar other situations it is better to adopt a bottom-up approach through bipartite dialogue at enterprise level.
2. The interests of employers and workers are affected by government policies in areas other than industrial relations such as fiscal, monetary, trade, taxation, licensing, etc. The effects of these aspects is ;more closely and effectively reckoned and evaluated in bipartite consultations, particularly collective agreements, than in tripartite dialogue.
3. Consensual approaches are best planned and implemented if they are developed by parties at the grassroot level, that is plant level. The parties/persons directly affected should be involved in consensus-building social dialogue. Externally imposed consensus through tripartite declarations often may not work effectively at industry/enterprise level.

References:

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IR STRATEGIES - A DISCUSSION

This lesson comprises three units. The first unit explains IR decisions, IR strategies- trade unionism, grievance procedure and disciplinary procedure. The second unit deals with nature and content of collective bargaining, process of collective bargaining, methods and tactics of collective bargaining. The third unit describes about the various machineries of settlement of disputes like mediation, conciliation, voluntary arbitration, adjudication, employers association.

I.IR Strategy

It is necessary to have a clear-cut strategy for IR, although the management of IR is essentially a knee-jerk reaction to events and problems and is, therefore, far removed from the world of strategic thinking and planning. Since employer-employee relations are usually presumed to be satisfactory until they get out of hand, managers, rarely, feel the need to act before the trouble breaks out.¹

3.1.1. Factors Affecting Employee Relations Strategy:

Two sets of factors, internal as well as external, influence an IR strategy. The internal factors are:²

1. The attitudes of management to employees and unions.
2. The attitudes of employees to management.
3. The attitudes of employees to unions.
4. The inevitability of the differences of opinion between management and unions.
5. The extent to which the management can or wants to exercise absolute authority to enforce decisions affecting the interests of employees.

6. The present and likely future strength of the unions.
7. The extent to which there is one dominating union or the existence of multiple unions leading to inter-union rivalry.
8. The extent to which effective and agreed procedures for discussing and resolving grievances or handling disputes exist within the company.
9. The effectiveness of managers and supervisors in dealing with problems and disputes related to IR.
10. The prosperity of the company, the degree to which it is expanding, stagnating or running down and the extent to which technological changes are likely to affect employment conditions and opportunities.

The external factors affecting IR strategy are:³

1. The militancy of the unions-nationally or locally.
2. The effectiveness of the union and its officials and the extent to which the officials can and do control the activities of supervisors within the company.
3. The authority and effectiveness of the employer's association.
4. The extent to which bargaining is carried out at national, local or plant level.
5. The effectiveness of any national or local procedure agreements that may exist.
6. The employment and pay situation-nationally and locally.
7. The legal framework within which IR exists.

3.1.2. IR - STRATEGIES

1. Trade unionism

Trade unions are voluntary organizations of workers formed to promote and protect their interest through collective action. Trade unions have always played a powerful role in improving the lot of workers in India, using aggressive bargaining tactics. Trade union constitutes one of the stakeholders in IR. They are not confined to mere striking and negotiating on behalf of workers. Their role is much wider.

Trade unions in India have been recognized as legitimate social organizations and have become part and partial of industrial organizations. Trade unions aim at achieving various objectives primarily protecting the social and economic interest of the worker. Trade unions play a vital role in protecting worker's interests. They have undergo serious stress, bargain with management and sometimes fight against employers by organizing strikes of different kinds, threaten the management etc., before they could achieve even legitimate demands of workers.

Trade unions adopt various strategies to safeguard workers interest. These strategies include: representation of the issues/ demands through grievance procedure, disciplinary procedure, collective bargaining, organizing strikes, political pressure etc.

2. Grievance Procedure

Grievance procedure is another method of resolving disputes. All labour agreements contain some form of grievance procedure. And if the procedure is followed strictly, any dispute can easily be resolved⁴.

A typical grievance procedure followed in a Bangalore-based public sector unit is as follows:

1. First Stage:

The aggrieved employee shall, first submit his grievance in writing to his 'Sectional Head' in the prescribed form. The sectional head should study the grievance carefully with the least possible delay and the aggrieved employee should be given an opportunity to present his case in person if he requests for the same. If the employee so desires, he may take the assistance of a co-worker or a union representative. A written reply shall be given to the employee before the end of the fifth working day, if reply is not given before the end of the fifth working day, the concerned officer should record reasons for the delay which should be communicated to the aggrieved employee.

2. Second Stage:

In case the said employee is not satisfied with the reply of the sectional head, or if the Sectional Head fails to give a reply within the stipulated time as in First stage above, he shall be free to register his grievance in writing in the prescribed form with his Departmental Head. Departmental head shall, after careful study, give an opportunity to the concerned person to present his case before him. The head of the department should study the grievance and the points brought out by the employee in the personal hearing and give a reply at the end of the fifth working day from the day of receipt of such complaint.

3. Third Stage:

If the employee is not satisfied with the decision of the departmental head or if the latter fails to give any decision within the stipulated period, the employee will be entitled to lodge an appeal to the Divisional Head or any other officer nominated by the management for this purpose. This officer should also follow the same procedure as prescribed in Stages I and II and a reply should be given before the end of the tenth working day.

4. Fourth Stage:

If the aggrieved employee is not satisfied with the decision of the divisional head, he can refer the case to THE EMPLOYEE'S UNION within 10 days. The Union may discuss the subject if they deem fit, in the periodical management-union meetings which will be held within one month from the day, such reference is made by the Union to the management.

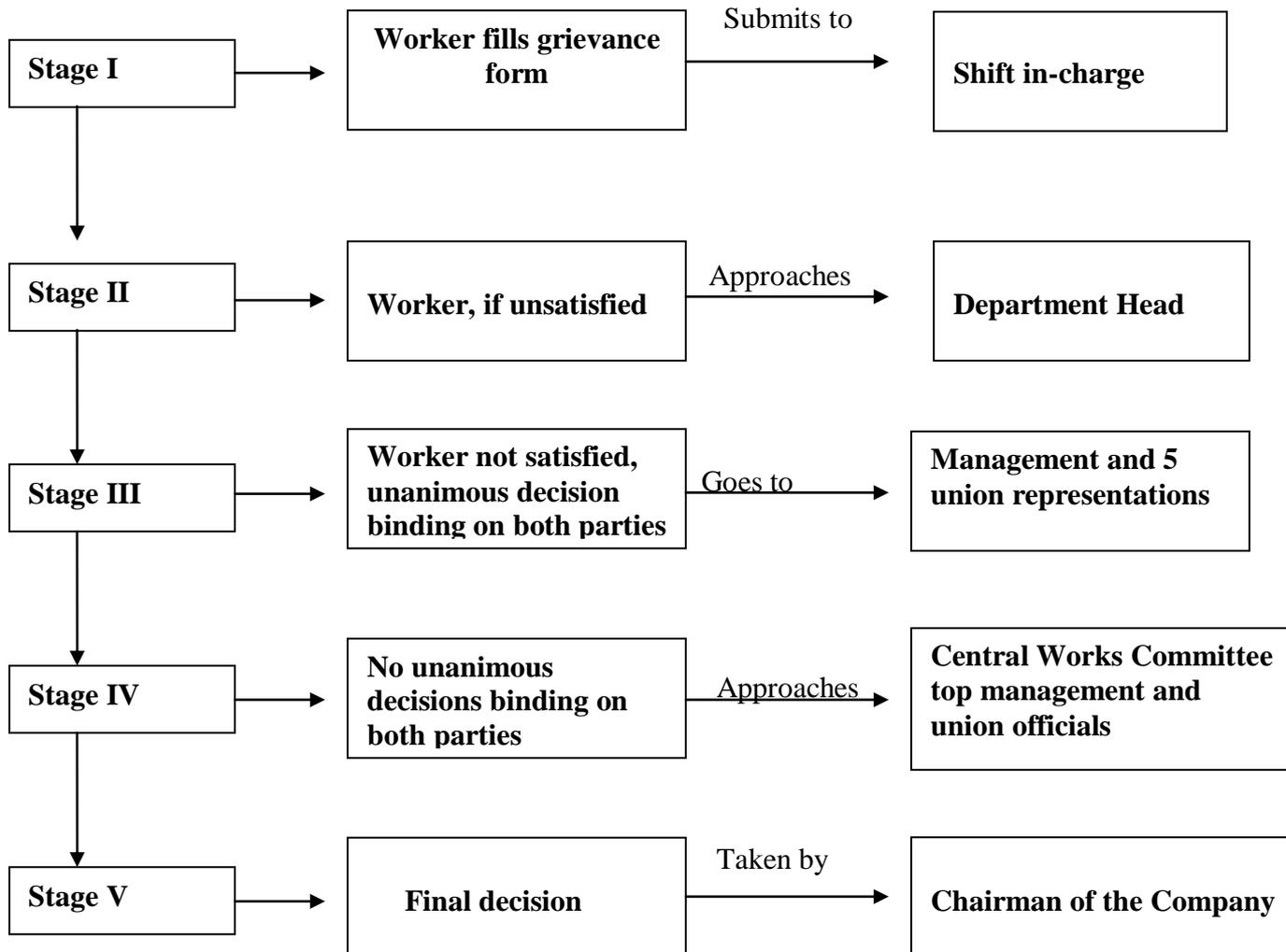
a. Model Grievance Procedure

The Model Grievance Procedure suggested by the National Commission on Labour has provided for the successive time bound steps each leading to the next in case of lack of satisfaction.

At the outset an aggrieved worker shall approach the foreman and informs his grievance orally and seeks the redressal of his grievance. If it is not redressed to

his satisfaction he approaches the supervisor who has to give reply to the complaint worker within 48 hours. If the decision (answer) is not acceptable to the worker or if the superior does not give an answer, the worker can go to the next step. At the third stage the worker can, either in person or accompanied by his departmental representative, approach the head of the department who has to give an answer before the expiry of three days. If the department head fails to do so or if the decision given by him is not acceptable to the worker then the worker can resort to the Grievance Committee which comprises of the representatives of employers and employees. This Committee shall communicate its recommendations to the manager within seven days of the grievance reaching it. If there are unanimous decisions, these shall be implemented by the management. In case, unanimous decisions have not been arrived at, the views of the members of the Committee shall be recorded and all the relevant records shall be placed before the manager for decision. The manager shall communicate his decision within three days. The worker has got a right to appeal against the manager's decision. These appeals shall be decided within a week. If the aggrieved desires, he can take along with him a union official for discussion with the authority. In case a decision has not been arrived at, at this stage, the union and management may refer the grievance to voluntary arbitration within a week of receipt of the management's decision by the worker. this stage, the union and management may refer the grievance to voluntary arbitration within a week of receipt of the management's decision by the worker. The Tata Iron and Steel Company (works), for example, has grievance procedure which consists of several stages (Monappa 1985)⁵ have shown in figure 1.

Figure:1



3. Disciplinary Procedure

Maintenance of harmonious human relations in an organization depends upon the promotion and maintenance of discipline. No organization can prosper without discipline. Discipline has been a matter of utmost concern for all organizations.

Maintenance of effective discipline in an organization ensures the most economical and optimum utilization of various resources including human resources. Thus, the objective of discipline in an organization is to increase and maintain business efficiency⁶. Effective discipline is a sign of sound human and industrial relations and organizational health.

a. Approaches to Discipline

The different approaches to discipline include, (i) human relations approach, (ii) human resources approach, (iii) group discipline approach, (iv) the leadership approach, and (v) judicial approach.

The employee is treated as human being and his acts of indiscipline will be dealt from the viewpoint of values, aspirations, problems, needs, goals behaviour etc. Under human relations approach the employee is helped to correct his deviations. The employee is treated as a resource and the acts of indiscipline are dealt by considering the failure in the areas of development, maintenance and utilization of human resources under the human resources approach. The group as a whole, sets the standards of discipline, and punishments for the deviations. The individual employees are awarded punishment for their violation under the group discipline approach. Every superior administer the rules of discipline and guides, trains and controls the subordinates regarding disciplinary rules under the leadership approach.

In Judicial approach, indisciplinary cases are dealt on the basis of legislation and court decisions. The Industrial Employment (Standing Orders) Act, 1946, to a certain extent, prescribed the correct procedure that should be followed before awarding punishment to an employee in India. No other enactment prescribed any procedure for dealing with disciplinary problems. But over a period of time, a number of principles regarding the basic formalities to be observed in disciplinary procedures emerged, gradually resulting from the awards of several

Industrial Tribunals, High Courts and the Supreme Court. Principles of Natural Justice:

II. COLLECTIVE BARGAINING

3.2.1. Nature and Content of Collective Bargaining

Collective bargaining is a method by which trade unions protect and improve the conditions of their members working lives. Collective bargaining brings the employer and the employees around one table to discuss and settle many contentious issues effectively. It enables both the parties to know each other and their views, and to define their rights and obligations regarding terms of employment, working conditions, etc., through negotiations, discussions and bargains. ILO's remark is very relevant here⁷ Collective bargaining enables to conduct negotiations about working conditions and terms of employment between an employer and a group of employees or one or more employees' organization with a view to reaching an agreement wherein the terms serve as a code of defining the rights and obligations of each party in their employment relations with one another; fix a large number of detailed conditions of employment; and during its validity, none of the matters, it deals with, can in normal circumstances be given as a ground for a dispute concerning an industrial worker.

3.2.2. Forms of Collective Bargaining⁸

At the outset it should be stated that there is a great deal of variation in the collective bargaining practices ranging from an informal oral agreement to very formal and detailed agreement.

Collective Bargaining takes the following forms:

- i. It may be a single plant bargaining, that is, bargaining may be between a single trade union. This type of collective bargaining prevails in the United States and India.

- ii. It may be a multiple plant bargaining, that is, bargaining may be between a single factory or establishment having several plants and the workers employed in all these plants.
- iii. It may be a multiple employer bargaining, that is, bargaining between all the trade unions of workers in the same industry through their federal organizations, and the employer's federation. This is possible both at the local and regional levels and is generally resorted to in the textile industry.

In India, collective bargaining has been classified under four categories. These are:

- i. Agreements which are negotiated by officers during the course of conciliation proceedings and are called settlements under the Industrial Disputes Act.
- ii. Agreements which are concluded by the parties themselves without reference to a Board of Conciliation and are signed by them. Copies of such agreements, however, are sent to appropriate governments and to conciliation officers.
- iii. Agreements which are negotiated by the parties on a voluntary basis when disputes are sub judice and which are later submitted to industrial tribunals, labour courts or labour arbitrators for incorporation into the documents as parts of awards. These are known as consent awards.
- iv. Agreements which are drawn up after direct negotiation between labour and management and are purely voluntary in character. These depend for their enforcement on moral force and on the goodwill and co-operation of the parties.

3.2.3. Collective Bargaining Process

There are two stages in collective bargaining, viz., (i) the negotiation stage and (ii) the stage of contract administration.

i. Negotiation

- a) Identification of Problem:** The nature of the problem influences whole process. Whether the problem is very important that is to be discussed immediately or it can be postponed for some other convenient time, whether the problem is minor that it can be solved with the other party's acceptance on its presentation and does not need to involve long process of collective bargaining process etc. It also influences selection of representatives, their size, period of negotiations and period of agreement that is reached ultimately. As such it is important for both the parties to be clear about the problem before entering into the negotiations.
- b) Preparing for Negotiations:** When it becomes necessary to solve the problem through collective bargaining process, both the parties prepare themselves for negotiations. The preparation starts with selection of representatives. Such representatives should be selected who can carry out negotiations with patience, composure and who can present their view effectively. After selection they should be fed with complete problem and its pros and cons. His powers and authority during negotiations also should be clearly spelt out. Other preparations include fixing up time for negotiations, period of negotiations etc. But once the parties enter into negotiations the period of negotiations may vary depending upon circumstances.
- c) Negotiations of Agreement:** usually there will be a chief negotiator who is from management side. He directs and presides the process. The chief negotiator presents the problem, its intensity and nature and the views of both the parties. Then he allows the representatives of both the parties to present their views. During negotiations, the representatives should be attentive as to find out what the other party is arguing for. The

representatives tend to think about what counter arguments they can present and how to say 'no' effectively, while the other party is presenting its own views. This is a major obstacle in the bargaining process. By understanding their problems and weighing them, sometimes a better solution may be reached, which is more acceptable to both the parties. So, it is important that representatives should reach negotiating table with positive attitudes. When a solution is reached at, it is put on the paper taking concerned legislations into consideration. Both the parties concerned sign the agreement which, in turn, becomes a binding contract for both the parties.

ii. Contract Administration

Implementation of the contract is as important as making a contract. Management usually distributes the printed contract, its terms and conditions throughout organization. The union takes steps to see that all the workers understand the contract and implement it. From time to time depending upon changing circumstances, both the parties can make mutually acceptable amendments.

3.2.4. Collective Bargaining as a Method of Settlement of Disputes

Till now, collective bargaining has been taken as a means of arriving at an agreement. It establishes rules which the management is bound to implement. Specifically, collective bargaining is:

- A rule-making or legislative process, in the sense that it formulates the terms and conditions under which labour and management will cooperate and work together over a certain stated period,
- An executive process; both management (foreman and supervisory officials) and trade union officials share the responsibility of enforcing the rules.
- A judicial process, for in every collective agreement there is a grievance procedure to settle any dispute concerning the application of the agreement. Where the agreement does not specifically cover the disputes, it may be

settled according to the unwritten norms of shop practices. The decisions in these cases act as precedents in a manner similar to the common laws and interpretation of the legislation by the court.

After a dispute has erupted, collective bargaining acts as a peace treaty between the two warring groups. The treaty is invariably a compromise, but helps resolve the conflict nevertheless.

3.2.5. Tactics or Strategies in Collective Bargaining⁹

The tactics or strategies to be adopted in any collective bargaining situation vary depending upon the culture of the organization and different environmental factors, particularly the type of union operating in an industrial establishment. But the following are some of the common strategies to make collective bargaining exercise more meaningful:

1. The management has to anticipate the demands and also understand the main directions in which the demands are going to be placed. Generally speaking, negotiations are best done if both the parties do their home work well. The representatives must come to the bargaining table equipped with the necessary information and supportive data regarding the company's economic status and prospects, the prevailing rates of pay and conditions of employment in comparable industries in the local areas. The management team should take into consideration the financial liability involved, the past agreements, and the impact of present negotiations in future years.
2. It is essential that a real team spirit is maintained throughout the negotiations. For this purpose, it is necessary that the roles to be played by each member of the team are properly pre-assigned, and each member knows when to take over the discussions. The team must have the confidence of facing any eventuality which may come up during negotiations. The team must have the power of taking decisions. The team must consist of people who have confidence of the workforce and unions. It is good to have a rehearsal among the team members

on such points which can be anticipated to be made forcefully by the opposite team.

3. Any collective bargaining strategy should firstly separate the personalities from the problems for arriving at a workable and desirable agreement and secondly, explore the possibilities for harmony and compatibility.

4. Collective bargaining is two way traffic. The management as well as the union must gain out of collective bargaining. Hence, the management team should also present their counter-proposals. For instance, the union pressure for a wage-hike may be matched by a counter demand for an increase in production, reduction in absenteeism, avoidance of wasteful/restrictive practices, industrial peace, and so on.

5. There is a greater necessity on the part of the management representatives to give a patient hearing to the demands of the union and not to react even if there is a threat of strike or work-stoppage. A rational well reasoned approach can achieve better results than an emotionally charged loud-mouthed approach.

6. It is also a bad strategy to depute persons of low rank without authority to commit the management on the negotiating table. Such a step may give an impression to the union that the management does not take the bargaining process with all the seriousness that it deserves.

7. It is a good practice always to classify the various demands raised by labour representatives distinguishing the real from the unreal. A thorough analysis and understanding of different items in the charter of demands will enable negotiators to arrive at a proper judgment.

8. It is a good tactic to total the cost of all the union proposals and to take up the non-cost items first or items on which it is easy to come to an agreement so that a suitable collective bargaining atmosphere is created for negotiating on more serious items which have financial implications.

9. Sometimes, the management instead of announcing its concessions at the bargaining table announces them before the conciliation officer as the starting point for further negotiations. This is not bargaining in good faith.

10. Any collective bargaining strategy must result in a good agreement or settlement, the characteristics of which are: (a) It must strike a proper balance between the various factors that go into its making in order to ensure its workability; (b) it must be viewed as a whole and the interrelation of its parts must be balanced one against the other; (c) it must be based upon experience, logic and principles rather than on coercive tactics, propaganda and force; (d) it must be fair and reasonable to the workers as regards their emoluments and service conditions; to the management in terms of improved production and productivity; and to consumer in respect of better quality goods and services; and (e) it must be complete and coherent in all respects without any ambiguity. In any event, its enforcement that is the crucial test of a contract's workability.

11. As a measure of follow up: (a) evaluate prevailing environmental changes and cultivate a healthy pragmatic approach; (b) train and develop rank and file of working group to inculcate in them individual effectiveness and professionalism in collective bargaining; and (c) develop specific action-plans for collective bargaining based on prevailing situation.

III. INDUSTRIAL DISPUTE'S SETTLEMENT MACHINERIES

3.3.1. Mediation

Mediations is a process available to the parties involved in contract negotiations by which an outside party is called in by union and management to help them reach a settlement. The neutral mediator does not ultimately resolve the dispute, but instead tries to move the parties towards agreement by maintaining communication and suggesting alternative solutions to dead-locked issues. The mediator's function is to provide a positive environment for dispute resolution

by drawing on extensive professional experience in the field of labour management interaction. The mediator must possess thorough knowledge of the issues, and an ability to innovate solutions to problems. The mediator must be an effective communicator, know the importance of timing and most of all, have the confidence and trust of the parties. A mediator must possess attributes such as integrity, impartiality and fairness.

3.3.2. Conciliation

Conciliation is a process by which representatives of workers and employers are brought together before a third person or a group of persons with a view to persuade them to come to a mutually satisfying agreement. The objective of this method is to settle disputes quickly and prevent prolonged work stoppages if they have already occurred. The essential hallmarks of this approach are¹⁰:

1. The conciliator tries to bridge the gulf between the parties, if possible.
2. If he does not fully succeed, he tries to reduce the differences to the extent possible. He acts as a conduit through which message are passed from one side to the other, coupled with his own interpretations facilitating the understanding of disputing parties. To the extent possible, he tries to 'clear the fog' surrounding the issue.
3. He persuades parties to take a fresh look at the whole issues, through a process of give and take and explore the possibility of reaching a consensus.
4. He only advances possible lines of solutions for consideration by the disputants. He never tries to force the parties to accept his viewpoint. He never offers judgement on the issues. If parties feel that the suggestions offered by the conciliator are acceptable, they may strike a deal.
5. The conciliator need not follow the same path in each case. The process of conciliation, therefore, has a certain amount of flexibility and informality built around it.

The conciliation machinery in India consists of the following:

a. Conciliation Officer

According to the Industrial Disputes Act, 1947, the Central and State governments can appoint a conciliation officer to mediate in all disputes brought to his notice. The officer enjoys the powers of a civil court. He can call and witness disputing parties on oath and interpret the facts of the case. He is expected to give judgement within 14 days of the commencement of the conciliation proceedings. His judgement is binding on all the parties to the dispute. The conciliation officer has a lot of discretion over the ways and means to be followed to bring about a settlement between the disputants. He “may do all such things as he thinks fit for the purpose of inducing the parties to come to a fair and amicable settlement of disputes”.

b. Board of Conciliation

When the conciliation officer fails to resolve the disputes between the parties, the governments can appoint a Board of Conciliation. The Board of Conciliation is not a permanent institution like the Conciliation officer. It is an adhoc, tripartite body having the powers of a civil court, created for a specific dispute. It consists of a Chairman and two or four other members nominated in equal number by the parties to the dispute. The chairman who is appointed by the government should not be connected with the dispute or with any industry directly affected by such dispute. The board, it should be remembered, cannot admit a dispute voluntarily. It can act only when the dispute is referred to it by the Government. The board conducts Conciliation proceedings in the same way as conducted by a Conciliation officer. The board, however, is expected to submit its report within two months of the date on which the dispute was referred to it. The Boards of Conciliation are rarely constituted by the government these days. In actual practice, settling disputes through a conciliation officer was found to be more flexible when compared to the Board of Conciliation.

3.3.3. Voluntary Arbitration

When conciliation proceedings fail to settle the dispute, the conciliation officer may persuade the conflicting parties to voluntarily refer the dispute to a third party known as Arbitrator, appointed by the parties themselves. The arbitrator listens to the viewpoints of both parties and delivers an award or judgement on the dispute. He, however, does not enjoy judicial powers. The arbitrator submits his judgement on the dispute to the government. Thereafter the government publishes the award within 30 days of its submission. The award becomes enforceable after 30 days of its publication. The arbitration award is binding on all the parties to the agreement and all other parties summoned to appear in the proceedings as parties to dispute. Before delivering the judgement, the arbitrator is expected to follow due procedure of giving notice to parties, giving a fair hearing, relying upon all available evidence and records and following the principles of natural justice.

Arbitration is effective as a means of resolving disputes because it is:

1. Established by the parties themselves and the decisions are acceptable to them, and
2. Relatively expeditious when compared to courts or tribunals. Delays are cut down and settlements are speeded up.

Arbitration has achieved a certain degree of success in resolving disputes between the labour and the management. However, it is not without its weaknesses. Some weaknesses are:

1. Arbitration is expensive. The expenditure needs to be shared by the labour and the management.
2. Judgement becomes arbitrary if there is a mistake in selecting the arbitrator.
3. Too much arbitration is not a sign of healthy IR.

