

Introduction

Economists have traditionally identified four factors of production, viz, land, labour, capital and organisation. The role of labour as a factor of production is becoming increasingly important in the modern society. Capital and natural resource endowments, no doubt, are vital elements in the production process but it is labour which contributes most to the wealth of a company. "Human beings are the active agents who accumulate capital, exploit natural resources, build social, economic and political organisations and carry forward national development". Growing industrialisation and the rapid expansion of the services sector resulted in the galloping demand for skilled labour after 50s. The emergence of the concept of human relations, human resource management and human resource development contributed to the growing importance of labour. The issue of industrial relations arose from the issue of divorce of the workers from the ownership and management of the production process. This has brought about a sense of deprivation and loss of independence on the part of workers and is probably the primary cause of industrial disputes. Industrial work has drastically reduced the independence of workers and made them mere cogs in the machine – a kind of 'second class citizens'. The disciplinary rules for work have become quite harsh and arbitrary. The heterogeneous nature of workers, illiteracy and politicisation of trade unions made it impossible for the workers to bargain for their rights unitedly. All these factors have led to growing unrest among the ranks of workers.¹

Industrial Relations

The term 'industrial relations' refers to relationships between management and labour or among employees and their organisations that characterise or grow out of employment. Theoretically speaking, there are two parties in the 'employment' relationship – labour and management. Both parties need to work in a spirit of cooperation, adjustment and accommodation. In their own mutual interest certain rules for co-existence are formed and adhered to. Over the years, the State has also come to play a major role in industrial relations – one, as an initiator of policies and the other, as an employer by setting up an extremely large public sector.

The term 'industrial relations' has been defined by different authors in different ways. Dale Yoder defined it as "a relationship between management and employees or among employees and their organisations, that characterise and grow out of employment".²

According to R A Lester, industrial relations "involve attempts to have workable solutions between conflicting objectives and values, between incentive and economic security, between discipline and industrial democracy, between authority and freedom and between bargaining and cooperation".³

According to the ILO, "industrial relations deal with either the relationships between the state and the employers and the workers' organisation or the relation between the occupational organisations themselves". The ILO uses the expression to denote such matters as "freedom of association and the protection of the right to organise, the application of the principles of the right to organise, and the right of collective bargaining, collective agreements, conciliation and arbitration and machinery for cooperation between the authorities and the occupational organisations at various levels of the economy.

The following points emerge from a close examination of the above definitions:⁴

1. **Employer-employee interactions:** Industrial relations arise out of employer- employee interactions. These relations cannot exist without the basic building blocks, i.e., the employer on one side and the employees on the other side.
2. **Web of rules:** Industrial relations are a 'web of rules' formed by the interaction of the government, the industry and the labour. They include the relations between employer and employees and between employers' associations, trade unions as well as the State.

3. **Multidimensional:** Industrial relations are fairly multi-dimensional in nature as they are influenced, by a complex set of institutional, economic and technological factors.