3.3.4. Adjudication

Adjudication or compulsory arbitration is the ultimate remedy for the settlement of disputes in India. Adjudication consists of settling disputes through the intervention of a third party appointed by the government. An industrial dispute can be referred to adjudication by the mutual consent of the disputing parties. The government can also refer a dispute to adjudication without the consent of the parties. The Industrial Disputes Act, 1947, provides three-tier adjudication machinery – namely Labour Courts, Industrial Tribunals and National Tribunals – for the settlement of industrial disputes. Under the provisions of the Act, Labour Courts and Industrial Tribunals can be constituted by both Central and State governments but the National Tribunals can be constituted by the Central government only.

a. Labour Courts (section-7)

The labour court consists of one independent person (called as presiding officer) who is or has been a judge of a High Court, or has been a district judge or additional district judge for not less than 3 years or has held any judicial office in India for not less than 7 years. The labour court deals with disputes relating to: (a) the property or legality of an order passed by employer under the standing orders; (b) the application and interpretation of standing orders; (c) discharge or dismissal of workers including reinstatement of, or grant of relief to wrongly dismissed persons; (d) withdrawal of any statutory concession or privilege; (e) illegality or otherwise of a strike or lockout; and (f) all matters except those reserved for industrial tribunals.

b. Industrial Tribunal (section-7A)

This is also a one – man adhoc body (presiding officer) appointed by the Government. It has a wider jurisdiction than the labour court. The Government concerned may appoint two assessors to advise the presiding officer in the proceedings. An industrial Tribunal can adjudicate on the following matters; (a)

wages including the period and mode of payment; (b) compensatory and other allowances; (c) hours of work and rest periods; (d) leave with wages and holidays; (e) bonus, profit sharing, provident fund and gratuity; (f) shift working, otherwise than in accordance with the standing orders; (g) classification by grades; (h) rules of discipline; (i) rationalization; (j) retrenchment and closure of establishment; and (k) any other matter that may be prescribed.

c. National Tribunal (section-7B)

This is the third one-man adjudicatory body to be appointed by the central government to deal with dispute of national importance or issues which are likely to affect the industrial establishments in more than one state.

It consists of one person only, who is an independent person and below 65 years of age. He should be or has been judge of a High Court or held the office of Chairman or any other member of the Labour Appellate Tribunal for a period of not less than 2 years.

The Central Government may, if it thinks fit, appoint two persons as assessors to advise the National Tribunal. Duties of a national tribunal are to hold proceedings of an industrial dispute referred to it by the Central Government expeditiously, and to submit the award to the referred on the conclusion thereof.

When a national tribunal has been referred to, no Labour Court or Industrial tribunal shall have any jurisdiction to adjudicate upon such a matter.

3.3.5. Employers' Associations¹¹

Introduction

Employers' Associations came into existence as a result of the formation of ILO and the growing presence of Trade Unions, especially after the First World War. The Royal Commission on Labour, 1929, recommended that the Indian employers need an organization "to deal with labour problems from the

employer's point of view". As rightly pointed out by Mr. Naval Tata, employers' organizations are required to:

- Develop healthy and stable industrial relations;
- Promote collective bargaining at different levels;
- Bring a unified employers' viewpoint on the issues of industrial relations to the government in a concerted manner; and
- Represent in the meetings of ILC and SLC boards in conformity with tripartite approach to labour matters.

Tripartite and Bipartite bodies and Workers Participation in Management has been dealt elaborately in lesson two and four respectively in this unit.

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WORKER DEVELOPMENT AND WORKER'S PARTICIPATION

This lesson comprises three units. The first unit gives an account of worker's development. Second unit deals with the concept, objectives and essential conditions for successful working of worker's participation in management. The last unit explains worker's participation in management in India adopting various practices and strategies for making participation work effectively.

I. WORKER DEVELOPMENT

HRD has become the key factor in India handling industrial relations to usher new industrial era. Managing men at work has been a most complex problem for management scientists. Some studies are:

1. Scientific management – 1910,
2. Time and Motion Studies – 1910,
3. Human Relations Approach – 1920,
4. Behaviour Science Movement – 1950,
5. Human Resource Management (HRD) Movement – 1980.

As result of these studies coupled with emergence of strong trade union movement and labour legislation, man management has gone evolutionary change. In spite of this evolution of management thought, it is still dilemma as to which approach is best in handling industrial relations. The two extreme trends are:

4.1.1. At One Extreme

1. Trade Unions have become 'second-line' management. Managerial prerogatives are eroded.
2. New generation of workers is more conscious of rights and privileges rather than duties and obligations towards the organization.
3. Trade unions remain silent about workers' obligations towards organization. Forth-right leaders, if talk, they are dubbed as "management stooges".

4. Trade unions succeed in getting more through pressures and violence than by reasoning.
5. Collective bargaining has become a pressure game. Unions are exploiting the emotions of workers.
6. Only fear and force can restore discipline.
7. Trade unions should be dealt with a heavy hand. (Authoritarian or hard approach)

4.1.2. At the Other Extreme

1. Human beings are considered as assets not liabilities.
2. Employees should be cared for, persuaded and motivated.
3. It is felt forced discipline is not enduring.
4. Trade union's through a pain-in-neck are a reality. They have role to play.
5. Conflict and confrontation to be avoided. Win-lose strategy does not work for long.
6. Manager's should not spend much time on trade union wrangles but on preventive and proactive approaches and actions. Environment in the organization is creation of the management. An environment of conflict can be converted into cooperation and collaboration. (Humane and soft approach)

4.1.3. Human Resource Development (HRD) Approach

Balanced approach lies somewhere in between:

1. Human Resource Development (HRD) generally covers some sub-systems, e.g. training and development, counselling, performance appraisal, career planning, etc. But HRD can extended to industrial relations (IR).
2. HRD is new concept. It is a renaissance of traditional ways of man management.

Due to new economic policy of liberalization, privatization and globalization (LPG), competition in the local market with MNC's and changing technologies, there are fast changes in industrial relations scene. A number of practices are involved in organizations, e.g restructuring of organizations, ERP, VRS, disinvestment of government shares, TQM, ISO 9000, Etc.

Company's are projecting certain views which are:

- I. There will never be job security.
- II. One will be employed as long as he adds value to the organization, Economic Value Addition (EVA).

III. Employee should continuously find ways to add value by being innovative, risk-taking and committed to organization goals.

In turn employee has right to demand:

I. Interesting and important work, II. Freedom and resources to perform it well, III. Proper pay, IV. Training. V. Employees become more responsible for their work and careers.

New deal in employee relationship calls for:

- a. Less control over employees and give more authority to work in teams.
- b. No more parent-child relationship, but adult to adult. Employees are to be treated as partners with management.
- c. Use of modern approaches to job design for better job satisfaction-such as job rotation, job enrichment, quality circles, flexi-time, compressed work week, to increase skill variety, task identity, task significance and autonomy and job feed-back. These will play positive role in employee satisfaction and make him feel his work is meaningful.
- d. Workers to be moved from one job category to another to enhance their exposure and employable skills.
- e. Management to encourage training as old jobs are getting extinct. This will provide job security.
- f. Management will explain to workers/unions importance of customer satisfaction, quality and low price to remain competitive.

II. WORKERS PARTICIPATION IN MANAGEMENT

4.2.1. Introduction

The word 'participation' means sharing the decision-making power with the lower ranks of the organization in an appropriate manner. Participation has a unique motivational power and a great psychological value. It promotes harmony and peace between workers and management. When workers participate in organizational decisions, they are able to see the big picture clearly, i.e., how their actions would contribute to overall growth of the company. They can offer feedback immediately based on their experiences and

improve the quality of decisions significantly. Since they are involved in the decisions from the beginning, they tend to view the 'decisions' as 'their own' and try to translate the rhetoric into concrete action plans with zeal and enthusiasm. Participation makes them more responsible. They are willing to take initiative and contribute cost-saving suggestions and growth-oriented ideas. The feeling of being treated as equals, forces them to repose their confidence in management and accept plans of rationalization, expansion, etc., without raising serious objections. Since they are treated with respect now they begin to view the job and the organization as their own and commit themselves to organizational activities wholeheartedly.

Output cannot be increased unless there is effective co-operation between labour and management at all levels. The way of ensuring this is to satisfy their social and psychological need besides economic ones. Workers' participation in management is one of the most significant modes of resolving industrial conflicts and encouraging among workers a sense of belongingness in establishment where they work.

Moreover, India which has launched a vast programme of industrialization, the need for workers' participation is all the more important. It is in reorganization of these need that under the Second, Third, Fifth and Seventh plans specific measures have been suggested for worker's participation.

The scheme of Joint Management Council, popularly known as Workers' participation in management, was introduced on voluntary basis only after over a decade. However, the scheme of Joint Management Council for various reasons could not succeed. In order to meet this unhappy state of affairs and to secure greater measure of co-operation between labour and management to increase efficiency in public service, the Government of India on October 30, 1975 introduced a scheme of workers' participation in management at shop floor and plant levels. In addition to these, there are voluntary schemes of making the

workers' shareholders and Directors in the Board of Management. The inclusion of the concept of workers' participation in management in the Directive Principles of State Policy through the Constitution (Forty-second) Amendment Act, 1976, gave a momentum to the institution of worker's participation in management. After the constitutional Amendment the Central Government expressed its intention to amend the 1975-Scheme and to provide for effective participation of workers in production processes and accordingly amended the scheme in January 1977.

There are two distinct groups of people in an undertaking, viz., 'managers' and 'workers' performing respectively two separate sets of functions which are known as 'managerial' and 'operative'. Managerial functions are primarily concerned with planning, organizing, motivating and controlling in contrast with operative work. A self-employed man may carry out both these functions if the area of his operations is very small. But in case of big organizations, these functions are to be performed by different sets of people. Workers' participation in management seeks to bridge this gap authorizing workers to take part in managerial process. Actually, this is a very wide view of the term worker's participation in management and this is not practically possible.

Participation may take two forms. It may be: (1) ascending participation, and (2) descending participation. In case of ascending participation, the workers may be given an opportunity to influence managerial decisions at higher levels through their elected representatives to joint councils or the board of directors of the company. But in descending participation, they may be given more powers to plan and to make decisions about their own work (e.g. delegation and job enlargement). This form of participation is quite popular in many organizations.

4.2.2. Implications of Workers Participation in Management

The implications of workers' participation in management have been summarized by the International Labour Organization thus:

1. Workers have ideas which can be useful.
2. Upward communication facilitates sound decision-making. Workers may accept decisions better if they participate in them.
3. Workers may work more intelligently if they are informed about the reasons for and the intention of decisions that are taken in a participative atmosphere.
4. Workers may work harder if they share in decisions that affect them.
5. Workers participation may foster a more cooperative attitude amongst workers and management thus raising efficiency by improving team spirit and reducing the loss of efficiency arising from industrial disputes.
6. Workers participation may act as a spur to managerial efficiency.

4.2.3. Definitions

The concept worker's participation in management (WPM) is a broad and complex one. Depending on the socio-political environment and cultural conditions, the scope and contents of participation may change. In any case, a common thread running through all interpretations is the idea of associating employees in managerial decision-making. The view expressed by the International Institute for Labour Studies (Bulletin 5) is worth quoting here. WPM has been defined as, "the participation resulting from practices which increase the scope for employee's share of influence in decision-making at different tiers of organizational hierarchy with concomitant assumption of responsibility".

The concept of worker's participation in management crystallizes the concept of Industrial Democracy, and indicates an attempt on the part of an employer to build his employees into a team which work towards the realization of a common objective¹.

According to Davis, “it 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”².

“Worker’s participation in management is a resounding phrase, bridging the past and the future. It echoes the millennial 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”³.

Mamoria defines it 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 decisions⁴.

The International Institute of Labour Studies remarks: “The participation results from practices which increase the scope for employees’ share of influence in decision-making at different tiers of the organizational hierarchy with concomitant assumptions of responsibility”⁵. This becomes meaningful only in such a situation. Here it is quite evident that the participation of each should strictly confine to the field for which he is competent and concerned with. Everybody poking his nose into everything is, therefore, not participation, but proliferation. This must have been the reason why a group of practising managers defined: ‘workers’ participation in management is involvement of workers only in such areas of activities of the enterprises where they can make some positive contribution for the betterment of the enterprise.⁶” Such participation should facilitate effective utilization of available resources and effective execution of long-term expansion plans, including diversification. It

should facilitate the day-to-day functioning as well as inventions and innovations.

4.2.4. Need of Workers' Participation

Worker's participation in management has assumed great importance these days because of the following advantages:

1. *Reduced industrial unrest:* Industrial conflict is a struggle between two organized groups which are motivated by the belief that their respective interests are endangered by the self-interested behaviour of the other. Participation cuts at this very root of industrial conflict. It tries to remove or at least minimize the diverse and conflicting interests between the parties, by substituting in their place, cooperation, homogeneity of objects and common interests. Both sides are integrated and decisions arrived at becomes "ours" rather than "theirs".
2. *Reduced misunderstanding:* Participation helps dispelling employee's misunderstanding about the outlook of management in industry.
3. *Increased organization balance:* If worker are invited to share in organizational problems, and to work towards common solutions, a greater degree of organizational balance occurs because of decreased misunderstanding of individual and group conflict. Participation leads to increased understanding throughout the organization. People learn that others have problems beside themselves.
4. *Higher productivity:* Increased productivity is possible only when there exists fullest co-operation between labour and management. It has been empirically tested that poor 'labour management relations' do not encourage the workers to contribute anything more than the minimum desirable to retain their jobs. Thus, participation of workers in management is essential to increase industrial productivity.
5. *Increased Commitment:* An important prerequisite for forging greater commitment is the individual's involvement and opportunity to express himself. Participation allows individuals to express themselves at the work place rather than being absorbed into a complex system of rules, procedures and systems. If an individual knows that he can express his opinion and ideas, a personal sense of gratification and involvement takes place within him. This, in turn, fortifies his identification with the organization resulting in greater commitment.
6. *Industrial democracy:* Participation helps to usher in an era of democracy in industry. It is based on the principle of recognition of the human factor. It tends to reduce class conflict between capital and labour. It also serves as a support to political democracy.
7. *Development of Individuals:* Participation enhances individual creativity and response to job challenges. Individuals are given an opportunity to

direct their initiative and creativity towards the objectives of the group. This facilitates individual growth.

8. *Less resistance to change*: when changes are arbitrarily introduced from above without explanation, subordinates tend to feel insecure and take counter measures aimed at sabotage of innovations. But when they have participated in the decision making process, they have had an opportunity to be heard. They know what to expect and why. Their resistance to change is reduced.

The realization of workers' need for participation in the management is influenced by the following factors:

1. Technology adoption leading to complexity in production process calls for increased worker cooperation.
2. Employees are no longer treated as subservient but are treated as equals.
3. Growing influence of union prevents exploitation of employees by management.
4. There are regulations and legislations that facilitate increased workers participation in management.
5. Higher levels of productivity and efficiency can only come through motivated and committed employees.

4.2.5. Objectives of Workers' Participation in Management:

The main objectives of workers' participation in management include:

- i.* To promote increased productivity for the advantage of the organization, workers and society at large;
- ii.* To provide a better understanding to employees about their role and place in the process of attainment of organizational goals;
- iii.* To satisfy the workers' social and esteem needs; and
- iv.* To strengthen labour management co-operation and thus maintaining industrial peace and harmony.
- v.* To develop social education for effective solidarity among the working community and for tapping latent human resources.
- vi.* An ideological point of view to develop self-management in industry.
- vii.* An instrument for improving efficiency of the company and establishing harmonious industrial relations.
- viii.* To build the most dynamic human resource.
- ix.* To build the nation through entrepreneurship and economic development.

- x. To improve the quality of working life by allowing the workers greater influence and involvement in work and the satisfaction obtained from work.
- xi. Development of human personality
- xii. Development of leader from within the industry.
- xiii. Development of working class.
- xiv. Creation of a just egalitarian society.
- xv. Facilitate self-development of worker.

4.2.6. Essential Conditions for Successful Working of WPM

The success of workers' participation in management depends upon the following conditions⁷.

1. The attitude and outlook of the parties should be enlightened and impartial so that a free and frank exchange of thoughts and opinions could be possible. Where a right kind of attitude exists and proper atmosphere prevails the process of participation is greatly stimulated.
2. Both parties should have a genuine faith in the system and in each other and be willing to work together. The management must give the participating institution its rightful place in the managerial organization of the undertaking and implementing the policies of the undertaking. The labour, on the other hand, must also wholeheartedly co-operate with the management through its trade unions. The foremen and supervisory cadre must also lend their full support so that the accepted policies could be implemented without any resentment on either side.
3. The experiment of labour participation in management must be given a wide publicity in order that the idea of participation is ingrained in the minds of those who are to implement the scheme. Lectures, discussion, film shows, conferences, seminars and other methods of propaganda may be fruitfully employed to create enthusiasm about the scheme among the management as well as the workers.
4. Participation should be real. The issues related to increase in production and productivity; evaluation of costs, development of personnel and expansion of markets should also be brought under the jurisdiction of the participating bodies. These bodies should meet frequently and their decisions should be timely implemented and strictly adhered to.
5. Objectives to be achieved should not be unrealistically high, vague or ambiguous but practicable of achievement and clear to all.
6. Form, coverage, extent and level of participation should grow in response to specific environment, capacity and interest of the parties concerned.
7. Participation must work as complementary body to help collective bargaining, which creates conditions of work and also creates legal relations.

8. Institutional participation should be discouraged but such participation should be encouraged through changes in leadership styles, communication process, and inter-personal and inter-group relations.
9. There should be a strong trade union, which has learnt the virtues of unit and self-reliance so that they may effectively take part in collective bargaining or participation.
10. Multiple unions in the enterprise should be restricted by legislative measures. Similarly, there should be no multiplicity and duplicacy of bipartite consultative machinery at the plant level.
11. A peaceful atmosphere should be there wherein there are no strikes and lock-outs, for their presence ruins the employees, harms the interest of the society, and puts the employees to financial losses.
12. Authority should be centralized through democratic management process. The participation should be at the two or at the most three levels.
13. Programmes for training and education should be developed comprehensively. Labour is to be educated to enable him to think clearly, rationally and logically; to enable him to feel deeply and emotionally; and to enable him to act in a responsible way. The management at different levels also needs to be trained and oriented to give it a fresh thinking on the issues concerned.
14. Progressive personnel policies should ensure growth of individual workers within industry and proper policies should exist for selection, promotion, compensation, rewards and discipline.
15. Management should be prepared to give all information connected with the working of the industry and labour should handle that information with full confidence and responsibility.
16. The Follow-up action on the decisions of the participating forums should be ensured. The government may also set up machinery to act as a watch-dog for implementing the scheme.
17. Effective two-way communication is a must for the success of the programme. The shorter is the time for communication, the greater is the probability of correct interpretation.

III. WORKERS' PARTICIPATION IN MANAGEMENT IN INDIA

4.3.1. Prelude

In our country, the concept of workers' participation in management is comparatively of recent origin. Workers' participation in management in India entered the Indian scene in the year, 1920, when Mahatma Gandhi had

suggested that workers should participate and contribute to the organization and also share its prosperity. He advocated a relationship characterized by friendship and co-operation between the workers and the management.

In India workers' participation in management is one of the Directive Principles of State Policy embodied in Article 43-A of our constitution. The Royal Commission on Labour (1929-1931) recommended the formation of works committees and joint machinery. The Tata iron and steel company (TISCO) has established joint committees in 1958. The committee under the chairmanship of Justice Rajendra Sachar suggested methods for improving workers' participation in management. The recommendations of the committee included workers' representation in board of directors and allotment of equity to workers. Similarly another committee under the chairmanship of Ravindhra Varma the then union Minister for Labour was constituted to look into various aspects, statutory and non statutory schemes and also recommended outlines or comprehensive schemes for workers' participation in management. The key recommendations of the committee included:

- 1) Three – tier system of participation that is, shop-floor, plant and board levels.
- 2) Legislation for covering all undertakings with 500 or more workers. (public or private)
- 3) Provision for extending the scheme to enterprises with at least 100 workers.
- 4) Usage of secret ballot for electing representative.
- 5) Issue of not less than 10% equity to workers.

4.3.2. Forms of workers' participation in management

The various forms of workers' participation in management currently prevalent in the country are:

1) Works Committee⁸

The tri-partite sub-committee of the 17th session of the Indian Labour Conference (1959) laid down an illustrative list of items which the works committee will normally deal with, namely:

- i. Conditions of work, such as ventilation, lighting, temperature and sanitation, including latrines and urinals;
- ii. Amenities, such as drinking water, canteens, dinning rooms, crèches, rest 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, such as libraries, reading rooms, cinema shows, sports, games, picnic parties, community welfare and celebrations;
- vii. Promotion of thrift and savings;
- viii. Implementation and review of decisions reached at meetings of works committees.

The sub-committee has also pointed out a list of items which the works committees will not normally deal with, like:

- i. Wages and allowances;
- ii. Bonus and profit sharing schemes;
- iii. Rationalization and matters connected with the fixation of workload;
- iv. Matters connected with the fixation of standard labour force;
- v. Programmes of planning and development;
- vi. Matters connected with retrenchment and lay-off;
- vii. Victimization for trade union activities;
- viii. Provident fund, gratuity schemes and other retirement benefits;
- ix. Quantum of leave and national and festival holidays;
- x. Incentive schemes; and
- xi. Housing and transport services.

The usefulness of the institution of works committee as a channel for joint consultation and for the promotion of harmonious industrial relations was stressed in the successive five-year plans. The National Commission on Labour (1969), “the general feeling among knowledgeable people in the country is that the committees have not proved effective.” The employers’ associations have attributed the failure of the works committees to factors like inter-union rivalries, conflict between union jurisdiction and the jurisdiction of the works committees, lack of positive response, routine meetings without any worthwhile discussions. etc. In a nutshell, works committee mechanism is a failure in India.

According to the NCL, the effectiveness of the committees will depend on the following factors:

- i. A more responsive attitude on the part of the management;
- ii. Adequate support from the unions;
- iii. Proper appreciation of the scope and functions of the works committees;
- iv. Wholehearted implementation of their recommendations;
- v. Proper co-ordination of the functions of the multiple bipartite institution at the plant level; and
- vi. Conferring of right to the recognized union to nominate all worker members on this body.

2) Joint Management Councils (JMCs 1958)

The Second Five-Year Plan recommended the setting up of joint councils of management consisting of representatives of workers and management. The Government of India deputed a study group (1957) to study the schemes of workers’ participation in management in countries like UK, France, Belgium and Yugoslavia. The report of the study group was considered by the Indian Labour Conference (ILC) in its 15th session in 1957 and it made certain recommendations:

- a. Workers' participation in management schemes should be set up in selected undertaking on a voluntary basis.
- b. A sub-committee consisting of representatives of employers, workers and government should be set up for considering the details of workers' participation in management schemes. This committee should select the undertakings where workers' participation in management schemes would be introduced on an experimental basis.

Objectives

The objectives of Joint Management Councils are as follows:

- i. To increase the association of employers and employees, thereby promoting cordial industrial relations;
- ii. To Improve the operational efficiency of the workers;
- iii. To provide welfare facilities to them;
- iv. To educate workers so that they are well prepared to participate in these schemes; and
- v. To satisfy the psychological needs of workers.

A tripartite sub-committee was set up as per the recommendations of Indian Labour Conference which laid down certain criteria for selection of enterprise where the JMCs could be introduced. They are:

- i. The unit must have 500 or more employees;
- ii. It should have a fair record of industrial relations;
- iii. It should have a well organized trade union;
- iv. The management and the workers should agree to establish JMCs;
- v. Employers (in case of private sector) should be members of the leading Employers' Organization; and
- vi. Trade unions should be affiliated to one of the central federations.

It was observed by the sub-committee that if the workers and employers mutually agree they can set up JMCs even if these conditions are not met.

Functions

The following are the important functions of JMCs:

- a. To be consulted on matters like standing orders, retrenchment, rationalization, closure, reduction of operations etc.
- b. To receive information, to discuss and offer suggestions.
- c. To shoulder administrative responsibilities like maintaining welfare measures, safety measures, training schemes, working hours, payments of rewards.

3) Joint Councils⁹

At every division/region/zonal level, or as may be considered necessary in a particular branch of an organization/service employing 100 more people, there shall be a joint council.

a. The main feature of the joint council shall be:

- (i) Each organization/service shall decide the number of councils to be set up for different types of services rendered by it in consultation with the recognized unions-or workers as the case may be, in the manner best suited to the local conditions.
- (ii) Only such persons who are actually engaged in the organization/service shall be members of the joint council. Each organization/service may decide the number of members in the manner suggested in item(s) but the membership should not be unwieldy.
- (iii) The tenure of the council shall be two years. If, however, a member is nominated in the mid-term of council to fill a casual vacancy, the member nominated shall continue in office for the remaining period of the council's tenure.

- (iv) The chief executive of the organization/service or of its divisional/regional/zonal branch, as the case may be, shall be the chairman of the joint council. There shall be a vice-chairman who will be chosen by the worker-members of the council.
- (v) The joint council shall appoint one of its members as its secretary who will prepare the agenda, record the minutes of the meetings and report on the implementation of the decisions arrived at every meeting. The management shall provide the necessary facilities within the premises of the organization/service for the efficient discharge of his functions by the secretary.
- (vi) The joint council shall meet whenever considered necessary, but at least once in a quarter. Every meeting shall review the action taken on the decisions of earlier meetings for an effective follow-up action.
- (vii) Every decision of the joint council shall be on the basis of consensus and not by a process of voting; it shall be binding on the management and workers and shall be implemented within one month, unless otherwise stated in the decision.

b. Functions of the Joint Councils

The following are the functions of the joint council:

- i. The settlement of matters which remain unresolved by unit level councils and arranging joint meetings for resolving inter-council problems.
- ii. Review of the working of the unit level council for improvement in the customer service and evolving for the best way of handling of goods traffic, accounts, etc.
- iii. Unit level matters which have a bearing on other branches or on the enterprise as a whole.
- iv. Development of skills of workers and adequate facilities for trading.
- v. Improvement in the general conditions of work.

- vi. Preparation of schedules of working hours and holidays.
- vii. Proper recognition and appreciation of useful suggestions received from workers through a system of rewards.
- viii. Discussion on any matter having a bearing on the improvement of performance of the organization/service with a view to ensuring better customer service.

4) Unit councils

Encouraged by the success of the Joint Councils scheme in manufacturing and mining units, a new scheme of workers' participation in management in commercial and service organizations 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.

a. Features of the Scheme

The main features of the scheme are:

- (i) A unit level council, consisting of representatives of workers and management of the organization/service, employing 100 or more workers, may be formed in each unit to discuss day-to-day problems and find solutions; but wherever necessary a composite council may be formed to serve more than one unit, or a council may be formed department-wise to suit the particular needs of an organization/service.
- (ii) Every unit council shall consist of an equal number of representatives of the management and workers. The actual number of members should be determined by the management in consultation with the recognized union, registered unions or workers in the manner best suited to the local conditions obtaining in a unit or an organization but their total number may not exceed 12. It would be necessary to nominate suitable and experienced workers from various departments, irrespective of their cadre,

affiliation or status, and not trade union functionaries who may not be actually working in the unit.

- (iii) The management's representatives should be nominated by the management and should consist of persons from the unit concerned.
- (iv) The management shall, in consultation with the recognized union or the registered union or workers as the case may be, determine in the manner best suited to local conditions, the number of unit councils and the departments to be attached to each council of the organization/service.
- (v) All the decisions of a unit council shall be on the basis of consensus and not by a process of voting, provided that either party may refer the unsettled matters to the joint council for consideration.
- (vi) Every decision of a unit council shall be implemented by the parties concerned within a month, unless otherwise stated in the decisions itself.
- (vii) The management shall make suitable arrangements for the recording and maintenance of minutes of meetings and designate one of its representatives as a secretary for this purpose, who shall also report on the action taken on the decisions at subsequent meetings of the council.
- (viii) Such decisions of a unit council as have a bearing on another unit of the organization/service as a whole shall be referred to the joint council for consideration and decision.
- (ix) A unit council once formed shall function for a period of three years. Any member nominated or elected to the council in the mid-term to fill a casual vacancy shall continue to be a member of the council for the unexpired period of the term of the council.
- (x) The council shall meet as frequently as is necessary but at least once a month.

- (xi) The chairman of the council shall be a nominee of the management. The worker members of the council shall elect a vice-chairman from amongst themselves.

5) Plant Council

- (i) The plant council is formed in pursuance of the recommendations of the second meeting of the Group on Labour at New Delhi on 23rd September 1985. The scheme is applicable to all Central public sector undertakings, except those which are given specific exemption from the operation of the scheme by the government.

a. Functions of Plant Council

The plant council shall normally deal with the following matters:

(A) Operational Areas

- (i) Determination of productivity schemes taking into consideration the local conditions;
- (ii) Planning, implementation, and attainment and review of monthly targets and schedules;
- (iii) Material supply and preventing its shortfall;
- (iv) Housekeeping activities;
- (v) Improvement in productivity in general and in critical areas in particular;
- (vi) Quality and technological improvements;
- (vii) Machine utilization, knowledge and development of new products;
- (viii) Operational performance figures;
- (ix) Encouragement to and consideration of the suggestion system;
- (x) Matters/problems not sorted out at the shop floor level or those that concern more than one shop; and
- (xi) Review of the working of shop level bodies.

(B) Economic and Financial Areas

- (i) Profit and loss statements, balance sheet;

- (ii) Review of operating expenses, financial results, and cost of sales;
- (iii) Enterprise performance in financial terms, labour and managerial cost, and market conditions, etc.

(C) Personnel Matters

- (i) Matters relating to absenteeism;
- (ii) Special problems of women workers; and
- (iii) Initiation and administration of workers' programmes.

(D) Welfare Areas

- (i) Implementation of welfare schemes, such as medical benefits, housing and transport facilities;
- (ii) Safety measures;
- (iii) Township administration; and
- (iv) Control of the habits of gambling, drinking and indebtedness among the workers.

(E) Environmental Areas

- (i) Environmental protection; and
- (ii) Extension activities and community development projects.

(6) Shop Councils

a. Main features

The main features of the shop council scheme are:

- (i) In every industrial unit employing 500 or more workers, the employers shall constitute a shop council for each department or shop or one council for more than one department or shop, on the basis of the number of workers employed in different departments or shops.
- (ii) (a) Each council shall consist of an equal number of representatives of employers and workers.

- (b) The employers' representatives shall be nominated by the management and must consist of persons from the unit concerned.
- (c) All the representatives of workers shall be from amongst the workers actually engaged in the department of the shop concerned.
- (iii) The employer shall, in consultation with the recognized union or the various registered trade unions or with workers, as the case may be determine in the manner best suited to local conditions, the number shop councils and departments to be attached to each council of the undertaking or establishment.
- (iv) The number of members of each council may be determined by the employer in consultation with the recognized union. The total number of members may not exceed 12.
- (v) All the decisions of the shop council shall be on the basis of consensus and not by voting.
- (vi) Every decision of the shop council shall be implemented by the parties concerned within a period of one month unless otherwise stated in the decision it self.
- (vii) Such decisions of the shop council having a bearing on another shop or department or the undertaking as a whole shall be referred to the joint council for consideration and decision.
- (viii) A shop council, once formed, shall function for a period of three years.
- (ix) The council shall meet as frequently as is necessary but at least once a month.
- (x) The chairman of the shop council shall be a nominee of the management; the worker members of the council shall elect a vice-chairman from amongst themselves.

a. Functions of Shop Councils

To achieve increased production, productivity and over-all efficiency of the shop department, the shop council should attend to the following matters:

- (i) to assist management in achieving monthly/yearly production targets;
- (ii) To improve production, productivity and efficiency. Including elimination of wastage and optimum utilization of machine capacity and manpower;
- (iii) To specially identified areas of low productivity and take the necessary corrective steps at shop level to eliminate relevant contributory factors;
- (iv) To study absenteeism in the shop/department and recommend steps to reduce it;
- (v) To suggest safety measures;
- (vi) To assist in maintaining general discipline in the shop/department;
- (vii) Suggest welfare measures to be adopted for efficient running of the shop/department;
- (viii) Suggest improvements in physical conditions of working – lighting, ventilation, noise, dust, etc., and reduction of fatigue;
- (ix) To ensure proper flow of adequate two-way communication between the management and the workers, particularly on matters relating to production schedules and progress in achieving the targets that have been set;
- (x) Suggest technological innovations in the shop;
- (xi) To assist in the formulation and implementation of quality improvement programme;
- (xii) To determine and implement the work system design;
- (xiii) To formulate plans for multiple skill development programme;
- (xiv) To assist in the ;implementation of cost reduction programme;
- (xv) To supervise the group working system;
- (xvi) To ensure a periodic review of the utilization of the critical machines;

(7) Workers' Representation on Board of Management

On the recommendations of the Administrative Reforms Commission made in its report on public sector undertakings, the Government of India accepted, in principle, that representatives of workers should be taken on the Board of Directors of public sector enterprises. A few notable features of the scheme are:

- (i) The representatives of workers on the board should be those actually working in the enterprise.
- (ii) To begin with, participation should be limited to companies which employ 1,000 or more persons (excluding casual and badli workers).
- (iii) The definition of 'workmen', as given in the Industrial Disputes Act, 1947, would be appropriate for the scheme.
- (iv) The participation at the Board level should be introduced if at least 51 per cent of the workers vote in a secret ballot in favour of this participation. In that event, the company will be legally bound to fall in line with their wishes. However, any company can voluntarily introduce this participation scheme.
- (v) Before fixing the proportion of Worker Directors on the Board, a more detailed consideration should be given to the issue by the Central Government.
- (vi) The Worker Director will be elected by all the workers of the company through secret ballot. Each voter will have cumulative voting rights.
- (vii) The pre-requisite of this scheme of participation shall be training in the business of the company. It will be the responsibility of the government to organize this training programme. An "awareness of industrial relations and of business techniques will certainly make the workers more aware of the actual problems faced by the companies in modern society. The training of the employees must, therefore, be immediately taken in hand."

- (viii) The presence of the Worker Director on the Board would not lead to any breach in the confidentiality of the information required by him.
- (ix) The Reforms Commission did not favour a two-tier representation, i.e., a Supervisory Board and the Smaller Management Board.

a. Functions Under the Scheme

The employees' representative/Worker Director participates in all the functions of the Board. Besides this, they also review the working of shop and plant councils and takes decisions on matters not settled by the council.

(8) Workers' Participation in Share Capital

The Sachar Committee had, in its report to the government, observed: "Quite a majority (was) in favour of the suggestion that, in all their future issues of shares, the companies should reserve a portion of their new shares, say about 10% to 15%, exclusively for the workers, called the workers shares. These shares, in the first instance, must be offered to the employee if the company; failing that, they should be offered to the existing shareholders or the public. For that purpose, Section 81 of the Act should be suitably amended. Section 77 of the Act should also be amended, permitting companies to give to the employees a loan up to 12 months' salary or wages, not exceeding Rs.12, 000, for the purchase of the shares of the company". This scheme, however, has not found favour with the industries in India.

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Review Questions

1. Describe various methods and process in employee counselling?
2. What is the role of Indian Labour Conference and Standing Labour Committee in promoting harmonious industrial relations?
3. What are the stages in collective bargaining process? What are the strategies or tactics adopted by the management and union in the bargaining process?
4. What are the various settlement machinery setup for settling industrial disputes? How far they are helpful to settle the disputes?
5. Explain about Model Grievance Procedure? And discuss about the stages in the grievance procedure?
6. Write about the problems in employee counselling?
7. Write about the implications and essential conditions for successful working of worker's participation in management?
8. Give a brief explanation on worker development?
9. What are the various methods or forms through which the participation of workers in management is encouraged in our country? Why the results are far from the expectations?
10. Discuss about the tripartism link with bipartism and mutual contribution to each other?

Unit – IV

Lesson 1

Employee Discipline

Objectives:- The aim of this lesson is to familiarize the student with :

- The concept of employee discipline
- Causes for indiscipline
- The procedure for taking disciplinary action

Structure :-

- 1.1 – Introduction
- 1.2 – Causes of indiscipline
- 1.3 – Types of discipline
- 1.4 – Essentials of a good disciplinary system
- 1.5 – Kinds of punishment
- 1.6 – Procedure for taking disciplinary action
- 1.7 – Self assessment questions
- 1.8 – Further Readings

1.1 - INTRODUCTION

Nothing left loose ever does anything creative. No horse gets anywhere until he is harnessed. No steam ever drives anything until it is confined. No Niagra is ever turned into light and power until it is funnelled. No man ever grows until he is disciplined.

Discipline is an inevitable correlate of organisation. To be organised means to be disciplined and vice versa. The behaviour of an employee is at the root of all discipline in an organisation. Every manager wants this behaviour to be in conformity with the required system which he has prescribed in order to achieve the organisational goals. But not infrequently we find employees deviating from this required system. The reason is that they have their own unique individual systems of behaviour which they cannot easily give up when they enter as

members of an organisation. It is at that many problems of employer-employee relations and of individual adjustment arise.

1.2 - CAUSES OF INDISCIPLINE

It is very difficult to prepare an exhaustive list of the reasons which lead employees to indiscipline. In fact, a number of social, economic, cultural and political reasons contribute to indiscipline in an organisation. Important among these causes are the following:

1. Ineffective leadership which cannot control, coordinate and motivate workers.
2. Low wages and poor working conditions.
3. Lack of promotional opportunities due to which people feel stagnated
4. Absence of any code of conduct to regulate behaviour on both sides.
5. Lack of timely redressal of workers' grievances.
6. Unfair management practices.
7. Defective communication system.
8. Lack of workers' education.
9. Uninteresting work.
10. Drunkenness and family problems.
11. Outside political influences.
12. Excessive work pressure.

1.3 - TYPES OF DISCIPLINE

Discipline may be of two types: positive and negative. Positive discipline or 'self-discipline' is the best discipline. This refers to an organizational atmosphere in which subordinates willingly abide by rules, which they consider fair. The techniques followed by the management to achieve this type of discipline include positive motivational activities such as praise, participation and incentive pay. Negative or punitive discipline is one in which management has to exert pressure or hold out threat by imposing penalties on wrongdoers. When this pressure becomes increasingly severe each time a man is disciplined, it is called "progressive" or "corrective" discipline.

Arguments Against Negative Discipline or Punishment

Many people argue that punishment should be avoided as a means of trying to influence behaviour. Their objections are as follows:

- (a) For punishment to be at all effective, there must be continued monitoring or surveillance, which is a very wasteful use of high-priced managerial time.
- (b) Punishment never really extinguishes or eliminates undesirable response tendencies, but only temporarily suppresses them. These tendencies reappear with full force when the threat of punishment is removed
- (c) Punishment has undesirable side effects. It may cause resentment and hostility towards the punisher with motive of trying to "get even" later through sabotage, output restriction, or doing things that make the punisher "look bad" or cause him inconvenience. The fear associated with the punishing agent may lead the punished person to avoid his very presence; this, in turn, makes it more difficult for the manager to play the desired role of coach, teacher, or counsellor. Or the reaction to punishment may be more extreme, resulting in generalised inhibition and rigidity or stereotyped behaviour in the punished person; this can make it more difficult for the person to learn new behaviour, including very desirable behaviour, or to adjust to change.

Alternatives to Punishment

Alternatives to punishment in eliminating undesired behaviour include the following:

- (a) **Extinction.** Find out what reinforces the undesired behaviour. For example, the unruly subordinate may be getting praise and recognition from peers. Then get those peers to co-operate with you by ignoring the unruly behaviour. When such behaviour is not reinforced, it will eventually lose strength and extinguish.

- (b) **Environment Engineering.** Rearrange the features of the environment so that the Stimulus situation does not evoke the undesired response but some other response. Skinner (1953) tells the story of a manager who had a traffic problem caused by women hurrying down the corridor as soon as the end of the workday was signalled. The manager solved his problem by placing wall mirrors along the corridor. The stimulus situation that had evoked stampeding down the hallway was transformed into one which encouraged a more leisurely and orderly walk-and-stop sequence.
- (c) **Reward.** Reward either desirable or natural behaviour, which is physically incompatible with the undesired behaviour. If children are rewarded for taking exercise or for performing light outdoor chores before dinner, they are prevented from excessive snacking and television watching.
- (d) **Adjustment.** Allow adjustment, development, or maturation to take its course. New or inexperienced employees make many mistakes and do many wrong things that they will learn to avoid, given a reasonable period of adjustment: punishment may not hasten this process, and it causes undue anxiety, it can actually retard this process.

1.4 - ESSENTIAL OF A GOOD DISCIPLINARY SYSTEM

While punitive discipline or punishment may sometimes be ineffective in changing behaviour or may produce unwanted by-products, there is nevertheless considerable evidence that punishment can be an effective tool under certain conditions. These are as under:

1. Knowledge of Rules. The employee must be informed clearly about what constitutes good behaviour and the rewards that may emanate from it. All instructions should be clear and understandable. It is common sense that an employee will obey an instruction more readily if he understands it.

The supervisor himself must know all the rules. He cannot effectively communicate with his workers if his own knowledge about rules is half baked. In fact, he needs to know more than the barest minimum that he wants his workers to know. This reserve of knowledge is essential in order to be able to answer several unexpected question from workers. In other words, a supervisor's span of knowledge and understanding of rules should be greater than that of his workers. If this is not so, the supervisor will lose personal prestige both before his supervisors and subordinates.

2.Prompt Action. All violations and misconducts-big and small-should be promptly enquired into. For example, a supervisor is most unwise to wait until lunch break before rebuking a worker for arriving late. Beat the iron when it is hot. This is because when the penalty is imposed immediately following the violation of a rule the person punished tends to identify the punishment with the act he committed. Accordingly, the subordinate attempts to avoid the violation in future. This is called the "law of effect". The greater the delay the more one forgets and the more one feels that punishment is not deserved.

3.Fair Action. Promptness of disciplinary action at the cost of its fairness is not proper. An action in order to be fair must possess the following characteristics:

- (a) All violations-big and small-should be duly punished. A violation should not be overlooked or condoned merely because it is small otherwise this will give an impression that announced rules are meaningless.
- (b) All individuals-big and small-should receive equal punishment for equal indiscipline. If a rule is applied to one individual but not to another, the management is bound to be accused of favouritism.
- (c) Discipline should be uniformly enforced at all times. If management soft-pedals on taking a disciplinary action when there is shortage of labour and toughens its policy when labour is plentiful it is acting arbitrarily. Similarly, if the management overlooks a wrong on one occasion and

punishes it on another occasion it is acting inconsistently. Inconsistent behaviour of management leads to uncertainty in the minds of subordinates. They simply do not know where they stand.

- (d) The alleged violation should be fully inquired into. Making a mistake by hastily administering a penalty which on the basis of facts collected later on is found to be uncalled for will mean a permanent destruction of the morale of the punished worker and general loss of face for the supervisor.
- (e) The employee should always be given an opportunity to explain his action. The common law principle that an offender is innocent until he is proved guilty beyond doubt should be followed. The burden of proving the violation always lies on the management.

4. Well Defined Procedure. The procedure to be followed to reach to a penalty decision should be carefully laid down. It should include the following steps:

- (a) The supervisor must assure himself that some violation of the rules has taken place.
- (b) He should state precisely and objectively the nature of the alleged violation.
- (c) He should then proceed to gather full facts about the case and maintain proper records. Facts will have to be gathered concerning the nature of the event, the participants and the surrounding circumstances. Extenuating circumstances such as ill-health, family troubles, etc., should be found out. A critical analysis should be made of the person's background such as his past service record, length of service, local practice, etc. Fact gathering is often a process of fact-sifting. Opinions should not be mistaken for facts. The methods used for gathering the fact must not smack of spying and statements should not be prejudged.

- (d) After all the facts have been gathered, thought should be given to the various types of disciplinary action which can be taken in the case in question. It is advisable to prepare three separate lists of actions. The first list should include all types of disciplinary action to make certain that no possibility is overlooked. The second list should classify penalties according to rank in order to acquaint the executive with those actions which lie within his command and those for which he should refer the case to his superiors. The third list should include only those penalties, which the offence in question specifically calls for.
- (e) The appropriateness of a disciplinary action should be decided in terms of its effectiveness in correcting the employee. This is very important because the purpose of a disciplinary action is to mend an employee and not to punish him, to help him and not to harm him.
- (f) The accused employee should have the right to appeal to higher authorities.

5. Constructive Handling of Disciplinary Action. Disciplinary action should be handled in a constructive manner. It should be carried out by the immediate line supervisor. This employee should be told not only the reasons for the action taken against him but also how he can avoid such penalties in future. Disciplinary action should be taken in private. By exposing an employee to public ridicule the supervisor attacks his dignity and social standing. This may produce an opposite effect on the employee. He may react violently or may become obstinate to preserve his ego.

It is most unwise for a supervisor to take a general disciplinary action against a group of subordinates. Disciplinary action is a matter for the individual. It is the individual who should be held responsible for any wrong. A management which takes disciplinary action against a group is likely to set off a wave of unrest associated with falling morale and even the possibility of wildcat strike.

After the disciplinary action has been taken the supervisor must assume a normal attitude towards the employee. He should revert to his role of a helping hand-as if nothing has happened. This is possible only when the supervisor uses an impersonal approach in administering a penalty. He should not engage in personal ridicule, insult or even criticism. He should avoid getting into an argument. In short, he must play the role of a judge enforcing the law with impartiality.

Hot-stove Rule

This rule, so called by Douglas McGregor, draws an analogy between touching a hot stove and undergoing discipline. When a person touches a hot stove:

1. The burn is immediate.
2. He had warning. Particularly if the stove was red hot he knew what would happen if he touched it.
3. The effect is consistent. Every one who touches a red-hot stove would be burned.
4. The effect is impersonal. A person is burned not because of who he is but because he touched the hot stove.
5. The effect is commensurate with the gravity of misconduct. A person who repeatedly touches the hot stove is burnt more than one who touched it only one.

The same should be with discipline. The disciplinary process should begin immediately after the violation is noticed. It must give a clear warning that so much penalty would be imposed for a given offence. The same kind of punishment should be consistently imposed for the same offence. Punishment should be impose regardless of status difference. In other words, it should be impersonal in application. Punishment should be commensurate with the gravity of the offence. An employee found guilty of an act of minor misconduct like unpunctuality or irregular attendance should not be awarded the same punishment

as may justifiably be awarded to an employee found guilty of an act of major misconduct like the theft of employer's property.

1.5 - KINDS OF PUNISHMENT

For various types of misconduct there are various punishments which are set out below in the ascending order of their severity.

Minor Punishments	[1. Oral reprimand
		2. Written reprimand
		3. Loss of privileges
Punishments	[4. Fines
		5. Punitive suspension
Major Punishments	[6. Withholding of increments
		7. Demotion
		8. Discharge
		9. Dismissal

1. Oral Reprimand. This is the mildest form of disciplinary action in which the superior makes it clear to his subordinate that he does not approve of the subordinate's behaviour. This punishment is generally given for some minor offences such as failure to obey safety rules, smoking in a prohibited area, sleeping on the job or giving sub-standard performance.

Issue of reprimand does not involve loss of status or wages to the employee and, therefore, though it amounts to disciplinary action, it is not deemed to be a substantive punishment. However, as people invariably value the social approval of their superiors and fellow beings a reprimand is generally effective in correcting subordinates. But it should be used sparingly, otherwise it will not produce any effect on the subordinate. A subordinate who is continually

criticised tries to cover up his mistakes, becomes tense, and loses his sense of security. He does not want to accept responsibility and on account of low morale commits further mistakes.

2. Written Reprimand. An oral reprimand may not be sufficient in case of habitual misconduct or inefficiency. In such a situation it is desirable that it is issued in writing and brought on record so that it may support, if necessary, any substantive punishment that may have to be given to the employee in future. A written reprimand may state that certain privileges would be withheld or withdrawn if the subordinate continues with his present conduct. In some enterprises the records of an employee may be marked and the employee shown a copy of the notation to serve as a warning.

A warning serves to alter the expectations of an individual by making him aware of the exact nature of punishment that awaits him following further acts of disobedience. It is not fair for a superior to warn a subordinate and later punish him more severely than was expected at the time of the warning.

3. Loss of Privileges. For such offences as tardiness or leaving work without permission, the employee may be put to loss of various privileges such as good job assignments, right to select machine or other equipment and freedom of movement about the workplace or company.

4. Fines. Fine means a deduction from the remuneration of the employee by way of punishment. Power to make penal deductions from the remuneration of the employee is not an implied term of ordinary contract between master and servant and can be exercised only if especially reserved to the employer under the contract of employment or a statute.

5. Punitive Suspension. Punitive suspension is different from the suspension pending an enquiry. Punitive suspension is inflicted on the workman as a punishment for some misconduct whereas suspension pending an enquiry is only

an expedient action which a manager may find necessary to take following commission of a grave and serious misconduct. Under punitive suspension an employee is prohibited from performing the duties assigned to him and his wages are withheld for so long as the prohibition subsists. Under suspension pending an enquiry, unless the conditions of service make a contrary provision, a workman is entitled to wages for the period of suspension.

6. Withholding of Increments. Withholding of annual increment of an employee in a graded scale is a major punishment and, generally speaking, the acts of misconduct for which this punishment may be awarded are the same as those for which the extreme punishment of dismissal may be awarded. The cumulative effect of losing an increment is considerable. It is equal to the amount of increment times twelve months times the number of the year of service still remaining.

7. Demotion. Demotion means reduction of an employee to a lower grade from the one hitherto enjoyed by him. According to some writers since demotion implies condemnation of the employee as being unfit for the position occupied by him it should not be used as a penalty if the employee is properly qualified for the present assignment. Demotion should be used only in a case when an employee does not meet present job requirement or in the event of a cutback in the work force.

8. Discharge. In common law, if both parties to an agreement have performed what they have agreed to do, the contract is discharged. Thus, in a contract of service if both parties have agreed to terminate the contract by giving stipulated amount of notice or by paying money in lieu thereof the contract of service can be terminated in the agreed manner for reasons which do not imply any act of misconduct; for example, an employee may be discharged owing to either redundancy, or superannuation or infirmity, etc., in accordance with his contract of service, without any fault on his part. However, in the field of industrial

jurisprudence the term 'discharge' is used to denote removal of an employee from service by way of punishment. But no stigma is attached to the expression 'discharge'. Hence, it is not a disqualification for future employment. Discharge should be distinguished from discharge simpliciter which is termination of an employee's service not necessarily for any misconduct but for loss of confidence.

The plea of loss of confidence should, however, be bonafide and should be supported by evidence and should not be used as a mere pretext to terminate the services of an unwanted employee. In the case of a discharge simpliciter the employer is not bound to hold an enquiry.