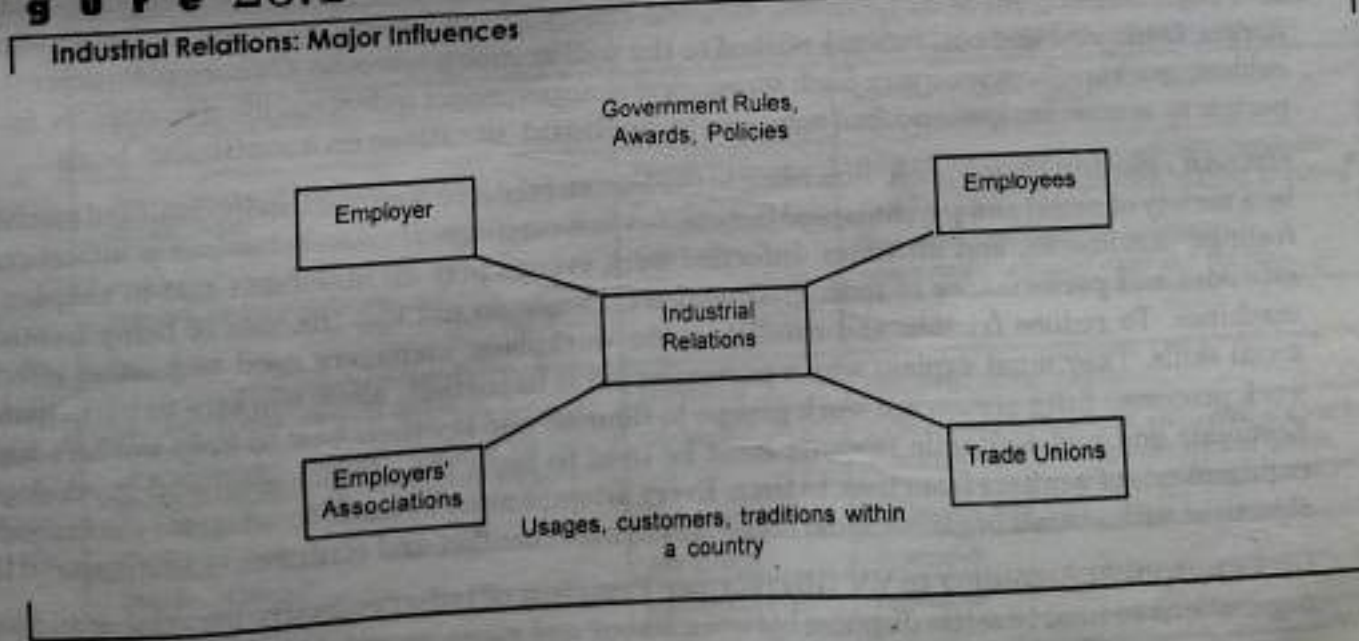
Box 26.1: Factors Influencing Industrial Relations

Industrial relations are influenced by various factors viz., institutional factors, economic factors and technological factors.

1. **Institutional factors:** These factors include government policy, labour legislation, voluntary courts, collective agreements, employee courts, employers' federations, social institutions like community, caste, joint family, creed, system of beliefs, attitudes of workers, system of power, status, etc.
2. **Economic factors:** These factors include economic organisations, like capitalist, communist, mixed, etc., the structure of labour force, demand for and supply of labour force, etc.
3. **Technological factors:** These factors include mechanisation, automation, rationalisation, computerisation etc.

4. **Dynamic and changing:** Industrial relations change with the times, generally keeping pace with the expectations of employees, trade unions, employers' associations, and other economic and social institutions in a society. Apart from the legal framework, these societal forces generally influence the direction of industrial relations within a country.
5. **Spirit of compromise and accommodation:** The industrial relations system is characterised by forces of conflict and compromise on either side. In the larger interests of society, both the employer and the employees must put out fires amicably and get along with each other in a spirit of compromise and accommodation. The individual differences and disagreements must be dissolved through persuasion and even pressure. The factors responsible for conflictful situations need to be resolved through constructive means.
6. **Government's role:** The government influences and shapes industrial relations with the help of laws, rules, agreements, awards of courts and emphasis on usages, customs, traditions, as well as the implementation of its policies and interference through executive and judicial machinery.
7. **Wide coverage:** The scope of industrial relations is wide enough to cover a vast territory comprising of grievances, disciplinary measures, ethics, standing orders, collective bargaining, participatory schemes, dispute settlement mechanisms etc.
8. **Interactive and consultative in nature:** Industrial relations includes individual relations and joint consultation between labour, management, unions, the state etc. It pinpoints the importance of compromise and accommodation in place of conflict and controversy in resolving disputes between labour and management.

Figure 26.1



Objectives of Industrial Relations

The fundamental objective of industrial relations is to maintain sound relations between employees and employers. The other objectives can be drawn from this objective. They are:

1. To enhance the economic status of the worker;
2. To regulate the production by minimising industrial conflicts through state control;
3. To socialise industries by making the government an employer;
4. To provide an opportunity to the workers to have a say in the management and decision-making;
5. To improve workers' strength with a view to solve their problems through mutual negotiations and consultation with the management;
6. To encourage and develop trade unions in order to improve the workers' collective strength;
7. To avoid industrial conflicts and their consequences; and
8. To extend and maintain industrial democracy.