9. Dismissal. Also referred to as industrial capital punishment, dismissal is the ultimate penalty which is rarely resorted to now a days. Though discharge and dismissal both have the same result, namely, the termination of service of the employee, there are some vital differences between the two. These are as follows:

- (a) While dismissal is always a punishment, discharge may or may not be a punishment
- (b) A dismissal is more severe punishment than discharge. There is a stigma attached to the expression "dismissal" which makes dismissal a disqualification for future employment. This is not so in the case of discharge.
- (c) A dismissal is usually summary, that is, immediate action is taken to terminate the employment contract of the employee without notice. But in case of a discharge an agreed amount of notice may have to be given. The justification for not giving a warning lies in the general acceptance that the acts and omissions for which the punishment of dismissal may be inflicted are socially repugnant and a management is fully entitled to protect itself against such acts.

- (d) In cases of dismissal the employee is not usually entitled to provident fund or gratuity benefits but this is not so in the case of a discharge.

The supreme punishment of dismissal is inflicted very rarely. Managers generally try to avoid it. They very often follow several other means of eliminating a person without an outright dismissal. These are as follows:

- (a) The flow of work may be altered so that it goes around the particular employee; thus he may take hint and submit his resignation.
- (b) The job may be abolished and duties scattered about among other employees. Then after the employee has left the organisation, the duties can be reassembled and a new employee hired to fill the job.
- (c) Resignation may be demanded by holding out threat of discharge.
- (d) In higher positions, the employee may be 'kicked upstairs' and promoted out of the way; he may be made a special consultant and never consulted. The cost of his salary may be much less than the loss from retention in his present job.
- (e) The employee may be transferred to some other department.

1.6 - PROCEDURE FOR TAKING DISCIPLINARY ACTION

If the Standing Orders of an organisation provide for the procedure the same should be strictly followed, for the punishment may be held invalid if there is any deviation from the laid down procedure.

Whether or not there are Standing Orders the procedure for taking disciplinary action against workers should be based on the following principles of natural justice:

- (a) The worker charged should be given an opportunity to present witnesses of his own choice on whom he relies;
- (b) The worker should be given the right to cross examine management's evidence;

- (c) The evidence of the management should be taken in worker's presence;
- (d) No material should be used against the worker without giving him an opportunity to explain;
- (e) The enquiry against the worker should be fair and conducted by an impartial person; and
- (f) The punishment awarded should not be out of proportion to the misconduct committed. Following should be the steps for taking disciplinary action:

1. Preliminary Investigation. The first and primary step should be to hold a preliminary investigation in order to find out whether a prima facie case of misconduct exists.

2. Issue of a Charge-sheet. On the prima facie case of misconduct being established the management should proceed to issue a charge-sheet to the worker. Charge-sheet is not a punishment in itself. It is merely notice of a charge that the worker is responsible for some misconduct and that the management wants to know what he has to say about it. It gives the worker an opportunity to explain his conduct. A charge-sheet is, therefore, also called a 'show cause notice. This fact should be explained to the worker also who may sometimes refuse to accept the charge-sheet on the ground that he has not done any wrong.

The following guidelines may be followed in framing the charges:

- (a) Each charge must be very clear and precise. It should not be vague.
- (b) There should be a separate charge for each allegation.
- (c) There should be no multiplication of charges for the same allegation.
- (d) Charges must not relate to any matter which has already been decided upon.

On the question whether the proposed punishment should or should not be mentioned in the charge-sheet, there is divergence of opinion among various

High Courts. Chennai, Andhra, Kolkata, Punjab and Haryana High Courts hold the view that if the proposed punishment is mentioned in the charge-sheet then it amounts to prejudging the issue and the proceedings are vitiated. But the Mumbai, Rajasthan and Allahabad High Courts seem to hold the opposite view. They observe that the mere mention of the proposed punishment mentioned in the charge-sheet does not vitiate the enquiry. It does not mean that the employer intended to punish the employee irrespective of the result of the enquiry or that he formed any opinion against the employee. It rather makes the employee aware of the seriousness of the charges against him so that he can take proper defence. To be on the safer side, however, the employer should avoid mentioning proposed punishment in the charge-sheet.

3.Suspension Pending Enquiry, if Needed. If the nature of misconduct is grave and if it is in the interest of discipline and security in the establishment, the management may suspend a worker even before the charge-sheet is issued or an order of suspension may be given to the worker along with the charge-sheet. Under Section 10A of the Industrial Employment (S.O) Act, 1946 the suspended worker is to be paid a subsistence allowance equal to one-half of his wages for the first ninety days of suspension and three-fourths of the wages for the remaining period of suspension if the delay in the completion of disciplinary proceedings against him is not due to his conduct. The Second NCL recommends that the total period of suspension of a worker should in no case exceed one year.

4.Notice of Enquiry. On receipt of reply to the charge-sheet, three situations may arise: (i) The worker may admit the charge in an unqualified manner. If so, the employer can go ahead in awarding the punishment without getting the matter enquired further, (ii) The worker may not admit the charge and the charge merits only minor penalty. In this case also the employer can go ahead in

awarding the punishment without holding further enquiry. (iii) The worker may not admit the charge and the charge merits major penalty. In this case the employer must hold enquiry to investigate into the charge against the worker. This enquiry is classed domestic enquiry.

Proper and sufficient advance notice should be given to the worker indicating the date, time and venue of the enquiry and name of the enquiry officer so that the worker may prepare his case. It should also be notified that he should be ready with oral and documentary evidence on the date of enquiry and bring witnesses to prove his case.

5. Conduct of Enquiry. This step should deal with three points:

- deciding as to who should be the enquiry officer;
- deciding as how to proceed;
- deciding about the order of examining witnesses.

Standing orders may provide as to who should hold the enquiry. Otherwise, an assistant manager or labour welfare officer or company's lawyer or some outsider may be nominated. It should be remembered that for the purpose of enquiry, the enquiry officer is a judge. So, it is necessary that he must be impartial and qualified to act in that capacity. An enquiry officer is disqualified on any of the following grounds:

- (a) If he is involved in the incident which led to the charge-sheet.
- (b) If he has personal knowledge of the incident or himself gives or collects evidence for the very enquiry conducted by him or helps others in doing so.
- (c) If he himself has issued the charge-sheet.
- (d) If he is directly subordinate to the person accused.

If the accused employee requests for another co-worker to represent and assist him in the conduct of his defence, the enquiry officer should allow this. But it is

management's discretion to allow or not to allow the accused worker to be defended by a non-employee official of the union.

As regards the order of examining witnesses, first the management witnesses should be examined in the presence of the accused. Then fair opportunity should be given to him to cross-examine the management witnesses. Next, he himself and his witnesses should be examined. They can be cross-examined by the management.

If a worker does not turn up for the enquiry without notice or reasonable cause or refuses to participate or walks out then the enquiry officer may proceed to hold the enquiry ex parte. The person who leads evidence from the management side is called the Presentation Officer.

6. Recording of Findings by the Enquiry Officer. At the conclusion of the enquiry proceedings the enquiry officer should decide as to whether the charges made are valid or not along with the reasons for his findings. As far as possible he should refrain from recommending punishment and leave it to the decision of the appropriate authority.

7. Awarding Punishment. This is the task of management. The punishment should be awarded on the basis of findings of the enquiry, past record of the employee and gravity of misconduct.

It should be noted that when a dispute is pending in conciliation, arbitration or adjudication proceedings the employer has no right to punish a workman for his misconduct which is connected with the pending dispute. For example, a workman who has taken part in a gherao in furtherance of some demands covered by the dispute being guilty of misconduct connected with the pending dispute cannot be punished. The authority before which the proceeding is pending for approval of the action taken by him (Sec. 33 of the Industrial Disputes Act). In case of 'protected workmen', prior permission for dismissal and discharge is essential even when the misconduct is not connected with the

pending dispute. These protected workmen are trade union office—bearers who are declared as such to save them from being victimised for raising or conducting the dispute. They are nominated by the unions, and their number is not to exceed one per cent of the total workforce, subject to the minimum number of five.

8. Communication of Punishment. The punishment awarded to the accused should be communicated to him expeditiously. The letter communicating the punishment should contain:

- reference to the letter of charges issued to the employee;
- reference to the enquiry;
- reference to the findings of the enquiry;
- decision whether to punish or not;
- date from which the punishment is to be effective.

1.7 - SELF ASSESSMENT QUESTIONS:

1. Explain the procedure for taking disciplinary action.
2. Describe the various kinds of punishment which are inflicted on a worker for misconduct.
3. Discuss the reasons which lead employees to indiscipline.

1.8 – FURTHER READINGS

1. K.K. AHUJA, Personnel Management, KALYANI PUBLISHERS, NEW DELHI.
2. C.B. MAMORIA & S. MAMORIA, Dynamics of Industrial relations, HIMALAYA PUBLISHING HOME, NEW DELHI.
3. A.M. SARMA, Concepts of Labour Welfare & Social Security, HIMALAYA PUBLISHING HOME, NEW DELHI.

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Lesson 2

GRIEVANCE HANDLING MACHINERY

Objectives:- After studying this lesson you should be able to:

- Understand the concept of Grievances
- Knowing the causes of Employee Grievances
- Learn the model Grievance procedure

Structure:-

- 2.1 – Introduction
- 2.2 – Causes of Employee Grievance
- 2.3 – Model Grievance Procedure
- 2.4 – Suggestions
- 2.5 – Self Assessment Questions
- 2.6 – Further Readings

2.1 - INTRODUCTION

'Grievance' implies dissatisfaction, or distress, or suffering or grief caused unnecessarily or illegally. In labour-management relations it is a complaint or representation made in writing as regard to a company related matter arising from employment or service conditions, or from conditions involving unfair treatment by the employers, or from violation of any agreement or standing instructions. Grievance is defined as real or imaginary feeling of personal injustice that an employee has concerning his employment relation.

Prompt redressal of grievances is a must for creating good labour-management relations and promoting efficiency at the plant level. Grievances must not be allowed to accumulate because grievances breed grievances. Piling up of grievances may create a sense of frustration, disloyalty and non-cooperation among workers who may lose interest in work and thus may affect the quality and quantity of out put. This may also lead to indiscipline taking the form of increased absenteeism, go slow, work to rule, demonstrations, gherao, violence and strikes. Proper disposal of grievance needs a serious consideration for harmonious industrial relations and maintenance of industrial peace.

Employees sometimes do not know precisely what is making them dissatisfied. Their own feeling may set up mental blocks that prevent them from interpreting correctly what is happening. They may not have sufficient knowledge of human nature or of the many social forces impinging on them. Not knowing their actual grievances but still feeling dissatisfied they tend to file grievances about something else.

A grievance rate is usually stated in terms of, number of written grievances presented for 100 employees in one year. A typical grievance rate is 10 to 20 and any rate above or below that range might indicate a labour relations situation meriting further investigation. Method of handling grievances will affect the rate of grievance.

Employees of all types and at all levels develop grievances. Grievances are not some headache, brought about by unions but may complicate the situation and cause more grievances either temporarily or permanently. Other factors affecting grievance rate are management job conditions, government's rules, general social conditions and the home environment.

The principal object of any grievance system is to encourage human problems to be brought to the surface. Management can learn about them and may try corrective action. The social organization of a plant is very much like a complicated machine. Both need constant attention and frequent adjustments. Grievances, which are expressed, whether they are presented formally or informally, are symptoms, which should be carefully studied by management to determine the real causes of this "human machine" breakdown.

Almost everyone agrees that it is better to prevent fire than trying to stop them after that have started and the same philosophy applies to grievances.

Grievance system helps to solve problems before they become serious. If problems are allowed to accumulate unsolved, their quantity may get so great that they may have adequate pressure "to blow off the lid of the whole section or

department." A good grievance system can prevent the developments of unwanted system and keep social pressures within bounds.

A grievance system like counselling is a process of employees' emotional release of their dissatisfaction. It provides a means by which a frustrated and aggrieved employee can become aggressive and strike back at the various controls, which any group imposes, on him. Emotional release often plays an important role in individual grievance cases. Grievance procedures help to establish and maintain a work culture or way of life. Each group has its own particular way of living together, and the grievance procedure helps to develop this group culture.

A manager tends to give more care to the human aspects of his job when he knows that some of these actions are subject to challenge and review in a grievance system. He is encouraged to develop effective compromises and working relationship with his group. However that the pendulum can swing too far, a supervisor may become so aware of the grievance system that he is afraid to make decisions and hesitates to direct and discipline his men.

Grievances are human problems and are to be handled in a human way. Every worker has the right to present his grievances to his employer and obtain their redressal. The management has to see that grievances are so received and settled that the worker gets the necessary sense of satisfaction. The following are the important steps that should be taken in handling grievances.

1. Define, express and describe the nature of grievance at the heart of the employee's complaint as early as possible, so that the wrong complaint may not be handled and the real grievance may not turn up again to plague the management.
2. After locating the real issue, the next step is to gather all relevant facts, about the issue, *i.e.* how and where it took place and the circumstances under which it transpired. Such fact gathering requires interviewing and listening to

employees. This will, however, convince the employees that the management was sincere in seeing that justice is done.

3. After getting the real picture of the grievance the management must make a list of alternate solutions. If possible the suitability of this decision may be checked before taking and announcing the final decision.

4. Gather additional information for checking tentative solutions for finding out the best possible one. For this, or the past experience of the executive in similar cases may be helpful. Company's own record of grievances, if maintained can also be helpful in this respect.

5. The decision having finally being reached should then be passed in clear unequivocal terms to the employees concerned. The ultimate decision is the tool of action.

6. Follow up the case so that it is handled satisfactorily and the trouble eliminated. It is essential to see the attitude of the Secondly, he should feel that the employees are fair in presenting their grievances, unless it is proved otherwise. Thirdly, in handling grievances, management should display a sincere interest in the problems of employees and a constructive willingness to be of help. All executives must have confidence in themselves and should be fully aware of their responsibilities and be willing to carry these burdens. Such a positive attitude must be apparent to employees in order to gain their respect and cooperation. The manager should consider the grievance seriously and should not show a casual attitude. Grievances should be handled in terms of their total effects upon the organisation and not merely their immediate or individual effects.

Organisational Responsibility. Organisational responsibility for handling grievances should be divided and shared by all levels of management and representatives of labour unions. As a good practice or procedure the

employees should be required to present their grievances to their immediate superior, even if the final decision matter rests with the higher authority. This will save the supervisor from losing his importance and respect with his subordinates. After examining and investigating the matter at his level he can pass it on to the higher level with his findings and recommendation. Similarly, action can be taken by the executives at the middle level, if the matter is beyond their jurisdiction. The top-level management has the responsibility to decide cases which are having company wide implication. In this they may be even assisted by personnel or labour officers with their advice and the information collected and maintained. The top-level management must establish the broad policies and rules, which may form the basis for handling grievances.

In some companies labour unions assume the responsibility of getting the grievances redressed, particularly at the middle and top-level management.

2.2 - CAUSES OF EMPLOYEE GRIEVANCES:

1. Promotions
2. Amenities
3. Continuity of service
4. Compensation
5. Disciplinary action
6. Fines
7. Increments
8. Leave
9. Medical benefits
10. Nature of job
11. Payment
12. Acting promotion
13. Recovery of dues
14. Safety appliances
15. Superannuation
16. Supersession
17. Transfer

18. Victimization
19. Condition of work

The International Labour Organization (ILO) classifies a grievance as a complaint of one or more workers with respect to wages and allowances, conditions of work and interpretations of service stipulations, covering such areas as overtime, leave, transfer, promotion, seniority, job assignment and termination of service. The National Commission of Labour states "complaints affecting one or more individual workers in respect of their wage payments, overtime, leave, transfer, promotion, seniority, work assignment, and discharges would constitute grievances. A point to be noted is that where the issue is of a wider or general nature, or of general applicability, then it will be outside the purview of the grievance machinery. Policy issues relating to hours of work, incentives, wages, DA, and bonus are beyond the scope of the grievance procedure—they fall under the purview of collective bargaining.

A grievance has a narrower perspective; it is concerned with the interpretation of a contract or award as applied to an individual or a few employees.

2.3 - THE MODEL GRIEVANCE PROCEDURE

The model Grievance Procedure settled by the tripartite committee has successive time bound steps, each leading to the next in case of dissatisfaction.

1. Under the procedure, an aggrieved employee would first present his grievance verbally to a designated officer who would 48 hours.
2. In case the worker is dissatisfied with the decision or fails to get an answer within stipulated time, he would, personally or accompanied by his department representative, present his grievance to the head of the department.
3. If the departmental head fails to give a decision within three days or if his decision is unsatisfactory, the aggrieved worker can seek relief through the "Grievance Committee" consisting of management and workers. This committee would

communicate its recommendations to the manager within seven days of the grievance reaching it.

4. If the recommendation is not made within the stipulated time, reasons there for would be recorded, and in case unanimous recommendations are not possible, the relevant papers would be placed before the manager for decision. The manager is expected to communicate his decision to the worker within three days,

5. The worker would have a right to appeal to the higher authorities for revision of the manager's decision. All such appeals have to be decided within a week of the worker's petition. The worker, if he so desires, could take a union official with him for discussion with the appellate authority.

6. In case of failure to settle the grievance even at the stage, the union and management may refer it to voluntary arbitration within a week of receipt of the management's final decision.

2.4 - SUGGESTION :

The National Commission on Labour observed that there should be statutory backing for the formulation of an effective grievance procedure which should be simple, flexible and less cumbersome, and more or less on the lines of the pre Grievance Procedure. A grievance procedure, whether formal or informal, statutory or voluntary, has to ensure that it gives a sense of,

- (i) satisfaction to the individual worker,
- (ii) reasonable exercise of authority to the manager, and
- (iii) participation of unions.

The participation of the unions is necessary, because ultimately the unions will be answerable to members. To make procedure the effective, it is important that it should be simple and have a provision for at least one appeal. Besides, the procedure should be time-bound and have a limited number of steps.

Hence, the Commission recommended that a grievance procedure should normally provide for three steps.

- (a) approach to the immediate superior;
- (b) appeal to the departmental head/manager; and
- (c) appeal to the bipartite grievance committee representing management and recognised union.

The constitution of the committee should have a provision that in case a unanimous decision is not possible, the unsettled grievance may be referred to an arbitrator. At earlier stages a worker should be free to be presented by a co-worker and an officer of the union.

Considering the varying size and nature of units, the Commission suggested that it would not be desirable to be too rigid to have standardised procedure in all sizes of units. Hence, the Commission said that some informality in the approach may be required in case of small units, say units employing less than 100 workers, because in them it is easier both for the management and workers to have close contacts and personal approach. On the other hand, it would be more appropriate to introduce a formal procedure in units employing 100 or more workers.

2.5 – SELF ASSESSMENT QUESTIONS

1. Comment on the Practical utility of Grievance procedure.
2. Why are Grievances caused in an organization? How can these be redressed?
3. Define Grievance and give its characteristics.

2.6 – FURTHER READINGS

1. ARUN MONAPPA, Industrial Relations, TATA MCGRAW-HILL, NEW DELHI.
2. P.C. TRIPATHI, Personnel Management & Industrial Relations, SULTAN CHAND & SONS, NEW DELHI.
3. Dr. B.P. TYAGI, Labour Economics & Social Welfare, JAYA PRAKASH NAG & Co. PUBLISHERS, MEERUT.

Lesson 3

COLLECTIVE BARGAINING – AN OVERVIEW

Objectives :- The present lesson familiarizes the student with:

- The concept of Collective Bargaining
- Objects of unions in Collective Bargaining
- Theories of Collective Bargaining
- Forms of Collective Bargaining

Structure:-

- 3.1 – Introduction
- 3.2 – Objects of unions in Collective Bargaining
- 3.3 – Functions of Collective Bargaining
- 3.4 – Union goals in Collective Bargaining
- 3.5 – Determination of goals
- 3.6 – Theories of Collective Bargaining
- 3.7 – Constituents of Collective Bargaining
- 3.8 – Prerequisites of Collective Bargaining
- 3.9 – Collective Bargaining Agreements at different levels
- 3.10 - Self Assessment Questions
- 3.11 – Further Readings

3.1 - Introduction

In political life democratic countries have established systems of discussion through representative assemblies for determining the laws by which they shall

be governed. In international relationships we have gone only some way along this road. Mean while in the world of industry and commerce a process has been evolving the past century for the negotiation between management and employees of terms and conditions of service and the establishment of peaceful, orderly relations at the place of work through mutual settlement of differences and the cooperation of all those engaged in the enterprise. This process is known as Collective Bargaining.

The development of collective bargaining has been closely associated with the growth of trade unions in all countries and sometimes with the growth of employers associations also. However, the Webbs did not consider that the collective bargaining depended on or necessarily had its origin in trade unions. In fact they pointed out that it could and did take place in British industry through committees set up to settle specific issues, but they added that, "it was the Trade Union alone which can provide the machinery for any but its most casual and limited application." Thus, trade unions could provide machinery for the settlement of any dispute.

It generally began with craft unions of skilled workers or organised to protect their skill by preventing employers from under cutting jobs rates. The craft unions discovered that it was only by strengthening their organisation and forcing the issues at district and national level that genuine standards could be achieved, It was only at the end of nineteenth century that general unions began to develop in Britain and to bargain at all levels of employees.

A bargain is an agreement, and it takes at least two to make a bargain. But collective bargaining as opposite of individual bargaining which take place between management and a worker, as an individual, apart from his fellow employees.

A collective bargain is an agreement made by or on behalf of a group, and collective bargaining is, therefore, the method by which a group agreement is

reached between the representatives of employers and the employees. Thus, collective bargaining is a method of fixing the terms of employment by means of bargaining between an organised body of employees and an employer or association of employers, usually acting through duly authorized agents. The essential thing is that collective bargaining intends to put the workers on a footing of equality with employers at the occasion of a bargain in regard to the terms of employment. It should, however, be noted that collective bargaining is a bargain between interested parties not a decree from outside parties.

Beatrice Webb, a famous socialist writer and speaker, is credited with the coinage of the term "Collective Bargaining. Accordingly, collective bargaining takes place when a number of work-people enter into negotiation as bargaining unit with an employer or groups of employers with the object of reaching agreement on conditions of employment for the work people concerned.

Collective bargaining has been defined in the Encyclopaedia of Social Sciences as "a process of discussion and negotiation between two parties, one or both of whom is a group of persons acting in concert. The resulting bargaining is an understanding as to the terms or conditions under which a continuing service is to be performed. More specially, collective bargaining is the procedure by which an employer or employers and a group of employees agree upon the conditions of work.

Collective bargaining has also been defined as the process of employer-union negotiation for the purpose of reaching agreement as to the terms and conditions of employment for a specified period.

The National Association of Manufacturers has stated that in its simplest definition, the process of collective bargaining is a method by which management and labour may explore each others problems and view points, and

develop a frame work of employment relations within which both may carry on their mutual benefit.

In a workers education manual issued by the International Labour Office collective bargaining is defined as "negotiations about working conditions and terms of employment between employer, a group of employers or one or more employers organisations, on one hand, and one or more representative workers organisations on the other, with a view to reaching agreement", and it is stated that "the terms of an agreement serve as a code defining the rights and obligations of each party in their employment relations one another; it fixes a large number of detailed conditions of employment ; and during its validity none of the matters it deals with care in normal circumstances give grounds for a dispute concerning on industrial worker.

Whatever, definition may be accepted, the essence of collective bargaining, however, lies in the readiness of the parties and the attitude of mutual acceptance. Bargaining includes give and take the offers and counter-offers which may precede any agreement. Collective bargaining deals with the emotions of people as well as with the logic of their interests. Collective bargaining, thus, becomes a medium to give expression to pent up emotions.

Nature of Collective Bargaining

Collective Bargaining is a continuous process. Even after an agreement is reached a number, of aspects remain incomplete, for new situations always crop up. These situations require negotiations, interpretations and get-together. Local, industry-wide and nation-wide labour relations and developments affect the agreement once reached. Since negotiations for a new agreement are under way collective bargaining, maintains a continuity as a process.

Collective bargaining is an institutional process of representations. The chief participants in collective bargaining do not act for themselves. They are representatives of their respective institutions. Thus, collective bargaining as

an institution unfolds a device for safeguarding interests of employees and employers and strengthen their organisations. It involves the maintenance of labour unions with certain objectives and group interests to act as a bargaining agent. Employers or their groups or association also develop an organisation, working rules, regulations and a common discipline. Hence, in collective bargaining the employer does not deal directly with his workers. He deals with an institution (may be representatives of the unions) authorised to represent the workers purposes of negotiating and administering the terms and conditions of employment. This representative nature of the organised union-management relationship applies to administration as well as to negotiation.

Collective bargaining and state intervention co-exist in the mixed economy of India, although in theory they are contradictory to each other. Collective bargaining has been accorded acceptance not only as an instrument for maximization of production but also as a means for equitable distribution. Collective bargaining, thus, has been inter-twined with the political orientations of the labour movement that produce conditions necessitating state arbitration.

3.2 - Objects of Unions in Collective Bargaining

The central focus of union activity is collective bargaining, the process of arriving at compromises which settle disputes between an employer and an organisation of his employees. It is called collective bargaining because the employees, as a group, select representatives to meet and discuss differences with the employer.

The unions objects is Collective Bargaining may be the following:

- (1) To establish and build up union recognition as an authority the work place.
- (2) To raise workers standards of living and win a better share in company's profits.

(3) To express in practical terms the workers desire to be treated with due respect and to achieve democratic participation in decisions affecting their working conditions.

(4) To establish orderly practices for sharing in these decisions and to settle disputes which may arise in the day to day life of the company.

(5) To achieve broad general objectives such as defending and as promoting the interests throughout the country.

Thus, the objective of the trade unions is to safeguard the interest of workers and to establish industrial peace in dignified manner through collective bargaining. It is said that, 'industrial peace is something more than the mere absence of conflict. The absence of strike is not necessarily an indication of real industrial peace. More adverse consequences might flow from steady deterioration of relations in industry than from an occasional spectacular stoppage of work. Just as health in human body was something more than an absence of diseases, so health in industrial body is the conscious and laborious creation of man. A really healthy collective bargaining would see that benefits derived from industry were equitably distributed among all the parties involved—the employers, the unions, the management, the customers, the suppliers, the public. Thus, Haribison writes, "collective bargaining is a process of accommodation between two institutions which have both common and conflicting intertsts. Its aim is not to seek industrial peace at any price. Constructive bargaining should seek to promote the attainment of the commonly held goals of a free society."

Distinction between Collective Bargaining and Joint Consultation or Cooperation through Joint Committees :

In collective bargaining the object is to reach agreement on wages and other conditions of employment about which the parties begin with divergent viewpoints but try to reach a compromise. When the bargain is reached the terms of the agreement are put into effect.

The main task of joint committees such as works councils is the exchange of information and suggestions on matters of common interest such as health, safety, welfare and productive efficiency, and the outcome of discussions may take the form of recommendations but the final decision is left to the management.

Even if there is resemblance between such recommendations and parts of a collective agreement; in works councils the emphasis mainly on cooperation based on common interests, whereas in collective bargaining it is on reconciliation of divergent interests or demands.

The success of collective bargaining, according to Carpenter, depends on the extent to which both sides understand the essential nature of the bargaining process. Negotiation, he says, should be an appeal to reason, a process by which the problems of both sides are thoroughly explored, and both the management and the union should enter into negotiation with the expectation that their ideas may be changed in the process.

In a single sentence, negotiations are a process by which men's mind and opinions are changed and should be approached by both sides with an understanding that it is likely to produce these results.

Collective bargaining starts with claims advanced by both sides—demands from the union and statement by management on how far they can concede these demands and what they want in return—just as in the bazaar vendor and buyer start by quoting prices which are at variance, each knowing that he will have to make some accommodation in the end in order to reach a final agreed price. Frankly recognising this, the Canadian Labour Congress has

declared: "Bargaining would not be bargaining if each side did not start off by asking more than it really expects to get; bargaining in itself presupposes some amount of gives and take."

3.3 - FUNCTIONS OF COLLECTIVE BARGAINING

Collective bargaining is a technique of social change, some-times performing its function smoothly and at other times threatening to blow up. The performance of its function can be viewed under the following three headings.

- (1) Collective bargaining acts as a technique of long-run social change, bringing rearrangements in power hierarchy of competing groups.
- (2) Collective bargaining serves as peace treaty between two parties in continual conflict.
- (3) Collective bargaining establishes a system of industrial jurisprudence, defining the rights and duties of the conflicting parties

Long Term Social Change :

Collective bargaining, in its broader aspects, is not confined solely to economic relations between employers and employees. Selig Perlman has defined it as a "technique whereby an inferior social class or group carries on a never slacking pressure for a bigger share in social sovereignty as well as for more welfare, security, and liberty for its individual member.

Collective bargaining manifests itself equally in politics, legislation, court litigation, government administration, religion education and propaganda.

When viewed as a process of social change, collective bargaining encompasses more than the direct clash between employers and unions. It refers to the rise in political and social power achieved by workers and their organisation.

Thus collective bargaining is not an abstract class struggle in a Marxian sense, but it is rather pragmatic and concrete. The inferior class does not attempt to abolish the old ruling class, but merely to become equal with it. It aims to acquire a large measure of economic and political control over crucial decisions in the area of its most immediate interest and to be recognised in other areas of decision making.

Collective bargaining has no final form. It adapts itself to the changing social, legal and economic environment. It has varied considerably from plant to plant and industry to industry, and also between and within unions. For example, a number of industrial unions have successfully bargained for higher bonus and Provident Fund benefit, why many unions in the construction industry have ignored these goals. Bargaining in some plants is characterised by comparatively frequent strikes, whereas in other plants there are long records of uninterrupted industrial peace.

Wage earners have enhanced their social and economic position in absolute terms and in relation to other groups and at same time, management has retained a large measure of power and dignity. These gains were not registered in one great revolutionary change, but rather step by step, with each clash between the opposing parties settled with a new compromise somewhat different from the previous settlement. In short, collective bargaining accomplishes long-run stability on the basis of day-to-day adjustments in relation between labour and management.

2. Temporary Truce :

Collective bargaining may be viewed as a struggle between two opposing forces with the outcome depending on their relative strength. The inherent strength of each side is its ability to withstand a strike. This is partly an economic matter : To what extent can the union provide financial aid to the strikers ? Can the workers find temporary jobs ? How much will the employers sales be reduced.

? Will his position in the product market be permanently impaired ? These are the economic factors on which the ability to withstand a strike depends. The ability to withstand a strike also depends on such non-economic factors as the loyalty of the workers to the union, their willingness to make personnel sacrifice to support its goals. The degree of loyalty, of course, is affected by the presence of factionalism within the union. For either the employer or the union, a belief that some basic principle is at stake, e.g. management right or union security, stiffens the will power of the antagonists.

The compromise, then, is a temporary truce with neither side being completely satisfied with the results. Each would like to modify it at the earliest opportunity. Since the contract is always of limited duration, each begins immediately to prepare a new list of demands, including previously unsatisfied demands, and to build up its bargaining strength in anticipation of the next power skirmish.

3. Industrial Jurisprudence :

Collective bargaining creates a system of industrial jurisprudence. It is a method of introducing civil rights into industry, that is of requiring that management be conducted by rule rather than by arbitrary decisions. It establishes rules which define and restrict the traditional authority exercised by employers over their employees, placing part of the authority under joint control by union and management. Finally collective bargaining must never stagnate if it is to serve its role of adapting labour and management institutions, and their relative power positions, to the changing socio-economic environment

3.4 - UNION GOALS IN COLLECTIVE BARGAINING

In approaching collective bargaining, a union has series of goals, some economic and some non-economic, not all of which can be won from the employer at one time. Further more, a number of the goals are in conflict with each other. Therefore, union decides to give priority to these goals, and for

giving priority union may classify the goals. There are many ways of classifying the goals union seek to achieve through collective bargaining. The two categories used here are economic and non-economic, they may also be classified according to the members as individuals opposed to the unions as an institution, according to leader versus rank and file, or according to intra-union interest groups, such as the young against the old or one group of skill against another.

It follows, then, that the priority ranking of the demands by the union represents a compromise between the different pressures within the union. The compromise must, of course take into account the prevailing economic environment.

1. Economic Goals

The unions major economic goal is to increase wages constantly. In general terms, this means "more and more" or "as much as we can get." This could mean the maximum wage rate or the maximum wage bill, or some variation of two. Generally, unions place greater emphasis on the wage rate than the total amount paid out in wages by an employer, because after a wage increase, multiplant firm might close down its less efficient plants, and marginal firms might be forced out of business. This may cause unemployment. Therefore, the best technique to enhance the economic position of the members is through raising the wage rate. However, there are some exception to this, particularly in construction and clothing industries. For example, a wage increases of house painters may have a significant effect on the do it yourself trend; or a wage in unionised clothing firm may shift employment to unorganised firms.

The fact that unions generally emphasise the wage rate rather than employment does not mean that union neglect the latter. However, the approach to this goal is usually not through wage rate adjustments, but rather through regulation

of hours, seniority, and working rules. Thus, whenever unemployment increases significantly as a result of increase in wage rates, unions will propagandize and bargain for shorter work weeks rather than decreased wages. Unions also attempt to enhance the employment of their members by devising and enforcing work rules. In many cases they try to place restrictions on production, limiting the type of machinery used and the speed at which the machinery is to be operated. In some instances the work rules are designed to protect the life and limb of the employees or to avoid "speed ups" and unhealthy working for the workers. In some instances what was originally necessary for the workers safety may, after a change in the methods of production become outdated. Never-the less, the union may still insist on the working rule in order to provide more jobs for the members. In deciding which economic goals to pursue most vigorously, unions must choose, then, between wages, hours, and working rules. More, fringe benefits should be included, since they add to the employer's labour cost.

2. Non-economic Goals

The social and psychological need center around the workers desire to express his individuality and at the time to be an accepted members of his social group. Workers, if they are to feel they have some distinct personal worth, must be able to complain to their employers without fear of reprisal. They want to be more than a lump of economic assets in a depersonalized enterprise. The workers feeling of security, of protection against arbitrary or spiteful action by his supervisor, are of un-measurable value to him. For this reason union is worth while to many workers regardless of whether it is able to bring them higher wages than they otherwise would have received. It satisfies the need of feeling secure in their jobs and in their status as individual.

The union also provide an opportunity for the worker to become active in social organisation in association with his fellow workers as equals.

The second variety of non-economic goals sought through collective bargaining is aimed at protection of the union as an institution-. When an employer threatens to break a union or when a rival union attempts to raid its membership, the fight to protect itself becomes more urgent to a union than securing immediate wage increase.

3.5 - Determination of Goals

Unions have a wide range of economic and non-economic goals. All goals of them can not be won in one instance. All goals are in conflict with each other since employers are willing to make only limited number of concessions at any particular bargaining session. Therefore, unions have to determine priorities, are five factors which affect the priority of collective bargaining goals.

- (i) Economic conditions relevant to the bargaining relationship
- (ii) Precedent of recent major agreements,
- (iii) Inter-union rivalry,
- (iv) Influence of international situation,
- (v) Intra-union influence.

The relative importance of these factors varies from one bargaining situation to another.

1. Economic Conditions

The cost of living is used by unions as an argument for higher wages during periods of rising prices. Although unions generally give more attention to money wages than real wages, a decline in real wages, resulting from cost of living, is always used as a potent argument for a wage increase, partly because it wins public support. But unions do not use this argument when prices are falling. The cost of living and the condition of firm in terms of ability to pay is used as a basis of setting terms of contract. Finally, since nothing succeeds like success, when a union feels that employer is vulnerable to a strike, e.g., if he

is behind in filling his customers orders, it may decide that it is the appropriate time to win maximum concession.

2. Precedent of Recent Major Agreements

A major agreement made in an industry does not guarantee that other unions will receive the same concessions; there will be variations around the precedent. Nevertheless, employers resistance to similar demands is lessened. Once an important employer makes a given concession, other employers are in less advantageous position to object it for public relations reasons. The employer may feel compelled to grant the demand in order to maintain the morale of his workers who are aware of the concessions granted by other employers. This will hold true even in firms which are not unionised. Furthermore, unionized employees would be more willing to withstand a long strike after other employers have granted what their employer refuses.

The effect of recent major agreements cuts both ways. That is, it may cause some unions to accept less than they might have been able to receive had no such precedent existed. The unions would have less public sympathy in striking for amounts greater than other unions have accepted.

3. Inter-union Rivalry

The ability of a union leader to gain concessions at least equal to those won by other unions affect his status with his constituency, which of course is an important reason why major agreements affect settlements in other industries. However, inter-union rivalry has implications beyond merely following precedents. It may involve a struggle for power between leaders of two different unions, or perhaps leaders of two different factions of the same union. An ambitious local leader or regional director who wants to rise in the union hierarchy seeks to make greater gains than his rivals. To the extent that he influences the bargaining demands of his local or region,

he gives priority to those demands which will enhance his position. In this way inter-union rivalry affect the determination of priority in collective bargaining goals.

4. Influence of International Situation

The increase in the international's control over bargain influences the choice between various union goals, tending to give greater emphasis to nation wide goals as opposed to strictly local goals. The international officers and representatives are generally shrewder and more mature bargainers; they are professionals. They have a better understanding of the employer's ability to pay, of the impact of any bargaining demand on the entire industry. In some cases this will cause them to bargain for larger amounts, while in other cases they may seek less than the local desire, depending on the economic conditions affecting the industry at that time. When the international exercises a large amount of control in the bargaining, less emphasis is generally placed on such purely local issues as speed up of the production line, discharge of a single employee or setting the wage rate for a new job. It is not that the international is uninterested in these matters, but rather it sees them as matters of local importance and should be dealt with the local unions.

5. Intra-union Influences

Intra-union influences also affect the priority of collective bargaining goals. Within the union there are many actual and potential areas of conflict between different interest groups. Different skill groups within the union are liable to disagree over pay-differentials; they may take different views, of technological changes within the plant, since each group is likely to be affected differently by such changes. A conflict may develop between the more productive and the less productive workers, the former favouring an incentive pay plan which would increase their earnings, the latter favouring, straight time payment. Conflict between the shift and night shift over the amount

of the differential are not uncommon; since the employer will grant only a limited total amount of monetary concessions, a larger night differential may mean a lower average wage for the day shift. The older workers would favour pension plans, whereas younger workers have little interest in these.

Union leaders are not free to consider the problem of wages purely as an exercise of economics. They are leaders of mass movement, subject to variety of pressures and cross pressures, who meet the needs of their membership or the risk of replacement at the next election. If wage pressures are mounting, then an increase must be sought, even though they are more fearful than the membership that a lower volume of employment might result. The less skilled workers in an industrial union may keep the gains equal to all because of their numbers and voting strength.

Since most union members are apathetic, the active minority may have little or no difficulty in securing the priority of goals it desires. However, the apathetic members may rise up and unseat the leadership or revolt and form a new union if they feel cheated out of their fair share of collective bargaining rewards. The leader must be an actual politician in satisfying all competing groups.

3.6 - THEORIES OF COLLECTIVE BARGAINING

There are three important concepts on collective bargaining which have been discussed as follows—

1. The marketing concept and the agreement as a contract The marketing concept views collective bargaining as a contract for the sale of labour. It is a market or exchange relationship and is justified on the ground that it gives assurance of voice on the part of the organised workers in the matter of sale. The same objective rules which apply to the construction of all commercial contracts, are invoked since the union-management relationship is concerned as a commercial one.

According to this theory, employees sell their individual labour only on terms collectively determined on the basis of contract which has been made through the process of collective bargaining. Thus, collective bargaining remains a means for employees to sell their manpower through a common agent.

The uncertainty of trade cycles, the spirit of mass production and competition for jobs make bargain a necessity. The trade union's collective action provided strength to the individual labourer. It enabled him to resist the pressure of circumstances in which he was placed and to face an unbalanced and disadvantageous situation created by the employer. The object of trade union policy through all the maze of conflicting and obscure regulations has been to give to each individual worker something of the indispensability of labour as a whole. This is also called the union approach to collective bargaining.

It can not be said whether the workers attained a bargaining equality with employers. But, collective bargaining had given a new relationship under which it is difficult for the employer to dispense without facing the relatively bigger collective strength.

2 The Governmental Concept and the Agreement as Law

The Governmental Concept views collective bargaining as a constitutional system in industry. It is a political relationship. The union shares sovereignty with management over the workers and, as their representative, uses that power in their interests. The application of the agreement is governed by a weighing of the relation of the provisions of the agreement to the needs and ethics of the particular case.

Thus, the Governmental concept/theory establishes a political relationship admitting the contractual nature of the bargaining relationship. The contract is viewed as a constitution, written by the joint conference of union and management representatives in the form of a compromise or trade agreement.

The agreement lays down the machinery for making, executing and interpreting the laws for the industry. The right of initiative is circumscribed within a framework of legislation. Whenever, management fails to conform with the agreement of constitutional requirements, a judicial machinery is provided by the grievance procedure and arbitration. This creates a joint Industrial Government where the unions share sovereignty with management over the workers and defend their group affairs and joint autonomy from external interference.

3. The Industrial Relations (managerial) Concept at Jointly decided directives :

The industrial relations concept views collective bargaining a system of industrial governance. It is a functional relationship. Group Government substitutes the State Government. The union representatives get a hand in the managerial role. Discussions take place in good faith and agreements are arrived at. joins with company officials in reaching decisions on matters in which both have vital interests. Thus, union representatives and the management meet each other to arrive at a mutual agreement which they can not do alone. When the terms of agreement fail to provide the expected guidance to the parties, it is the joint objective and, not the terms, which must control. Hence, this theory recognises the principle of mutuality, joint concern and the extension to workers of the corporate responsibilities.

To some extent, these approaches represent stages of development of the bargaining process itself. Early negotiations were a matter of simple contracting for the terms of sale of labour. Developments of the latter period led to the emergence of the Government theory. The industrial relations approach can be traced to the industrial Disputes Act of 1947 in our country, which established a legal basis for union participation in the management.

3.7 - CONSTITUENTS OF COLLECTIVE BARGAINING

There are three distinct steps in the process of collective bargaining ; (1) the creation of the trade agreement, (2) the interpretation of the agreement, and (3) the enforcement of the agreement. Each of these steps has its particular character and him, and therefore, each requires a special kind of intellectual and moral activity and machinery.

1. The Creation of the Trade Agreement:

In negotiating the contract, a union and management present their demands to each other, compromise their differences, and agree on the conditions under which the workers are to be employed for the duration of the contract. The coverage of collective bargaining is very uneven; in some industries almost all the workers are under agreement, while in others only a small portion of the employees of the firms are covered by the agreement.

The negotiating process is the part of collective bargaining more likely to make headline news and attract public attention; wage increases are announced, ominous predictions about price increases are reduction in employment are made. And it is in the negotiating process that strikes and threats of strikes are most liable to occur, particular strikes which shut down an entire industry.

2. The Interpretation of the Agreement :

The administrative process is the day-to-day application of the provisions of the contract to the work situation. At the time of writing the contract, it is impossible to foresee all the special problems which will arise in applying its provisions. Sometimes, it is a matter of differing interpretations of specific clause in the contract, sometimes, it is a question of whether the dispute is even covered by the contract. Nevertheless, each case must somehow be settled. The spirit of the contract should not be violated. The methods that management and the union pointly adopt for this purpose constitute the administrative process.

3. Enforcement of the Agreement :

Proper and timely enforcement of the contract is very essential for the success of collective bargaining. If a contract is enforced in such way that it reduces or nullifies the benefits expected by the parties, it will defeat basic purpose of collective bargaining. It may give rise to fresh industrial disputes. Hence, in the enforcement of the contract the spirit of the contract should not be violated. However, new contracts may be written to meet the problems involved in the previous contract. Furthermore, as day-to-day problems are solved, they set precedents for handling similar problems in future. Such precedents are almost as important as the contract in controlling the working conditions. In short, collective bargaining is not an on-and-off relationship that is kept in cold storage except when new contracts are drafted. Rather it is continuously, going relationship that takes on new dimensions each day.

3.8 - PREREQUISITES OF COLLECTIVE BARGAINING

Collective bargaining could be an effective instrument in the settlement of disputes and advancement of the cause of labour if certain basic conditions are fulfilled. These basic conditions have been given as follows:

1. Existence of a truly representative, enlightened and strong union functioning strictly on constitutional trade union lines.
2. Existence of a progressive and strong management, conscious of its responsibilities to the owners of business, the employees, the consumers and the country.
3. Unanimity on the basic objectives and recognition of mutual rights and obligations.
4. Delegation of authority to local management, where there are several units of a company.
5. Acceptance of a fact finding approach and willingness to use new techniques and tools for the solution of industrial problems.

It is, thus, obvious that collective bargaining can be an effective technique of settling industrial disputes where there is a spirit of give and take between the employers and the workers. It depends upon the moral fibre of the labour leaders as well as the employer.

Face to face meeting between the representatives of workers and employers can serve a useful purpose only when the traditional prejudices are kept aside by both the parties. Hence, there should be a complete and true understanding and appreciation of each other's viewpoint.

Through collective bargaining, the negotiating parties should not only try to bargain for gains but also try to find out ways and means for solving problems in a satisfactory manner. The approach at the bargaining table should not be a fighting but a problem solving approach.

FORMS OF COLLECTIVE BARGAINING

The working of collective bargaining assumes various forms. In the first place, bargaining may be between the single employer and the single union, this is known as single plant bargaining. This form prevails in the United States as well as in India.

Secondly, the bargaining may be between a single firm having several plants and workers employed in all those plants. This form is called multiple plant bargaining where workers bargain with the common employer through different unions.

Thirdly, instead of a separate union bargaining with separate employer, all the unions belonging to the same industry bargain through their federation of that with the employer's federation of that industry. This is known as multiple employer bargaining which is possible both at the local and regional levels. Instances in India of this industry wide bargaining are found in the textile industry. The All India Bank Employees Federation also bargained with the

management of different banks in India on a multiemployer basis in 1955 and in 1957.

The common malady of union rivalry, small firms and existence of several political parties has given rise to a small unit of collective bargaining. It has produced higher labour cost, lack of appreciation, absence of sympathy and economic inefficiency in the realm of industrial relationships. An industry-wide bargaining can be favourable to the economic and social interests of both the employers and employees.

3.9 - COLLECTIVE BARGAINING AGREEMENTS AT DIFFERENT LEVELS

Collective bargaining agreements have been concluded at various levels in India—at plant level, industry level and national level.

At Plant Level

A collective agreement at plant level is reached only for the plant 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 of conduct with a view to regulating labour management-relations and eliminating hatred and misunderstanding. It contains provisions for a quick and easy solution of those issues which require immediate and direct negotiation between the two parties, and lays down a framework for their future conduct if and when controversial issues arise.

Since 1955, a number of plant level agreements have been reached. These include: The Bata Shoe Company Agreement, 1955, 1958 and 1962; the Tata Iron & Steel Co. Agreement, 1956 and 1959; the Modi Spinning and Weaving Mills Company's Agreement of 1956; the National Newsprint Neplanagar Agreement of 1956; the Belur Agreement of 1956 (between the Aluminium Co. and its employees); The Metal Corporation of India Agreement of 1960 and 1961; the agreement reached between Caltex India and its workmen in 1959, and the one arrived at between the Hind

Mercantile Corporation and the workers of the manganese mines at Chikangyakam Haiti, in 1968; the Bhilai Steel Plant and its workers.

The highlights of the agreement between the Tata Iron & Steel Co. and its workers' union, which was concluded in 1956 " to establish and maintain orderly and cordial relations between the company and the union so as to promote the interests of the employees and the efficient operation of the company's business", are:

- (i) The company recognises the Tata Workers' Union as the sole bargaining agent of the employees at Jamshedpur. It agrees to the establishment of a union membership security system and the collection of union subscriptions which would be deducted at the source from the wages of all employees, except from the salaries and wages of the supervisory staff.
- (ii) The union recognises the right of the company to introduce new and/ or improved equipment and methods of manufacture, to decide upon the number and locations of plants, and the nature of machinery and/ or equipment required for them, subject to the condition that the union would be consulted beforehand if the interests of the employees are likely to be affected adversely.
- (iii) The union recognises the right of the company to hire transfer promote or discipline employees after the normal procedure for this' purpose has been gone through; to fix the number of men required for the normal operation of a section or a department; and to abolish change or consolidate jobs, sections, departments, provided that' when the employees' interests are likely to be adversely affected the management shall consult the trade union before any decision is taken.
- (iv) The company assures the union that there shall be no retrenchment of existing employees. The employees required for the various jobs shall, wherever necessary, be trained on the specific jobs; and if any employees are transferred or put under training, their present average earnings shall be guaranteed to them.

- (v) The company and the union agree to a programme of job evaluation as the basis of a simplified and rational wage structure.
- (vi) The company agrees that promotions to vacancies in the supervisory and non-supervisory staff shall be made, wherever possible, internally. It further agrees that the grievance redressal procedure, formulated in consultation with the union, shall be introduced in all the departments, and shall be strictly followed. The top management of the company and of the union shall intervene only in exceptional cases.
- (vii) The company agrees that the amount of dearness allowance will be included in the wages of employees at the time of the calculation of gratuity to be paid to them.
- (viii) The company and union agree to negotiate revised wages and emoluments separately for the workers in the plant, for the supervisory staff and for employees outside the works.

At the Industry Level

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

The agreements between the Ahmedabad Millowners' Association and the Ahmedabad Textile Labour Association, which were signed on 27th June, 1955, laid down the procedure to be followed for the grant of bonus and the voluntary settlement of industrial disputes. The salient features of the first agreement are:

The agreement applied to all the member mills of the Association and contained terms for the determination and settlement of bonus claims for four years—from 1953 to 1957. It was agreed between the parties that the bonus would be payable only out of an "available surplus or profit" after all the charges had been provided for—charges for statutory depreciation and development rebate, taxes, reserves for rehabilitation, replacement and/or modernisation of plant and machinery, including a fair return on

paid-up capital. The fair return would be computed at 6 per cent on the paid-up capital in cash or otherwise, including bonus shares and reserves employed as working capital. The bonus would be paid to employees out of the available surplus or profit at a rate which would be not less than 4.8 per cent and not more than 25 per cent of the basic wages earned during a particular year.

The two Associations agreed that they would jointly determine the quantum of the available surplus or profit, and fix the quantum of bonus to be distributed by each mill. If there was any difference of opinion between the two Associations, the matter would be referred for decision to the President of the Labour Appellate Tribunal or, if he was not available, to an umpire to be mutually agreed upon under the second agreement or, in his absence, to a person acceptable to both the parties; and that decision would be final and binding on both.

The second agreement provided that all future industrial disputes between the members of the two Associations would be settled by mutual negotiation, failing which by arbitration, and that they would not resort to any court proceedings for the purpose of resolving their disputes. If arbitration was agreed upon, each party would constitute a panel of arbitrators and also jointly nominate a panel of umpires consisting of not less than two and not more than five independent persons. Whenever there was an industrial dispute which had not been settled by mutual negotiation each party would nominate its own arbitrator from a Board of Arbitrators. This Board would select an umpire out of the panel or from among outsiders so that, in the event of a difference of opinion between the two arbitrators, their individual decisions might be referred to him for evaluation. The award given by the umpire would then be final and binding on both the parties.

The agreements at the national level are generally bipartite agreements and are finalised at conferences of labour and managements convened by the Government of India. The Delhi Agreement of 7th February 1951, and the Bonus Agreements for Plantations Workers of January 1956 are example of such bipartite agreements.

The Delhi Agreement was concluded at a conference of the representatives of labour and managements and related to rationalisation and allied matters. It was agreed at this conference that:

- (i) Musters would be standardised and workloads fixed on the basis of the technical investigations carried out by experts selected by the management and labour. At the same time, the working conditions of labour would be standardised. When a new machinery is set up, a period of trial may be necessary before standardisation is effected.
- (ii) Wherever rationalisation is contemplated, fresh recruitment should be stopped; and vacancies which occur as a result of death or retirement should not be filled.
- (iii) Surplus workers should be offered employment in other departments whenever it is possible to do so. At the same time, it should be ensured that there is no break in their service and that their emoluments do not go down.
- (iv) Whenever conditions in an industry permit—that is, conditions governed by the raw materials position, the state of the capital goods and the products manufactured by a company—new machinery should be installed.
- (v) Gratuities should be offered to workers to induce them to retire voluntarily.
- (vi) Whenever there is need for retrenchment, the services of those who were employed last should be terminated first.
- (vii) Workers who are thrown out of employment as a result of rationalisation should be offered facilities for re-training in alternative occupations. The period of such re-training may be extended up to nine months. A scheme for this purpose should be jointly worked out by the government, the employers and the workers.
- (viii) The maintenance of the workers during the period of their retraining would be the responsibility of the employers, while the cost of this re-training would be borne by the government.

- (ix) The fullest use should be made of surplus labour in the various projects undertaken by the government.
- (x) Incentives in the form of higher wages and a better standard of living should be offered to show the gains which have accrued as a result of rationalisation. Where such gains have largely been the result of additional efforts made by the workers, the latter should have a share in them, particularly when their wages are below the living wage. The capital investment of the management should, however, be taken into account while determining the workers' share in the gains of rationalisation. In this way, workers would be persuaded to accept the need for rationalisation.

The bonus agreement for plantations workers was concluded in January 1956 between the representatives of the Indian Tea Association and the India Tea Planters' Association on the one hand and the Hind Mazdoor Sabha and the Indian National Trade Union Congress (INTUC) on the other. The agreement was about the payment of bonus to about one million plantation workers.

3.10 - SELF ASSESSMENT QUESTIONS

1. Discuss the nature, structure and role of Collective Bargaining.
2. Describe the requirements of an effective Collective Bargaining.
3. What are the important contents of a Collective Bargaining Agreement.
4. Examine the role and limitations of Collective Bargaining in India.

3.11 – FURTHER READINGS

1. S.C.SRIVASTVA, Industrial Relations and Labour Laws, VIKAS PUBLISHING HOUSE, NEW DELHI.
2. D.C.SHARMA & R.C. SHARMA, Personnel Management & Industrial Relations, S. J. PUBLICATIONS, MEERUT.

3. P.C.TRIPATHI, Personnel Management & Industrial Relations, SULTAN CHAND & SONS, NEWDELHI.

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Lesson 4

COLLECTIVE BARGAINING IN INDIA

Objectives :- The present lesson familiarizes the student with:

- The concept of Collective Bargaining in India
- Why Collective Bargaining has not flourished in India
- The future of Collective Bargaining

Structure:-

- 4.1 – Introduction
- 4.2 – Why Collective Bargaining has not flourished in India
- 4.3 – Recommendations of 1st National Commission
- 4.4 – Collective Bargaining in public sector undertakings
- 4.5 – The future of Collective Bargaining
- 4.6 – Self Assessment Questions
- 4.7 – Further Readings

4.1 - INTRODUCTION

Collective bargaining in India has passed through several important phases during the last few decades. It was during the 1960s that it began to show up in some pockets across the country due to two reasons. One reason was that during this period large industries with well-developed employers' associations and trade union centers had come up in many big cities which facilitated collective bargaining. Examples were the cotton textile industry in Mumbai, Ahmedabad,

Coimbatore, Kanpur and Indore, the jute industry in Kolkata, the coir industry in Kerala and the plantations in southern and eastern India. The other reason was the encouragement for bilateralism which came from the public sector comprising the banking, coal, steel and ports and docks.

Collective bargaining took a back seat- as did industrial conflict – with the declaration of emergency in 1976. With civil liberties suspended and the government bestowing extraordinary powers upon itself, the environment became least congenial for collective bargaining. But as soon as the emergency was lifted in 1977 a new chapter in collective bargaining began with unions making unprecedented demands on employers. It was Boulwarism in the reverse. The labour's power was at its peak like never before. It was asking for all sorts of allowances from the employers or face a strike.

The above phase continued till the late 1980s when union power began to plateau. The pendulum had taken its swing from one end to other. Now it was the employer's turn to gain upper hand. Initially employers' demands were for increase production- they were asking for greater volumes rather than increased efficiency or productivity. But they soon began to bargain for increased productivity through lockouts. Notable lockouts were at Bata and Wimco in West Bengal and at Hindustan Lever in Mumbai. The four-month lockout at Bata compelled workers to accept sweeping changes in work methods and labour deployment. The sixteen-month lockout at Wimco forced workers to accept new production norms and the year-long lockout at Lever authorized management to modernize the plant and prune the work force as it wanted.

At present, there is a sea change in the environment. Unions which have been accustomed to making demands are now at the receiving end, with employers asking them to roll back wages and reduce benefits. Concession bargaining or the practice of employers asking labour to make concessions, has become commonplace. Managements have also been attracted by Japanese work

practices which focus on multiskilling, flexible deployment, and greater worker involvement in improving productivity. The centrality of the two institutions- trade unions and collective bargaining which all prior theories have upheld- is suddenly in doubt. The strategic management approach to industrial relations is now demanding productivity and performance from the system.

4.2 - WHY HAS COLLECTIVE BARGAINING (BIPARTITISM) NOT FLOURISHED IN INDIA?

Collective bargaining is the ultimate in negotiations and is possible only when workers' and employers' organizations are equally strong, mature and conscious of their rights and duties. That is why in no country except Israel does one find unadulterated bipartitism. Even in the U.S.A. it is not practiced in its pure form. State steps in 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 levels it is the tripartitism that has prevailed. Some reasons for bipartitism not flourishing at the national level are that:

- labour is a concurrent subject;
- there are varying conditions of work and life in different parts of the country;
- there is absence of strong central unions and employers' organizations who can represent country-wide interests; and
- there are a number of problems(e.g., layoffs and closures) which need to be looked at from the point of view of larger objectives of government policy. Hence in tackling such problems government's participation at the national level becomes unavoidable.

Even at the plant-level bipartitism has not made much headway in our country due to the following reasons:

(a) Excessive Dependence on Compulsory Adjudication for the Settlement of Industrial Disputes. There is not a single piece of legislation at the national level which requires an employer to bargain or prescribes the method of indentifying a bargaining agent. There is no law requiring voluntary agreements to be registered or giving any guarantee that a rival union will not raise a dispute on the very subjects already covered by a voluntary agreement. On the other hand, what the Industrial Disputes Act provides is a system of conciliation and compulsory adjudication which, therefore, have reamianed the main stay for a large number of industrial organizations and trade unions in our country.

(b) Reduction in the Area of Collective Bargaining. The area of collective bargaining has gradually receded in recent years due to the emergence of several new institutions and modes such as wage boards, statutory fixation of minimum wages and payment of bonus, regulations of fines and deductions, working hours, overtime payment, holidays, leave and other working and employment conditions including welfare and social security measures.

(c) Weak 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 collectively 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 bargaining agents. 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 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 collective bargaining 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 pattern is sought to be developed taking into account the overall objectives of the nation and government's fiscal, monetary and industrial policies. Hence industrial bilateral negotiations without the State's involvement are not possible.

4.3 - RECOMMENDATIONS OF THE FIRST NATIONAL COMMISSION ON LABOUR TO MAKE COLLECTIVE BARGAINING MORE EFFECTIVE IN INDIA

1. Compulsory adjudication of disputes should be used only as a last resort.
2. Trade unions should be strengthened both organizationally and financially by amending the Trade Unions Act to make registration of unions compulsory, enhance the union membership fee, reduce percentage of outsiders in the union executive and among the office bearers, and increase the minimum number of members of union applying for registration of union.
3. Legal provision may be made either by a separate legislation or by amending an existing enactment for
 - compulsory recognition of trade unions and certification of unions as bargaining agents,
 - prohibition and penalization of unfair labour practices,
 - bargaining in good faith by both employers and unions, and

- conferring legal validity and legitimacy on collective agreements.
4. Workers' education should be intensified for building up internal union leaderships and making workers more knowledgeable and conscious about their rights and obligations.
 5. The idea of one union for one plant or one industry should be popularized.
 6. The Government should declare its policy to allow and encourage the parties to settle their conflicts by bipartite consultation and negotiation consistent with public safety and interest of the society in general.

Other Suggestions

1. Unions should be made strong so that they are able to honour the terms of collective agreements. They can be made strong in the following ways:
 - (a) By excluding minority unions from industrial relations rights such as right to bargain or right to carry labour disputes to conciliation or industrial tribunals. This will spur minority unions into expanding their membership. At present many of them feel why they should exert themselves when a mere 5,10 or 15 percent membership gives them all the privileges of representation, conciliation and adjudication.
 - (b) By freeing unions from political control and building new leadership. To achieve these ends there should be greater use of the local Indian languages in the matter of labour laws, adjudication proceedings, employer-union correspondence, etc. Face-to-face negotiations should take the place of conciliators, tribunals and lawyers. A real complaints procedure for settling the daily small problems of the factory must develop and the union posts should be made whole time and salaried.
 - (c) By making secret ballot vote rather than check-off membership the test of a union's majority status.

2. Adequate statutory provisions should be made to make an agreement cover all the workers. At present, under section 18(1) of the Industrial Disputes Act, a collective agreement binds only those workers who are a party to it. An agreement does not automatically extend to workers who were not a party to it even though they might have obtained certain benefits under it.
3. On the failure of negotiations both parties should have equal right and freedom to strike work or to declare a lockout. It is totally unjust and inequitable to leave one party absolutely free in the exercise of its right and to impose all sorts of curbs on the right of the other party.
4. In addition to the existing authorities under the Industrial Disputes Act., one more authority should be constituted to promote collective bargaining. Its functions may include advising parties on various aspects of collective bargaining (such as procedure, content and form of agreement), helping parties in resolving jurisdictional disputes and registering agreements concluded by the parties.
5. Each party should cultivate the right type of attitude towards the other party. If the management starts with the proposition that the union is a nuisance or that it is to a very favourable start. Similarly, if the union starts with the proposition that the management is selfish, autocratic and exploitative and the union must have the last word then the process of successful bargaining cannot begin.
6. Each party should develop the skill to understand the view point of the other party. To acquire this skill a lot of homework is required which is helpful in analysing a problem. Failure to do sufficient homework leads to confused arguments and counterarguments and delays the whole process of collective bargaining.

7. A tradition of successful collective bargaining should be built. Every issue which is amicably settled through collective bargaining strengthens the possibility that future issues also will be similarly settled and vice versa.
8. Collective bargaining should usually be resorted to in settling disputes concerning interests only. Disputes concerning rights should not be magnified into collective bargaining issues and should be better through grievance redressal machinery.

4.4 - COLLECTIVE BARGAINING IN CENTRAL PUBLIC SECTOR UNDERTAKINGS

Collective bargaining in central public sector undertakings is done according to the guidelines issued by the Department of public Enterprises (earlier known as the Bureau of Public Enterprises). This department gives the content and limits of financial commitments which public enterprise can make with the union during the course of 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, coal, ports and docks and bank, collective bargaining 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 Committee comprising representatives of trade unions and the steel companies' management. This is followed by several supplementary agreements being entered into at the plant level to cover aspects not covered in the national level agreement. Such centralized bargaining has resulted in creating uniform wage structures and fringe benefit patterns in all public sector units irrespective of the nature of industry (labour or capital-intensive) and the paying capacity of a unit as determined by its financial performance. This is sharp contrast to a private

sector unit where its wages and fringe benefits are more geared to its specific requirements and circumstances.

4.5 - THE FUTURE OF COLLECTIVE BARGAINING

There has been a decline in the number of workers covered by collective bargaining in several industrialized nations. Bargaining coverage has declined from 70 to 47 percent of the employee force in the U.K., and from 26 to 18 percent in the U.S.A. in the course of decade from 1980 to 1990. Many forces have combined to bring about this decline. Decline in trade union membership has been the fundamental force, followed by the preferences of employers for individualized pay under the influence of HRM strategies, the decline of centralized bargaining structures and the growth of enterprise level negotiations that tie benefits to the economic situation of the firm.

With collective bargaining, as with trade unions, adversarialism is acknowledged to be the root of the problem. There is general agreement that the future of collective bargaining lies in its ability to transform itself from an adversarial process to an integrative and problem-solving partnership between labour and capital.

4.6 - SELF ASSESSMENT QUESTIONS

1. Write a short note on Collective Bargaining in India?
2. Has Collective Bargaining flourished in India? If not what are the reasons?
3. What is the importance of Collective Bargaining in Industrial Relations?
Is Collective Bargaining successful in India?

4.7 - FURTHER READINGS

1. K.K.AHUJA, Personnel Management, KALYANI PUBLISHERS, NEWDELHI.
2. C.B. MEMORIA & S. MEMORIA, Dynamics of Industrial Relations in India, HIMLAYA PUBLISHING HOUSE, DELHI.
3. A.M. SHARMA, Aspects of Labour Welfare & Social Security, HIMALAYA PUBLISHING HOUSE, DELHI.

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Lesson 5

Collective Agreements in India

Objectives :- The aim of this lesson is to familiarize the students with:

- Methods used for the settlement of Industrial Disputes
- Collective Agreements in India
- Methods of arbitration

Structure:-

- 5.1 – Introduction
- 5.2 – Negotiation
- 5.3 – Collective Agreements in India
- 5.4 – Conciliation and Mediation
- 5.5 – Arbitration
- 5.6 – Self Assessment Questions
- 5.7 – Further Readings

5.1 - INTRODUCTION

Generally, there are four important methods of collective bargaining, namely, negotiation, mediation, conciliation and arbitration for the settlement of trade

disputes. In this context R. F. Hoxie said that arbitration is often provided for in collective bargaining under certain contingencies and for certain purposes, ally when the parties can not reach agreement, and in the interpretation of an agreement through negotiation.

Conciliation is a term often applied to the art of collective bargaining, a term often applied to the action of public board which attempts to induce collective bargaining.

Mediation is the intervention usually uninvited, of some out-side person or body with a view of getting conciliation or to force a settlement, compulsory arbitration is extreme mediation. All these things are aids or supplements to collective bargaining where it breaks down. They represent the intervention of outside parties.

5.2 - NEGOTIATION

Negotiation, conciliation, mediation and arbitration are the four methods used for settlement of industrial disputes in India. While last three are based upon the participation by outsiders, negotiation presupposes the existence of two parties to a dispute eager to negotiate and settle mutually? [There is no scope for third party intervention It relies only bipartite dialogue. Thus, through negotiation both parties (representatives of labour and employer) may arrive at mutually settled agreement. An agreement arrived at through negotiation or discussion between the representatives of both the parties, that is through collective bargaining may be a treaty, a code, and, in some respects a contract. As a treaty, it aims at reduction of disputes. It states conditions under which work is offered and accepted, and it is supported by detailed codes for performance of that task. However, problems arise only when the negotiating machinery breaks down in practice and the issue continue to be unresolved.

Nature and Purposes

The agreement has more flexibility than lawyer-drawn contract. It imposes no obligation upon an employer to offer work or upon a workman to accept it. It may cover a single shop and a handful of employees in it; or it may take in entire industries and apply directly to scores of thousands of workers. But whatever form it takes, no matter, what is its length or completeness of coverage, the purpose of a collective bargaining agreement is, "to establish and maintain wages, hours, and working conditions for the work covered by this agreement; to prevent; to ensure the peaceful adjustment and settlement of any and all grievances, disputes or differences that may arise."

An agreement, usually establishes wage rates, hours of work, working conditions and service conditions. It lays down the grievance procedure and whether dispute arising out of it may be submitted to arbitration, it specifies its own duration and the ways and means of renegotiation. Some agreements are standardized documents prepared by the international union which establishes more or less uniform conditions throughout an industry. But most agreements are as individual as fingerprints; almost every item is a product of give and take negotiation, reflective of union pressure and employer's resistance.

5.3 - COLLECTIVE AGREEMENTS IN INDIA :

Collective agreements are the result of negotiations between the representatives of the employer's association and trade union. These agreements can be made on matters like rate wages, hours of work, holidays with pay and the disciplinary procedure etc. In short, they may relate to working and service conditions.

In India, collective agreements were not common in the past. The Royal Commission on Labour found that the only attempt made to set up machinery for regulating the relations between a group of employers and their work-people was at Ahmedabad. However, the situation has changed since independence, the trade unions have been growing and agreements with employers have become more common. A sample study made by Employers

Federation of India for the years 1956-60 reveals that the number of disputes settled by collective agreements during the period in question varied between 32 per cent and 49 percent in the units studied. Broadly the agreements are of the following types:

- (i) Agreements which have' been drawn-up after direct negotiations between the parties are purely voluntary in character for the purpose of their implementation;
- (ii) Agreements which combine the elements of voluntariness and compulsion i.e. those negotiated by the parties but registered before a conciliator as settlements; and
- (iii) Agreements which acquire legal status because of successful discussion between the parties when the matters in dispute were under reference to industrial tribunals/courts and could be considered subjudice, the agreements reached being recorded by the tribunals/courts as consent award.

In this respect, it may be mentioned here that, this is the most welcome trend and provides a healthy climate for industrial peace. The changing attitude of the employers and the emergence of a new generation of employers and workers have also helped. Legal measures, inspite of their limitations, have lent as much support to collective agreements as joint consultations in bipartite and tripartite meetings at the national and industrial levels.

Most of the collective agreements have been at the plant level, though in important textile centres like Bombay and Ahmedabad, industry level agreement have been common. These have a legal sanction under the state Act and have to be distinguished from other where no statutory sanction prevails, such agreements are also to be found in the plantation industry and in the coal industry.

Apart from these, in new industries like chemicals, petroleum, Oil refining and distribution, aluminium, manufacture of electrical and other equipment and automobile repairing arrangements for settlement of disputes through voluntary agreements have become in recent years. In ports and docks collective agreements have been the rule at individual centres. On certain matters affecting all parts, all India agreements have been method.

On the whole, the record of reaching collective agreements has not unsatisfactory, though its extension to wider area is desirable for prevention and settlement of disputes. However, to make them more effective, the trade unions must be strong and sound in their organisation. The workers can be benefitted only through collective and united action, they can counteract the strong bargaining power of the employers, and thus, can get a fair deal at their hands. Moreover, any decision agreed upon collectively by workers can not be treated lightly by the employers. Hence, the importance of strong trade unions and negotiations is the prevention and settlement of industrial disputes.

5.4 - CONCILIATION AND MEDIATION:

The absence of permanently constituted organs of negotiations and its creation when a conflict is threatened does not solve the disputes effectively in the world of industry. Moreover, a temporary phase only provides hostility to bargaining. It deprives the employers and the employees of a feeling of partnership in a joint venture. The values of organisation and work get jeopardized due to the inability of the parties in conflict to avoid extreme action. To avoid the shock in adjustment and working jointly in a cordial atmosphere necessitate the help of outsiders in negotiations. Thus, conciliation and mediation are the methods of settling industrial disputes with 'help of an outsider. It is considered necessary when mutual negotiations breaks down and issues remain unresolved.

MEANING OF CONCILIATION AND MEDIATION

Agreements are arrived at mutually by an intermediary who either mediates or conciliates. Conciliation is a method or a process which brings together the representatives of workers and employers before a conciliator (a third person or a group of persons). The main objective is to help mutual discussion and persuasion in order to come to an agreement. Thus, conciliation is usually employed when management and labour are in dead-lock in negotiating a trade agreement. In conciliation both parties look towards the conciliators with the intention that he should help us to agree. The conciliator's aim is to reconcile the parties bringing them to an agreement which is very much similar to that of the mediator. He offers his advice and suggests ways of resolving the controversy. The parties may or may not accept his recommendations but once they accept them, they become legally bound by them.

Again, the aim of the conciliator is to break the dead lock, if any, explain the stand and view-points of one party to the other', convey messages and generally keep the negotiation going. Suggestions may come from the conciliator or the mediator, but the parties are free to accept or reject them. It is the parties who ultimately decide the issues. They may come to an agreement or they may not. These are the methods, which are primarily based on the principles of collective bargaining.

Mediator helps the parties at their initiation or at least with the consent of both parties, but it is not necessary in conciliation. It is a passive act of intervention by a third party, i.e. the mediator. A mediator does not impose his will or judgement upon the disputants but helps the parties to agree and reach a final decision of their own making. Thus, mediation by an outsider helps the parties towards positive settlement of a dispute without imposing any personal will or judgement. A compromise formula is suggested by the mediator with a view to

bring about voluntary agreement between the parties. But the parties may or may not accept it. Thus, a mediator plays a more positive role by am sing the views and interest of the parties in dispute and by advancing suggestion for compromise for their consideration.

Conciliation and mediation are similar in that neither is compulsory nor judicial. The mediator has been described as a confidential adviser and an industrial diplomat. His chief function is to help the two sides to come to an agreement of their own accord, he does not impose his will or judgement but helps the parties to reach to an agreement. Thus, it is very much similar to conciliation. Hence, the term conciliation is often used for the method which would be more properly described as mediation Obviously, the objective of conciliation and mediation is the same that is to avert an impending rupture between the disputant or if the rupture has already taken place to bring them together as soon as possible without resorting to arbitration. It should, however, be noted that conciliation is based on mutual negotiation while mediation is based on negotiation through the third party. There is intervention of third party both in conciliation and mediation out the conciliator is more active and more intervening than the mediator.

5.5 - ARBITRATION

Arbitration is the means of securing a definite judgment or award for any controversial issue by referring it to a third party. It may imply the existence of an authority set apart to adjudicate on industrial disputes under recognized conditions. Arbitration is by mutual consent of the parties. When the Government decides to refer a case to a Labour Court or Industrial Tribunal, it is called adjudication. Thus, compulsory arbitration is referred to as adjudication.

Arbitration involves the exercise of an authority to bring about an agreement or to help the process of settlement by adjudicating on industrial disputes. The

arbitrator has powers to probe and in the process becomes acquainted with the facts of the industrial situation.

Arbitration in industry shares several common features with conciliation and mediation. Just like conciliation and mediation, there is also intervention of third party. It can either be voluntary or compulsory like conciliation and mediation. The note of distinction between arbitration and conciliation is that in the former the decision is binding on the parties, while in the case of the latter the parties may or may not accept the decision. Arbitration is characterized by a different approach than conciliation and mediation. Arbitration procedure is more of judicial nature and the award has the resemblance of a court's judgment. The arbitrator has his own decision and does not care for the recommendations of the parties. The procedure of conciliation is not of judicial nature and the conciliator persuades the parties towards positive settlement of dispute without imposing any personal will or judgment.

METHODS OF ARBITRATION

Voluntary Arbitration:

The arbitration can either be voluntary or compulsory. Arbitration is voluntary, if the parties, having failed to settle their differences by negotiation agree to submit their cases to arbitrator whose decision they agree to accept. Arbitration is voluntary in the sense that the disputants are free to give their consent or to refuse to submit their differences to the decision of the arbitrator. Hence, the fundamental character of voluntary arbitration is the voluntary submission of cases to an arbitrator, and therefore, it does not necessitate the subsequent attendance, of witness, investigation and enforcement of awards may not be necessary, because there is no compulsion. Under voluntary arbitration, it is not necessary that there may be an "arbitration agreement" or "arbitration clause".

The former refers to the arrangement for submission of certain types of disputes while the latter is concerned with the disputes to occur in future.

Compulsory arbitration or adjudication means, when the Government decides to refer the dispute to arbitration and for the parties to abide by the award of the arbitration and at the same time prohibit parties from causing work-stoppages. The main idea behind the imposition of compulsory arbitration is to maintain industrial peace by requiring the parties to refrain from causing work-stoppages and providing a way for settling the dispute.

Compulsory Arbitration:

Where parties fail to arrive at a settlement by the voluntary method, recourse is taken to compulsory arbitration. Arbitration is compulsory, when parties to the dispute are compelled to submit their cases to an outside person, board or court and the decision of such agencies is binding upon them. Thus, arbitration when compulsory follows statutory action and necessitates the submission of case by parties to an arbitrator. Generally, when the parties fail to arrive at a settlement by voluntary methods, the Government under statutory provision refer the case to an authority for adjudication and enforces its award on the parties. Hence, adjudication is a form of arbitration, which implies compulsory arbitration. The rules and procedures of arbitration are similar to those commonly followed in courts of law. Thus, compulsory powers of investigation and compulsory enforcement of awards, with penalties for breaches of these awards.

5.6 - SELF ASSESSMENT QUESTION

1. Explain the various methods for the settlement of industrial disputes?
2. Explain collective bargaining process with examples in Indian context.

5.7 - FURTHER READINGS

1. K.K.AHUJA, Personnel Management, KALYANI PUBLISHERS, NEWDELHI
2. ARUN MONAPPA, Industrial Relations, TATA Mc GRAW - HILL PUBLISHERS, NEWDELHI.
3. T.C. TRIPATHI, Personnel Management & Industrial Relations, SULTAN CHAND & SONS, NEWDELHI.

Unit - V

LESSON-1

LABOUR ADMINISTRATION

Labour administration is a wide term. It is primarily concerned with labour affairs and administration of social policy. The meeting of experts on labour administration held in Geneva in October 1973 felt that to deal with the major substantive programmes of labour administration, there should be central specialized units for each of the following:

1. Labour protection (formulation of standards relative to working conditions and terms of employment, including wages)
2. Labour inspection;
3. Labour relation;
4. Employment or manpower, including training; and possibly
5. Social security.

.These bodies are either bipartite or tripartite in character

Labour administration is not simply the responsibility of the department of labour . many agencies and government department such as chambers of commerce, factory and mines inspectorate, social insurance directorate, and

department of human resource development and education are involved in it. In some countries, the organizations of employers and workers are also involved in the administration of labour matters. But it is primarily the responsibility of the department of labour to lay down, develop and apply sound labour policies, coordinate various recommendations received from various departments which have a bearing on labour affairs. Formulation of policy decisions are based on consultation with other interests (particularly of Employers and workers organizations) and of research and field investigation. Most of the labour policy proposals may emanate from the minister of labour himself or from his department. The department of labour is the body which receives most such proposals and initiates the preparatory process. In some cases, labour courts, arbitration bodies and different adhoc commissions can be regarded as forming part of the labour administration machinery, though they are usually outside of the department of labour

Most of the work done in department of labour is either professional or technical. The meeting of experts on labour administration viewed that labour administration officials in particular services should have the basic academic qualifications required for such services (especially in law, economics, sociology, administrative sciences, psychology, statistics, actuarial sciences, medicine, engineering and so forth). The exact qualifications required for each post can be determined by the government of each country.

It is a part of the job of labour administrator to give effect to laws governing employment and conditions of work. Labour legislation is a necessary instrument for a governments administration of labour affairs. Standards established by legislation may be further developed, complemented or applied through administrative action. Legislation automatically entails the prescribing of procedures for enforcement and imposition of penalties. A system of law is a guarantee for peoples personal safety, liberties and right. To maintain respect

for the law in general, the laws that are adopted must be strictly applied, without fear or favour. Labour administrators have a fundamental duty to uphold the rule of law at all times. To inculcate a respect for the law, they must also remember the old maxim that justice must not only be done, but must manifestly be seen to be done.

Labour law does not consist entirely of laws produced by law makers. Unwritten customary and case law deriving from generations of judicial practice also play a role, particularly with regard to contracts, torts and the right to receive compensation for damages. There are countries where the entire labour legislation has been codified covering entire gamut of labour laws and labour administration. The greater number of non-statutory legal requirements in the labour field are derived from the practice of industrial relations. A highly developed system of collective bargaining operated by strong organizations of employers and workers can cut out much of the need for subsidiary regulations. There are various ways in which collective agreements amplify the law and serve as an alternative to statutory rule making. Two basic principles governing such collective agreement are:(a)there should be no conflict between the agreement and the law;(b)better terms and conditions will prevail, i.e., an agreement may grant employees conditions more favourable than the minimum laid down by the law of the land.

It is a basic principle of modern law that, to be valid, a contract has to involve a consideration, i.e., something in return for the other party's performance of the contract; this is usually wages rent or purchase price. There are various forms of contract of service, whether written or verbal.

In certain countries, collective agreements are contracts binding on the parties. They would not supersede the "contract of service" of employers and workers who were not parties to the agreement. However, in many countries the legislation now states that the terms of collective agreement with countries the

legislation now states that the terms of collective agreements with unions that enjoy recognized bargaining status shall be deemed to be legally binding on all persons in the specified occupations in the industry or service for which can be enforced in the courts. Consequently in the later case, labour inspectors are also involved in enforcing these conditions just like the minimum conditions laid down by law.

INDIAN CONTEXT

In the government of India (amendment) Act, 1919, the central legislature was given the power to legislate in respect of practically all labour subjects. The provincial Governments were empowered to legislate only in respect of those labour matters which were classified as provincial. But they were required to take the sanction of the Governor General in respect of these subjects also. All labour legislation was enacted by the central legislature during this period.

When the Whitely Commission reported in 1931, the bulk of the labour problems within the jurisdiction of the government of India was dealt with by the then department of industries and labour under the charge of a member of the Governor General's executive council. Its administrative head was a secretary to government. While industries and labour was a short title for the department, it dealt with a variety of subjects, such as post and telegraph, public works, civil aviation, patents and copyright and broadcasting. The department, however did not cover all labour within the jurisdiction of the central government. Questions relating to labour in docks, and transport by sea or inland water, the concern of the commerce department; matters pertaining to the railway labour were dealt with by the chief commissioner for Railways. The department of Education, health and lands looked after emigrant labour. In the chief inspector of mines, the department of industries and labor had an adequate source of advice on all subjects relating to mining ; labour. No specialist advice was considered

necessary on the conditions of work in factories, workmen's compensation, trade union and trade disputes. Administration of such legislation as was there on these matters was the responsibility of the government of presidencies/provinces.

In the provinces, the labor portfolio was handled by a member of the executive council who was responsible also for other subjects. Labour problems had acquired neither the vastness nor the complexity to warrant the attention of a full-time member, except in some industrially advanced provinces which had their respective labour officers for the limited responsibilities they had to carry, no specialised agency existed for administration. It is in this context that the Whitley commission recommended the setting up of the office of the labour commissioner in the provinces.

On the introduction of provincial autonomy under the government of the Indian Act, 1935, labour was included in the concurrent list. Accordingly, matters exclusively included in the federal list and central and state legislation were given authority to enact legislation in respect of all other labour matters.

When popular ministries took over administration under the government of India Act, 1935, labour problems started attracting more attention. The appointment of the labour commissioner in industrially important provinces as recommended by the Whitley commission did help labour. However, problems of coordination still remained. The labour ministers conference and the Indian labour conference/standing labour committee which were the product of the forties, partly met this need. With the impact of the second world war, the machinery for labour administration at the center expanded. According to the Rege committee which reported on the eve of independence, the institution of labour officers under the commissioners of labour to whom workers could represent their grievances, was well established in most provincial government. Like wise the government of India appointed under its chief labour

commissioner, a number of regional labour commissioners and conciliation officers who were entrusted with duties of settling labour disputes. The chief labor commissioner's organization had also an inspectorate for supervising the implementation of labour laws. The government of India appointed labour welfare adviser in its ordinance factories. An advisory service was built up at the center for the factory inspectorates in the states which were operating under the auspices of the state government. The labour bureau was established. A network of national employment service and training institutes was getting organized. The five year programme for labour(1946) had many elements in it requiring the strengthening of the administration and intensifying its operations. The legislative support given to the programme resulted in (a) the creation of administrative machinery for the implementation of new enactments and (b) the strengthening of the then existing set-up to cope up with the additional functions entrusted to it. The expanding operations of the tripartite bodies also added new responsibilities.

The beginning of world war II in 1939 necessitated the creation of an adequate and contented labour force in order to maximize production for meeting the increased demand of Indian manufactured goods. The central government therefore, assumed wide power to control and regulate the industrial labour welfare. The labour department was strengthened and a machinery to deal with industrial relations was created. An integrated resettlement organization for demobilized war personnel was established. For advising the government to improve working conditions in factories a chief advisor of factories was appointed. A new department of works, mines and power was created and certain subjects which were having only an indirect bearing on labour were transferred to this department. This lessened the burden of the labour department. In pursuance of the decisions of the provincial labour ministers conference in 1946 the central ministry of labour chalked out a five year

programme of legislative and administrative measures for improving the health, efficiency and working conditions of the labourers.

At present there is a tripartite labour machinery. It consists of the Indian labour conference, the standing labour committee, the industrial committees and a few other committees of a tripartite nature. Labour ministers conference are also a bipartite joint consultative committees and boards such as committees, steering group on wages, wage board, central board for workers education, central committee on labour research.

According to the constitution of India, the enactment and administration of labour laws is the responsibility of both the union and the state governments.

SCOPE OR FIELDS OF LABOUR ADMINISTRATION:

The scope or fields of activities under labour administration have expanded during the course of time initially confined to the enforcement of a few labour laws or regulations, labour administration has come to cover within its fold a wide variety of subjects. Substantial enlargement of the number and contents of labour laws and regulations all the more necessitated the establishment of a network of labour administration machineries. State regulation of labour matters become necessary also from many other consideration. The broad areas covered under labour administration today , whether statutory or non-statutory, include- contract and terms of employment, wages ,working conditions, industrial relations, social security employment and un-employment ,training , employment of children and women, organisation of workers and employers information and research and industrial disputes and work-stoppages. The specific fields of labour administration activities include: quantum of wages including minimum wages, protection of wages fringe-benefits, bonus hours of

work , workmens compensation, provident funds and pension, gratuity, sickness benefit , medical protection, unemployment benefit , employment policy , employment exchange, training , vocational guidance, labour measures and so on. The degree of emphasis, activities undertaken, and the extent of intervention vary from country to country.

Labour administration is confined not only to the nation ministerial department or departments of state or local government. It also covers the role of other agencies including workers and employers organizations and non-governmental agencies at various levels. The fields of labour administration activities essentially depend on the nature of labour policy, labour laws and regulations and practices operating in particular countries at particular times.

Of the agencies involved in labour administration, the government the national ministerial labour department has to play the most significant role. The international labour conference suggests the following main functions of such a department:

1. It should be required to provide the government with all useful information for or to advise it with regard to the elaboration of governments labour policy and where necessary the preparation of law and regulation;
2. It should be entrusted with the administration of labour laws and regulations, the implementation of governments labour policy and the handling of labour questions;
3. It should participate at the highest level and on an accepted and reciprocal basis with other government department in elaboration of policies concerning such objectives as eradication of unemployment, industrial peace and other questions relating to labour; and

4. It should have at its disposal competent and adequate staff and administrative resources such as will enable it to perform its functions efficiently and impartially.

IMPORTANCE OF LABOUR ADMINISTRATION:

Efficient labour administration, capable of responding to changing and social conditions and justifying the confidence of both employers and workers, makes a vital contribution to the improvement of working conditions and at the same time to national development. Its contribution towards development of participation through social dialogue and tripartism has been recognized all over the world. Labour administration has increasingly acquired credibility on account of the fairness of labour policies, laws and regulations which are known and applied uniformly. It also contains elements of transparency as there is openness in decision-making which generally involves consultation with and participation by the parties concerned. Decisions are generally taken after informing the parties about the proposals. Services in labour administration are made available without discrimination. Organisation for labour administration is generally open and responsible. It is accountable for its mandates and activities. In brief labour administration has come to contain elements of participation, credibility, transparency and responsibility.

About the points of strength of labour administration, the department for government and labour law and administration of ILO states, "labour administration is an acknowledged actor in the elaboration of government economic and social policies a major source of information in its fields of competence for government employer and worker decision-making; an active intermediary for preventing and settling industrial disputes; an informed decision-making; an active intermediary for preventing and settling industrial disputes; an informed observer of the trends and development of society by

virtue of its special links with social partners; a provider of effective solutions to the evolving needs of its users.

Some of the specific contributions of labour administration have been the following:

1. Formulation of labour policy consistent with the needs of the society and economy and taking into account the views of the parties effected;
2. Establishment of uniform standards of labour and adaptation of steps for their effective observance and enforcement;
3. Improvement of the working and living conditions of workers and protecting those who need special protection;
4. Maintenance of industrial peace and harmony;
5. Identification of the rights and obligations of the parties and ensuring their effective compliance;
6. Promotion of co-operation among the parties and encouragement to consultation with and participation of the employers and workers;
7. Penalising those not complying with the provisions of laws, rules or regulations; and
8. Making available the government services for ensuring compliance with the declared policies and programmes.

QUESTION FOR EXERCISE

- 1 Explain briefly the concept of labour administration?
2. Write about evolution of labour administration in Indian context?
- 3 Describe the nature and scope of the labour administration?
- 4 Explain the importance of labour administration

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LESSON NO:2

INTERNATIONAL LABOUR ORGANISATION AND LABOUR COUNCIL & CONSTITUTIONAL PROVISIONS

Conference as an autonomous body associated with League of Nations. It was born as a result of the peace conference at the end of World War I at Versailles. India became member of ILO in 1919, as an original signatory to the treaty of peace. the ILO was the only international organization that survived the second world war even after the dissolution of its parent body the League of Nations. It became specialized agency of United Nations (UN) in 1946. The ILO is now social institution trying to make the world conscious that world peace may be affected by unjust conditions of its working

The International Labor Organization was established on April 19, 1919 by Versailles Peace population. It deals with International Labor Problems. The Unique feature of ILO is that it is a tripartite body consisting of representations of employers, labor government. There are three constituents namely the governments, which finances it, the workers, for whose benefit it, is created and the employers who share responsibility for the welfare of the workers.

Objectives of the I.L.O

The objectives of the ILO are enumerated in the preamble to its constitution and in the Declaration of Philadelphia(1944) supplemented by Article 427 of the Peace Treaty of Versailles (1919). The Preamble affirms (i) where as universal and lasting peace can be established only if its is based upon social justice, (ii) and where as conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great, that the peace

and harmony of the works is imperiled, (iii) whereas also the failure of any nation to adopt however the conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries.

Thus, ILO has been “attempting to promote world-wide respect for the freedom and dignity of the working men and to create conditions in which that freedom and dignity can be more fully and effectively enjoyed”

In April 1944, during the second world war a conference was convened at Philadelphia. During the discussions at this conference the aims of ILO were redefined. This was termed as “Declaration of Philadelphia”. This was incorporated in the constitution of ILO. The conference reaffirmed the principles of ILO namely: (i) labour is not a commodity, (ii) freedom of expression and of association are essential to substantial progress, (iii) poverty any whose constitutes a danger to prosperity everywhere, (iv) the war against want requires to be carried on with unrelenting vigour within each nation, and by continuous and concerted international effort in which the representatives of workers and employees enjoying equal status with those of governments form with them in free discussion and democratic decision with a view to the promotion of the common welfare.

The Declaration of Philadelphia enunciated 10 objectives with the ILO was to further promote among the nations in the world. These are:

1. Full employment and the raising of standards of living.
2. The employment of workers in the occupation in which they can have the satisfaction of giving the fullest 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 of 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 wage to all employed and in need of protection.
5. The effective recognition for the right of collective bargaining, the co-operation of management and labour in 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 educational and vocational opportunity.

Procedure for Admission as a Member

The constitution of ILO provides that all the states, who are members of ILO on 1 November, 1945 and any original member of UN can become member of ILO by accepting its obligations of its constitution.

The constitution of ILO was amended in 1945, and the ILO entered into arrangement with the UN. The new rules say that:

1. Membership of the UN does not mean membership of ILO, any original member of the UN and any state subsequently admitted to the membership of UN may become member of ILO by communicating to the Director General, its formal acceptance of the rules and obligations of the ILO.
2. If a state is not a member of the UN, the ILO confers on the International Labour Conference (ILC – parliamentary wing of the ILO), the right to

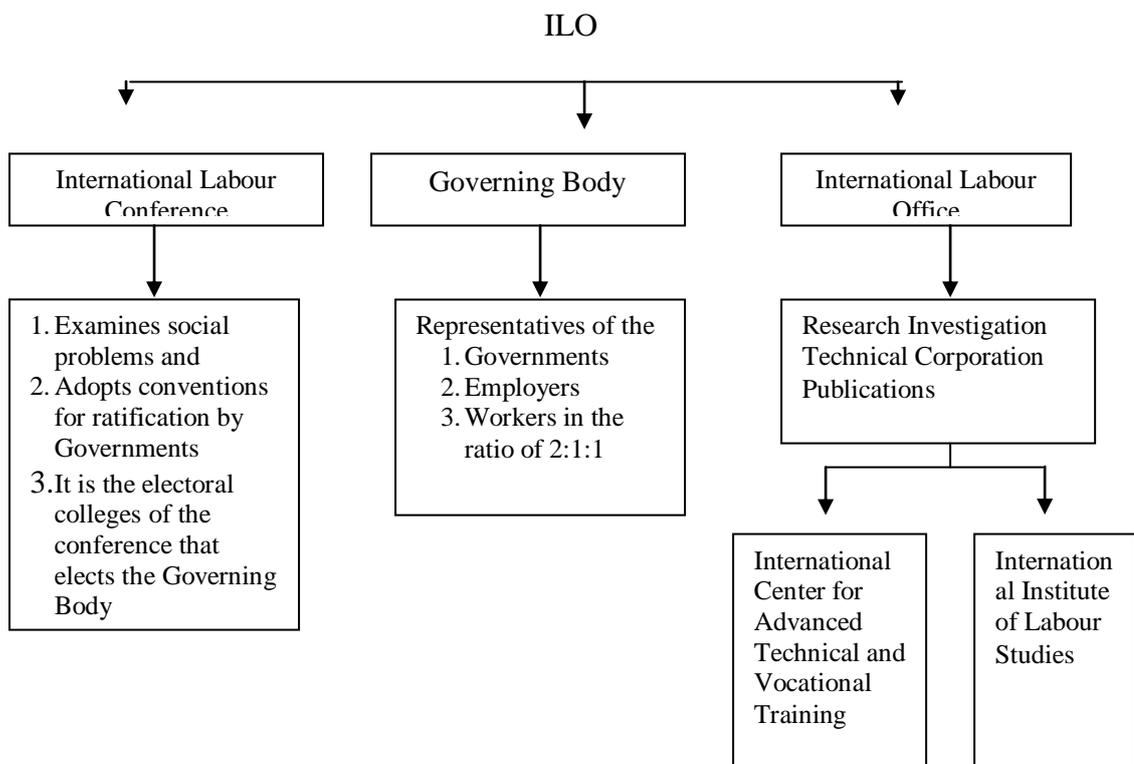
admit that state to membership, which it had assumed defects during the period of the relationship of the ILO with the league.

In 1919 there were 45 states who were members of ILO by – the membership of the ILO had referred to.

The ILO consists of three principal organs namely (i) the International Labour Conference and the Governing Body is supplemented by that of Regional Conferences, Regional Advisory Committee and Industrial Committees.

The conference is the supreme policy making and legislative body. The Governing Body in the Executive Council and the International Labour Office is the secretarial, operational headquarters and information center.

The structure of ILO and various functions are depicted below in Chart



The ILC International Labor Conference : is the policy making organ of the ILO. It Comprises 4 groups representing governments, employers and workers in the ratio of 2:1:1. ILC holds its sessions once in a year. Delegates to this session may be accompanied by advisors not exceeding two for each item on the agenda. the government delegates are mostly ministers diplomats or government official. As per the constitution, the government of that state in agreement with respective organizations of employers are tripartite in nature.

One of the primary powers of the conference is to appoint committees to deal with different matters during each session. see committees except finance committee, and tripartite in nature.

These committees are: (i) The Selection Committees, (ii) The Credential Committee, (iii) The Resolution Committee, (iv) A committee for the application of conventions and Recommendations, (v) The Drafting Committee,(vi) The Committed on Standing Orders, (vii) The Finance Committee.

Functions of ILC (International Labour Conference)

- (1) To formulate international labour standards
- (2) To fix amount of contribution by the member states
- (3) To decide the expenditure budget estimate proposed by the director general and submitted to the governing body
- (4) To make amendment to the constitution subject to subsequent ratification of the amendment by 2/3 member states including 5 of the 10 states of industrial importance.
- (5) To consider the report of the director general giving labour problems and assist in their solution
- (6) To appoint committees to deal with different matters doing each session.
- (7) To select once in 3years members of the governing body.

- (8) To elect its president.
- (9) To seek advisory opinion from the international committee of justice.
- (10) To confirm the powers, functions and procedure of regional conference.

THE GOVERNING BODY

It is another principal organ of the ILO. It is now political, non-legislative partite body. In implements decision of the ILC with the help of the international labour office. Out of the 56 members in it, 28 represent the governments, 14 employers and 14 labour. Out of 28 government members, 10 are appointed by the members of the states of chief of industrial importance and the balance are delegates of the other governments. The criteria laid down for the selection of members of the chief industrial importance is the strength of its total industrial population . India of the ten states of chief industrial importance. The tenure of office of this body is 3 years. It meets several times a year to take decisions on the programmes of the I L O. The functions of this body are:

- (1) To co-ordinate work of the organization.
- (2) To prepare agenda for each session and subject to the decision of the ILC to decide what subject should be included in the agenda of the ILC.
- (3) To appoint the director general of the office.
- (4) To scrutinize the budget.
- (5) To follow up the implementation of the conventions and recommendations adopted by the ILC by member states.
- (6) To fix the date, duration and agenda of the regional conference.

(7) To seek advisory opinion from the international court of Justice with the consent of ILC.

THE INTERNATIONAL AND LABOUR OFFICE

This is the third major and important organ of the ILO, it function as the secretariat of the ILO in Geneva. The director of general of the ILO is the chief executive of the secretarial. He is appointed by the governing body. He also acts as the secretary general of the ILO, conference. He is tenure is for 10 years and his term may be extended by the governing body. The director general is assisted by two deputy director generals, six assistant director denerals and by one director of the international institute of labour studies, one director of the international centre of advanced technical and vocational training and of the staff drawn from 100 nations. The important functions for the international labour office are:

- (1) To prepare documents on the times of the agency for the conference.
- (2) To assist governments informing legislate on the basis of the decisions of the ILC.
- (3) To carry out its functions related to the observance of the conventions.
- (4) To bring out publication dealing with industrial labour problems of international interest.
- (5) To collect and distribute information of international labour and social problems.

FINANCE OF THE ILO

The budget is prepared and fixed on the recommendation of the governing body and member states make their contribution. Contribution are fixed on adhoc

basis from year to year. India contributes 2.77% of the annual budget of the ILO.

IMPACT OF THE ILO ON THE INDIAN LABOUR

India is a member of the ILO since its inception and it gave great fillip to labour legislation in India. India has adopted many of the conventions and recommendations on international standards for improvement in labour conditions, under Article 3 of the constitution of the ILO. India has been nominating non-government delegates and advisors to the ILC every year.

One of the main functions of the ILC the legislative wing of the ILO is to formulate international labour standards. The ILC provides a forum for discussion and deliberation of international labour problems and then formulate the standard in the form of conventions and recommendations.

A convention is a treaty, which when rectified by a members stat, creates binding international obligations on that state. A recommendation creates no such obligation but is essentially a give to the nation action.

The ILO adopted a series of conventions and recommendations covering hours of work employment of women, children and young persons, weekly rest, holiday, leave with wages, night work , industrial safety, health hygienic, social security, labour management relation, freedom of association wages and wage fixation productivity, one of the fundamental obligations, imposed on governments by the constitution of ILO is that they a submit the instrument before the competent national or state authorities, written a maximum period of

18 months of their adoption by the conference for such action as might be considered practicable.

India has been one of the founder members of the ILO and has been taking advice part in its deliberations. The ILO has so far adopted 173 conventions and 180 recommendations. India has ratified 36 conventions. The ILO standards have a decisive have been incorporated in the labour legislation. The ILO standards have a decisive impact on the factory, mines, social security and wage legislation in India. The AITUC owes its immediate origin to it. India's commitment to the ILO is reflected in its adherence to the institution of tripartism as a novel method of researching labour management conflicts.

The ILO standards have influenced Indian labour legislation. The ILO conventions have formed the sheet anchor of Indian labour legislation especially after 1947 when the Indian national government assumed office at the center.

The directive principles of the state policy in articles 34,41,42, and 43 of the constitution lay down policy objectives in the field of labour having close resemblance and influence to the ILO constitution and the Philadelphia charter of 1944.

CONSTITUTIONAL PROVISION IN RELATION TO LABOUR ADMINISTRATION

Labour administration in the country acquired a new orientation with the adoption of the Indian constitution in 1950. Article 246 and schedule 7 of the schedule 7 of the constitution contain provisions relating to distribution of legislative powers between the central and state government. For legislative purpose the subjects have been kept under three lists namely (i) union list (ii) concurrent list and (iii) state list. only parliament can enact laws on matters included in the concurrent list. subjects specified under state list come under the jurisdiction of state legislature

Labour matter in the three lists are as follows:

Union list: participation in international conferences, associations and other bodies implementing their decisions; regulation of Labour and safety in mines and oil fields, and industrial disputes concerning union employees, union pension, inter state migrations, and labour in major ports, railways, posts, telegraphs and telephones, and air transport, and union agencies and institutions for a) professional, vocational or technical training and b) promotion of special studies and research.

concurrent list trade unions, industrial and labour disputes, social security and social insurance, employment and unemployment, welfare of labour including conditions of work, provident fund, employers liability, workmen's compensation, invalidity and old age pension and maternity benefits; vocational and technical training of labour, labour in factories, boilers and electricity, inquiries and statistics, and economic and social planning.

State list state pension and relief of the disabled and unemployables

Under articles 256 and 257, the central government is empowered to give directions to the state government in respect of laws enacted by the parliament. under article 258, the central government can delegate powers to the state governments and impose duties on them. the central government can also transfer to the state governments the power to legislate on matters in the concurrent list.

A few clauses of fundamental rights and directive principles of state policy also influenced subsequent course of labour administration. the relevant fundamental

tights are: freedom of association(art 19), and right against exploitation which prohibits forced labour, employment of children under 14 years of age in factories, mines and other hazardous employments, and traffic in human beings (art 23). the directive principles of state policy enjoin upon the state to direct its policy in such a manner as to secure to all men and women right to an adequate means of livelihood , equal pay for equal work, and with in the limits of its economic capacity and development to make effective provision for securing the right to work, education and to public assistance in the event of unemployment. old age, sickness and disablement or other cases of undeserved want. The state is also directed to make endeavour to secure to workers a living wage humane conditions of work, a decent standard of life and involvement of workers in management of industries. The policy of the state is also standard of life and involvement of workers in management of industries. The policy of the state is also to be directed towards securing that the health and strength of workers, men and women, and the tender age of children are not abused and that citizen are not forced by economic necessity to enter avocations unsuited to their age or strength. The state is further required to ensure that children are given opportunities and facilities to develop in a healthy manner and in conditions of freedom and dignity and that childhood and youth are protected against exploitation and against moral and material abandonment. The directive principles of state policy are not justice able, but are fundamental in the governance of the country and it is the duty of the state to apply these principles while making laws, fundamental rights are justiceable.

IMPORTANT QUESTIONS

1(Q) Briefly explain about the ILO and its objectives?

2(Q) Explain about the declaration of Philadelphia enunciated 10 objectives?

3(Q) Write the procedure for Admission as a member in ILO?

4(Q) Explain the structure of the ILO?

5(Q) Explain the organs of ILC and its objectives.

6(Q) What is the impact of the ILO on the Indian labour.

7(Q) What are the constitutional provision in relation to labour administration

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LESSON -3

Labour administration machinery of the central government

The main responsibility for labour administration of the Government of India vests in the Ministry of Labour. The Ministry presently consists of the main Ministry(Secretariat), and four attached offices, ten subordinate offices, four autonomous organization, a number adjudication bodies and one arbitration body.

THE MAIN MINISTRY (SECRETARIAT)

The main ministry of labour (secretariat) is the center for consideration and decision of all questions relating to labour so far as the government of India is concerned. It is the central administrative machinery for the formulation of labour policy, enforcement of labour laws and for the promotion of labour welfare. It guides, controls and coordinates the activities of all organizations and agencies involved in labour administration at the center or in the states. The government of India allocation of business rules have laid down in detail the specific subjects allotted to the ministry. The main subjects include: labour policy including wage policy and legislation, safety, health and welfare of labour, social security for labour, policy relating to special target groups such as women and child labour, industrial relations and enforcement of labour laws in the central sphere, adjudication of industrial disputes through central government industrial tribunals, labour courts and national industrial disputers through central government industrial tribunals, labour courts and national industrial tribunals, workers education, labour and employment statistics, emigrational of labour for employment abroad, employment services and

vocational training, administration of central labour and employment services, and international cooperation in matters relating to labour and employment.

ATTACHED OFFICES

The attached to the ministry of labour are i) Office of Chief Labour Commissioner, ii) Directorate General Factory Advice Service Labour Institutes, and iii) Directorate General Factory Advice Service Labour Institutes and iv) Directorate General, Employment and Training

Office of Chief Labour Commissioner

The headquarter of the organization is in New Delhi. The chief labour commissioner is assisted by a joint chief labour commissioner, a chief adviser, labour welfare, a directors training and a few deputy chief labour commissioners, regional labour commissioners, and a number of regional labour commissioners, assistant labour commissioners and labour enforcement officers in the field. The functionaries in the hierarchy of the organization have been designated and inspectors, authorities, controlling authorities, appellate authorities, conciliation officers, registrar to trade unions as per requirements of various acts and according to their ranks and convenience of administration. The organization of chief labour commissioner is also known as central industrial relation machinery (CIRM)

The organization is responsible for: prevention, investigation and settlement of industrial disputes in the central sphere, implementation of labour laws in industries and establishments in respect of which the central government is the appropriate government, enforcement of settlements and awards, verification of membership of trade unions affiliated to the central organization of workers for

the purposes of giving them representation in national and international conferences and committees and determining their representation in national and international conferences and committees and determining the representative character for recognition under the code of discipline, and investigation into breaches of code of discipline.

The labour laws enforced by the organization in industries or establishments in the central sphere include: payment of wages act, 1936, industrial employment (standing orders) act, 1946, industrial disputes act, 1947, trade unions act, 1926, minimum wages act, 1948, maternity benefit act, 1961, payment of bonus act, 1965, child labour (prohibition and regulation) act, 1986, payment of gratuity act, 1972, equal remuneration act 1976, inter state migrant workmen (regulation of employment and conditions of service) act, 1979, contract labour (regulation and abolition act), 1970, and dock workers (regulation of employment)

Directorate General Factory Advice Service Labour Institutes

The head quarter of this organization is located in Mumbai. It functions as a technical arm of the ministry in regard to matters concerned with safety, health and welfare of workers in factories and ports and docks. It assists the central government in the formulation and review of policy and legislation on occupational safety and health in factories and ports. It maintains liaison with factory inspectorates of states in regard to implementation and enforcement of provisions of the factories act, 1948. It enforces the dock worker (safety, health and welfare) act, 1986. the organization renders advice on technical matters, and undertakes research in industrial psychology, and so forth. It provides advice training in the field of industrial safety and health and conducts one year diploma course in industrial safety and three months certificate course in industrial health. Labour institutes are located in Mumbai, Kanpur Calcutta and Chennai.

Labour Bureau

The labour bureau is located in Shimla and Chandigarh. The organization is headed by Director general.

The labour bureau is responsible for : collection, compilation and dissemination of labour statistics, construction and maintenance of working class consumer price index numbers for selected centers and all India basis for industrial workers, construction of CPI numbers for agricultural and rural workers, maintenance of up to date data relating to working conditions of industrial workers, undertaking research into specific problems concerning labour with a view to supplying data and information needed for the formulation of labour policy, publishing reports, pamphlets and brochures on various aspects of labour. And bringing out regular publications of Indian labour journal (monthly), Indian labour year book, and pocket book of labour statistics.

Labour bureau also brings out reports on the working of a few labour laws, reviews on industrial disputes, closures, lay off retrenchment, special publications on matters of labour interest, and a monthly news letter under the title “labour intelligence”

Directorate General, Employment and Training

The headquarter of this organization is located in New Delhi. It is headed by the director general , employment and training. The organization is responsible for laying down the policies, standards, norms and guidelines in the area of vocational training throughout the country and also for the coordinating employment services. Employment exchanges, industrial training institutes and a numbers of other specialized institutions both at the central and in the states/union territories. Development of these programmes at the national level, particularly in the area of evolving common policies, laying down standards and procedure of training of officers and evaluation of the programmes in the

responsibility of the directorate general of employment and training. The day-to-day administration of the employment exchanges and industrial training institutes rests with the state governments/union territory administration. Employment exchanges provide placement and vocational guidance services to jobseekers.

The main training schemes operated under the organization include: craftsmen training schemes, apprenticeship training scheme, craft instructors training schemes, training of highly skilled craftsmen and supervisors, training of women, staff training and research, and development of instructional materials.

SUBORDINATE OFFICES

The subordinate offices under the ministry of labour are: the Directorate General of Mines Safety and nine offices of Welfare Commissioners.

The Directorate General of Mines Safety is located in Dhanbad. It is entrusted with the responsibility of enforcing the Mines Act, 1952 and the Rules and Regulations framed under it. The organization also enforces the Indian Electricity Act, 1910 as applicable to mines and oil-fields, and Maternity Benefit Act, 1961 in mines.

The nine offices of Welfare Commissioners are located in Allahabad, Bangalore, Bhilwara, Bhubaneswar, Kolkata, Hyderabad, Jabalpur, Karimnagar and Nagpur. The organizations are responsible for the enforcement of various labour welfare laws such as those for mica mines (1946), limestone and dolomite mines (1972), beedi workers (1976), cine workers (1981), diamond workers (1986), building workers (1996) and chrome ore mines. The activities of Coal Mines Labour Welfare Organisation which were governed by the Coal Mines Labour Welfare Fund Act, 1947 were taken over by the Coal India Ltd., in 1986. The organizations formulate and implement various welfare schemes for the benefit

of the coal mines workers such as housing, medical and recreational facilities, water supply, education facilities, and so on. They have also undertaken schemes of scholarships for the children of the workers and accident benefits for the workers and their dependants. Most of the welfare activities are administered directly by the organizations, but loans and subsidies are also made available to the state governments, local authorities and to the employees for implementation of “Prototype schemes”

Autonomous organisations

The autonomous organizations of the Ministry are :

1. Employees State Insurance Corporation,
2. Employees Provident Fund Organization
3. Central Board for Workers Education, and
4. VV Giri National Labour Institute.

EMPLOYEES STATE INSURANCE CORPORATION

The corporation is a statutory body set up under the Employees State Insurance Act, 1948. its headquarter is located in New Delhi. The principal officers of the Corporation are: Director General, Insurance Commissioner, Medical Commissioner, Chief Accounts Officer, and Actuary. There is also a standing committee, which is the executive committee of the corporation and Medical Benefit Council.

The organization administers various benefits under the Act, for instance, sickness benefit, maternity benefit, dependants’ expenses, funeral benefit, which are cash benefits, and medical benefit. The medical benefit has been made available to the family members of the insured employees and also to superannuated employees.

Employees Provident Fund Organization

The head quarter of the organization is in New Delhi and its chief executive officer is the Central Chief Provident Fund Commissioner. The organization has a number of regional and other offices spread throughout the country.

The organization is responsible for the enforcement of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the schemes framed under it. The schemes framed and in operation under the Act are: I) Employees Provident Fund Scheme, 1952. ii) Employees Deposit linked Insurance Scheme, 1976, and iii) Employees Pension Scheme, 1995. The Employees Family Pension Scheme, 1971 had been merged in the Employees Pension Scheme, 1995.

Central Board for Workers Education (CBWE)

The Central Board for Workers Education was set up in 1958 as a tripartite society in the Ministry of Labour. Its headquarter is in Nagpur.

The objectives of the Board inter alia include

1. To strengthen among working class a sense of patriotism, national integrity, unity, communal harmony and secularism
2. To equip all section of workers for their intelligent participation in social and economic development of the nation
3. To develop among workers a greater understanding of the problems of their social and economic environment, their responsibilities, and their rights and obligations and citizens, as workers and as members and office-bearers of trade unions.
4. To develop leadership from among the rank-and-file of workers
5. To develop strong, united and more responsible trade unions

6. To strengthen democratic processes and traditions in the trade union movement
7. To enable trade unions themselves to take over ultimately the functions of workers education.

The Board conducts a variety of workers education and training programmes for workers in the organized, unorganized and rural sectors. Programmes for workers in the organized sector include: training of trainers, refresher courses for trainers, personality development programme, joint educational programme, need based seminars, unit level classes, and functional adult literacy classes. Programmes for workers in the unorganized sector include organizing camps for the purpose of educating them in various areas and organizing special seminars. Special attention is given to the education of women and child labour and workers belonging to weaker sections. The training programmes for workers in the rural sector lay emphasis on rural educators training courses, orientation programmes for rural educators and organizing rural awareness camps.

Most of the education and training programmes of the organisation are conducted by Regional and sub-regional centres spread in different parts of the country. They organize workers education activities in various levels- regional, unit, enterprise and village levels. There are four Zonal offices of the Board at Delhi, Mumbai, Kolkata and Chennai

The Board has set up an apex-level training institute at Mumbai known as Indian Institute of Workers Education (IIWE). The institute conducts national level training programmes.

The Board provides grants-in-aids to trade unions and educational institutions to undertake their own workers education programmes of the approved pattern and standard. The grant is available for conducting full or part-time residential and non-residential programmes. The grantees are allowed flexibility regarding

subjects to be covered and number of participants. The Board also publishes textual and pictorial booklets in English and Indian languages on topics of interest to the working class, and a quarterly journal titled “workers Education”.

VV. Giri National Labour Institute

The institute was set up in 1974 as a registered society with the objective of undertaking, promoting and coordinating research on labour. It is located in NOIDA. It is an autonomous organization of the Ministry of Labour. Its affairs are governed by the General Council. The general council elects an executive council which monitors the day to day functioning of the institute. Secretary, ministry of labour, is the chairman of the executive council.

Research occupies a primary place in the activities of the institute. The subject of research comprises a broad spectrum of labour related problems in both the organized and the unorganized sectors. The institute gives priority to action research projects with special emphasis on the problems and issues of labour in the unorganized sector. The institute has so far completed a number of research projects relating to labour market, employment relations, rural labour and agrarian relations, labour history and child labour.

The institute also organizes training programmes for various target groups including, labour administrators of the central and state governments, industrial relations managers, trade union leaders, social partners associated with the elimination of child labour, and representatives of the Panchayati Raj institutions. Other activities of the institute include: organizing workshops and seminars, and publications.

ADJUDICATION BODIES

As on March 31, 2002, 17 central government industrial tribunals-cum labour courts set up under the Industrial Dispute Act, 1947 were functioning in the country. Of these two each are located in Mumbai and Dhanbad and one each in

asansol, bangalore, bhubaneswar, chandigarh, chennai, hederabad, kolkata, kanpur, lucknow, jabalpur, jaipur, new delhi and nagpur.

BOARD OF ARBITRATION

The board of arbitration was set up in 1968 under the scheme of joint consultative machinery and compulsory arbitration- introduced by the ministry of labour in 1966. The board of arbitration consists of one full time chairman, and two other members representing the staff and official sides appointed out of a panel at the time of reference of a dispute to the board. The board is an instution for compulsory arbitration of disputes between employees and the government on matters relating to pay and allowance, weekly hours of work and leave of a class or grade of employees.

LABOUR ADMINISTRATION MACHINERY OF STATE ,DISTRICT AND LOCAL GOVERNMENTS

The machineries for labour administration in the states are similar to those operating at the center. As explained earlier in the chapter, most of the important labour subjects in the concurrent list of the constitution. The central government is empowered to give direction to the state government and to delegate powers and impose duties on them. Many central labour laws are enforced both by the central and state government in industries or establishments falling under their respective jurisdictions.

Generally speaking, labour administration of the state governments is on a pattern similar to central labour administration with slight variations relating to implementing agencies and the requirements of the state enactments and non-statutory labour programmes. the main organizations for labour administration in the states comprise, department of labour and employment (secretariat), office of labour commissioner chief inspectorate of factories, chief inspectorate of boilers, office of chief inspector, shops and establishments, directorate,

employment and training, directorate, medical services esi scheme), social security directorate and adjudication authorities.

DEPARTMENT OF LABOUR AND EMPLOYMENT (SECRETARIAT)

The responsibility for labour administration in the states generally vests in the department of labour and employment, the secretariat of which represents the government side. It is generally in charge of a minister, who may occasionally be assisted by a minister of state and deputy minister. On the official side, the secretary or the principal secretary is the chief executive. His team generally includes an additional secretary, and a few joint secretaries, deputy secretaries and under secretaries according to requirements. It is this organization that formulates the labour policy of the state, establishes liaison with the central ministry of labour coordinates and guides the activities of enforcing machineries and takes decisions on behalf of the government.

OFFICE OF THE LABOUR COMMISSIONER

The office of the labour commissioner plays the anchor role in the labour administration of the states. Majority of labour laws are enforced in the state under the auspices of this organization. A mention of these laws has already been made above. The organization also makes efforts to prevent work stoppages including strikes and lockouts and to maintain industrial peace. The labour commissioner is assisted by joint labour commissioners, deputy labour commissioners, assistant labour commissioners, labour superintendents, labour officers and labour enforcement officers or labour inspectors, some of whom are posted in the headquarters, but majority of them operate in the different areas or centers of the state.

The labour commissioner is generally conciliation officer under the industrial disputes act, 1947, registrar of trade unions under the trade unions act, 1926, inspector under most of the relevant labour laws, authority, controlling authority, appellate authority and so on under a few labour laws. Of late, special responsibility of enforcing minimum wages act, 1948 in agriculture have devolved upon the organization. In some states, directorates of agricultural labour has been established to assist the labour commissioner. A large number of labour enforcement officers or labour inspectors have been appointed for the purpose. The labour commissioner also looks after the establishment, arbitration and several other non statutory programmes. His jurisdiction is the whole state. In some states, the chief inspector of factories and the chief inspector of boilers also report to him, while in others, they function independently. The labour commissioner also guides, controls and supervises other functionaries working under him. The joint labour commissioners, deputy labour commissioners, assistant labour commissioners, and labour superintends, and others are also designated as inspectors, conciliation officers, inspecting officers, deputy registrar of trade unions, authorities, certifying officers, workmen's compensation commissioners, appellate or controlling authorities for the purpose of relevant central and state labour laws and their areas of operation are defined.

CHIEF INSPECTORATE OF FACTORIES

The chief inspectorate of factories is primarily responsible for the enforcement of the factories act 1948. he is generally assisted by a few deputy chief inspectors and a number of inspectors of factories. In some states, apart from the inspectors of regular cadre, other public servants have also been designated as inspectors of factories. Besides implementing the provisions of the factories act, 1948 – those relating to safety, health, welfare, hours of work, dangerous

operations, hazardous process, leave with wages – the organization has also been entrusted with the responsibility of enforcing the provisions of the payment of wages act 1936, maternity benefit act 1961, child labour (prohibition and regulation) act, 1986 and the minimum wages act, 1948 in respect of factories. The organization also generally looks after productivity and cooperates with the national productivity council in this area.

CHIEF INSPECTORATE OF BOILERS

The main responsibility of this organization is the implementation of the boilers act, 1923.

OFFICE OF CHIEF INSPECTOR, SHOPS AND ESTABLISHMENTS

Office of chief inspector or chief inspecting officer has been established in most of the states of enforcing the provisions of the shops and establishments acts, which have been state enactments. In most states, the acts are implemented by regular personnel of labour department, but in a few others, the responsibility has been entrusted on local bodies also.

DIRECTORATE, EMPLOYMENT AND TRAINING

The organization primarily looks after the operation of employment exchanges, industrial training institutes, vocational guidance programme and some other institutions. The activities of the directorate are essentially governed by the policies, standards and procedures set by the central directorate general, employment and training. Other activities of the organization include, employment market information, vocational rehabilitation centers, and training of handicapped groups such as women and physically handicapped. The training

wing of the department also looks after the implementation of the apprentices act, 1961. generally, the directorate functions independently of the organizing of labour commissioner.

DIRECTORATE, MEDICAL SERVICES (ESI SCHEME)

The main responsibility for the operation of medical benefit under the employees state insurance act, 1948 lies with the state governments which are required to make available the services of the medical and para-medical personnel. In most the states a special wing has been established for the purpose. As the medical benefit under the ESI scheme has been extended also to the family members of the insured persons and superannuated employees, the responsibility of the state governments in this regard has increases. A director, administrative medical officer or a chief medical officer under the labour department has been made in charge of the wing.

SOCIAL SECURITY DIRECTORATE

A few states have established social security directorates for implementing certain social security schemes for the poor, unorganized workers, rehabilitation of bonded labourers and implementation of the inter state migrant workmen (regulation of employment and conditions of services) act, 1979. They also look after the implementation of national old age pension scheme, national family benefit scheme and national maternity benefit scheme.

ADJUDICATION AUTHORITIES

The state governments have also constituted labour courts and tribunals under the industrial disputes act, 1947, and a few of them have set up other adjudication authorities such as industrial courts and wages boards under state

laws. As on October 31,1998, as many as 214 labour courts, 97 tribunals and 22 labour courts-cum-tribunals were functioning in the states.

Apart from the above machineries, the state government have also set up tripartite standing evaluation and implementation committee, minimum wage advisory boards, and few of them labour advisory boards, labour welfare boards and standing committees for a few industries.

EVALUATION AND SUGGESTIONS

The foregoing discussion has shown that since independence, labour administration in India has expanded tremendously. The overall economic growth of the country has resulted in expansion of industries, spurt in trade unionism, increase in the labour force and so forth. These developments created a need for an improved organizational structure of labour administration machineries. As such, under the guidance of constitutional provisions and economic planning, labour administration in India was expanded and revamped. However, certain deficiencies in the system, as also difficulties in operation, have been experience during the course of its working.

IMPORTANT QUESTIONS

1. Explain the machinery for labour administration of the central government?
2. Explain the machinery for labour administration of the state government?
3. Explain the machinery for labour administration of the district government?

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LESSON -4

INDUSTRIAL RELATIONS AND ITS CONTEMPORARY TRENDS

Dictionary defines the labour industrial relations as the relations between employers and employees in industry. According to Dale Yoder industrial relations describe relationship between management and employees or among employees and their organizations that characteristics or grow out of employment. In order that the term industrial relations could cover every sector of the labour force in all parts of the world the international institute of labour studies has defined it as social relations in production. Today this term stands for such a wide variety of practices and institutions and has been used in such divergent context, that to define just the essence of it, is an extremely complicated task. However a few elements of this term are clear. these are;

1. That originally the term stood for employer –employee relations in an industry;
2. Later on, when the worker organized themselves into trade unions and the latter started dealing with the employers trade union activities also came to be included under this term;

3. Still later, when the relation between employers and employees came to be vested with public importance and ceased to be private the state had to be involved in such relations therefore the activities of the state designed to modify regulate and control relations between employers and employees also become a part of industrial relations.
4. The term industry is no longer confined to a small of economic activity but has come to include all gainful employments, including service under the state. The relationship between the state and its employee-employer relationship in the industry. Therefore, employer- employee relationship under public services has also come to be covered by the term.

Considering all these element mentioned above the term industrial relations can be taken to stand for employees union employers government relationship in employment. As the term indicates industrial relations spring from the contact between employers employees and their trade union. such relations spring from the contacts between employers, employees and their trade unions. such relations and contacts prevail at various levels and in various forms such as the relations between a single employer and a single of his employees, between a single employer and more than one union or between many employers organized on one side and many unions grouped under federations on the other .

The modern industrial organization is based upon two large aggregates(a)accumulation and aggregation of large capital and (b) aggregation of large number of workers organized under trade unions. The availability and supply of a large quantity of capital and of a large number of workers divorced from any ownership of the means of production, is the sine qua non of the establishment and the growth of modern industries. The center of industrial

relation is the coming together of these two big aggregates. Used narrowly the term industrial relations covers industrial employment only, but in a wider sense, it covers public employment also.

DOMINANT ASPECTS OF INDUSTRIAL RELATIONS

There are two important aspects of the industrial relations scene in a modern industrial society:

(1) cooperation, and (2) conflict.

Cooperation

Modern industrial production is based upon cooperation between labour and capital. Here labour stands for the workers who man the factories, mines and other industrial establishment or services. Capital stands for the owners of business enterprises who supply the capital and own the final product. The cooperation between the two is one of the basic requirement for the smooth functioning of modern industries and the growth of industrialization.

Conflict

The second aspect of the system of industrial relations obtaining today is the existence of conflict, conflict, like cooperation is inherent in the industrial relations set up of today. The prevailing industrial unrest, the frequency of work –stoppages resulting either from strikes or lock-outs, and the slowing down of production, are the occasional expressional of the ever- present and latent conflict between workers and the management.

Contemporary trends in industrial relations

Percentage distribution of the causes of industrial dispute resulting in work-stoppages in India

YEAR	LEAVE	WAGES	INDISCIPLINE	BONUS	PERSONNEL	OTHER
&		&				
VOILENCE		ALLOWANCE				
1990	24.9	4.1	16.4	1.3	16.1	37.2
1991	24.5	4.0	17.4	1.0	18.8	34.3
1992	23	8	17.5	1.7	21.2	28.2
1993	26.8	7	20.3	1.7	18.7	25.5
1994	30	7.8	18	1.5	17.1	25.6
1995	30.9	7.6	19.8	2.0	15.3	24.4
1996	25.4	8.6	19.9	1.9	19.0	25.2
1997	24	8.8	21.2	2.4	20.4	23.2
1998	21.2	11.2	17.3	1.3	21.3	27.9
1999	21.9	9	14.9	1.0	21.9	31.3

Source: compiled on the basis of data published by ministry of labour,
government of India

EFFECT ON THE SOCIETY AS A WHOLE

year lock-out	mandays lost per strike (000s)	mandays lost per (000s)
1990	9.7	36.7
1991	7.3	26.3
1992	15.0	22.9
1993	6.1	30.7
1994	8.2	36.5
1995	7.8	31.6
1996	10.2	30.9
1997	7.9	20.9
1998	14.1	29.4
1999	19.4	41.8
2000	23.2	48.6

Source: compiled on the basis of data published by ministry of labour
government of India

FUTURE OF INDUSTRIAL RELATIONS IN INDIA

The future of industrial relation in India can be reviewed from reports of the commissions constituted by the government for this purpose. From these certain issues are emerging which are posing challenges to the three actors in the system.

1. the first is the issue of strengthening collective bargaining by trying to determine a sole bargaining agent for negotiations. The state of Maharashtra has already passed a law for the creation of a sole bargaining agency in every unit and industry. Collective bargaining is advocated

where the parties involved have a fuller understanding. This will help to arrive at a speedier settlement of dispute, between themselves.

2. The second issue relates to the gaps that are occurring as a result of the various that occur in central and state legislations as far as labour matters are concerned . In India ,labour fall under the concerned. In India , labour fall under the concurrent list though NCL has made a recommendation for forming a common labour code which is yet to be adopted. Adoption of this recommendation will go a long way in solving some of the problems that india's legislation process is facing.
3. Another issue is that of workers participation in management. India has already experienced the working of many forms of workers-participation schemes but none of them seems to have made any headway. The reasons for the failure of these schemes need to be probed into.

The three actors in the system need to take into account the effect of their actions on the consumer s and society in general, owing to the growing inter-linkages between industry and its environment. They have to evaluate and decide on the appropriate alternatives in terms of the strategy they are going to adopt in managing the personnel and industrial relations functions. The environment is fast changing and the pressures from various groups involves are starting to get more vocal and intense. The strategy chosen for the attainment of the goals will have to depend on the objectives, values structures available and the environment in which they have to operate.

IMPORTANT QUESTIONS

1. Define the concept of industrial relation and explain its factors?
2. Discuss about the future of industrial relations in India?

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