Approaches to Industrial Relations

Industrial relations are the result of several socio-economic, psychological and political factors. Various approaches have, therefore, been used to explain the multidimensional nature of industrial relations:

- **Psychological approach:** According to psychologists, the problems of industrial relations are attributable to the differences in the perceptions of labour and management. Both parties tend to look at factors influencing their relations – i.e. wages, benefits, working conditions etc. – in different ways. Dissatisfaction with pay, benefits, services, conditions of work compel workers to turn aggressive and resort to strikes, gheraos etc. Employers adopt rigid postures and draw the shutters down when they find the regulatory framework to be restrictive, workers to be highly demanding and market forces to be unmanageable. Apart from economic issues, motives such as the need to gain prestige, power, status, recognition also compel people to go in different directions, sacrificing the broader organisational interests.
- **Sociological approach:** A number of sociological factors such as the value system, customs, and traditions affect the relations between labour and management. Problems such as urban congestion, chronic shortage of affordable dwelling units, convenient transportation system, pollution, disintegration of joint family system, etc., add misery to the lives of workers. Accepted societal norms, traditions and customs are pushed to the wall in such a scenario. Culture pollution sets in, rubbing workers the wrong way. Such sociological changes impact industrial life significantly, forcing parties to assess, analyse and find solutions to conflictful situations on a continuous basis.
- **Human relations approach:** According to the human relations approach, individuals are motivated by a variety of social and psychological factors, not just earnings. Human behaviour is influenced by feelings, sentiments, and attitudes. Informal work groups play an important role in shaping the attitudes and performance of individual workers. People do not like the idea of being treated as machines. To reduce friction and conflict in the workplace, managers need to possess effective social skills. They must explain why a particular job is important, allow workers to participate in work processes fully, encourage work groups to flourish and try their best to keep workers happy. Economic and non-economic rewards must be used to meet the physiological and psychological requirements of workers from time to time. Every attempt must be made to integrate the individual objectives with overall organisational objectives to avoid conflict and controversy in industrial life.
- **Giri approach:** According to V.V. Giri (Former President of India) collective bargaining and joint negotiations be used to settle disputes between labour and management. Outside interference must

be avoided at all costs while resolving differences between the parties. Trade unions should use voluntary arbitration in place of compulsory adjudication to resolve disputes. Giri observed that there should be a bipartite machinery in every industry and every unit of the industry to settle differences from time to time with active encouragement of government. Outside interference should not encroach upon industrial peace'.

Gandhian approach: Gandhi ji accepted the worker's right to strike but cautioned that this right be exercised in just cause and in a peaceful, non-violent fashion. The trusteeship theory advocated by him highlights the fact that wealth belongs to society and not to the owners of an enterprise. Owners are there to serve the interests of society. If they fail to pay minimum wages to workers, workers must appeal to their conscience. If this does not produce results, they should resort to non-violent non cooperation (*Satyagraha*). Before adopting this strategy, workers must believe in their collective strength and note the crucial point that without their active cooperation, capitalists cannot achieve results. The capitalist, in his own self interest, is expected to hold industry in trust for the society, treating workers as partners and co-trustees in a progressive venture.

HRD Approach to Industrial Relations

As rightly pointed out by Ishwar Dayal, Human Resource Development involves (i) ways to better adjust the individual to his job and environment, (ii) the deepest involvement of an employee in various aspects of his work and (iii) the greatest concern for enhancing the capabilities of the individual. The HRD approach recognises employees as the greatest assets in an organisation; believes that they can be developed to an unlimited extent with proper incentives, atmosphere and treatment. It is possible to integrate human needs with organisational requirements. If the manager has a caring, helpful attitude towards employees and creates a healthy work environment (characterised by values of openness, enthusiasm, trust, mutuality and collaboration) employees are willing to give of their best to the organisation. So managers, in their own self interest, must create a motivating climate so that employees commit themselves to assigned tasks wholeheartedly. The underlying assumptions of industrial relations and HRD may best be summarised thus:

Table 26.1

Basic Assumptions of Industrial Relations and HRD

Industrial Relations		HRD
Employee-employer relations are contractual and enveloped by economic factors	Philosophy	Employer-employee relations should be based on trust, understanding and openness
The emphasis is on extrinsic rewards	Rewards	Intrinsic rewards spur people to superior performance
The focus is not on developing the employee.	Focus	Develop the employee through HRD initiatives: caring, counselling, mentoring, helping, coaching.
Follow the code book and put out the fires as quickly as you can	Orientation	Preventive, collaborative approach where relations matter most and not rules.
Pluralist	Nature of Relations	Unitarist
Managerial task vis-a-vis labour	Monitoring	Nurturing, caring, helpful
Institutionalised, unhealthy and is at the core of industrial relations, reach temporary truces.	Conflict	Conflict could be functional, stimulating and healthy if used properly; manage climate and culture.
Restricted flow	Communication	Increased flow
Division of labour	Job design	Teamwork
Negotiation	Managerial skills	Facilitation

The manager in the HRD approach wears many hats, i.e., of a developer, counsellor, coach, mentor and problem solver. He tries to integrate work, and trains and educates people, acts as a change agent and provides a conducive, healthy work environment. The traditional roles as a policeman, supervisor, appraiser, legal advisor and fire-fighter as evidenced in companies characterised by troubled industrial relations, thus undergo a radical transformation where the labour-management relations are built around mutual trust, understanding and cooperation.

HRD interventions such as work redesign and job enrichment could be used effectively to make jobs more interesting to employees. To avoid role conflicts, role analysis could be taken up, followed by a clear-cut elaboration of what the employee is supposed to do. To build cooperation among employees and between labour and management, team-building exercises could be undertaken. To tackle trouble makers, counselling and coaching sessions could be arranged from time to time. A climate of open, transparent communication would put out fires quite easily. Training and feedback sessions would help solve many other industrial relations problems smoothly. To overcome some of the troubling IR issues, managers should focus on aspects like:

- Clarify goals
- Reward performance
- Empower people at all levels
- Treat people properly
- Follow two-way communication channels
- Settle issues in an atmosphere of trust and understanding.

Essential Conditions for Sound Industrial Relations

The establishment of good industrial relations depends on the constructive attitude on the part of both management and the union. The constructive attitude in its turn depends on all the basic policies and procedures laid down in any organisation for the promotion of healthy industrial relations. It depends on the ability of the employers and trade unions to deal with their mutual problems freely and independently with responsibility. They should put their faith in collective bargaining rather than in collective action. For better industrial relations, it is also necessary that fair labour standards are laid down, a feeling of equality should be prevalent, with which the management should enter into collective bargaining with the labour, and there should be realisation on the part of management to promote workers' welfare. The existence of strong, independent, responsible, democratic trade unions, the promotion of collective bargaining – a fair and independent machinery for the peaceful settlement of industrial disputes, the existence of good human relations, and lack of any kind of discrimination are certainly the essentials for a healthy industrial relations' situation.

It is not easy to promote and maintain sound industrial relations. Certain conditions should exist for the maintenance of harmonious industrial relations. They are:

- i. **Existence of strong, well organised and democratic employees' unions**: Industrial relations will be sound only when the bargaining power of the employees' unions is equal to that of management. A strong trade union can protect the employees' interest relating to wages, benefits, job security, etc.
- ii. **Existence of sound and organised employers' unions**: These associations are helpful for the promotion and maintenance of uniform personnel policies among various organisations and to protect the interests of weak employers.
- iii. **Spirit of collective bargaining and willingness to resort to voluntary negotiations**: The relationship between an employee and the employer will be congenial only when the differences

between them are settled through mutual negotiation and consultation rather than through the intervention of a third party. Collective bargaining is a process through which employee issues are settled through mutual discussions and negotiations, through a 'give and take' approach. If the issues are not settled through collective bargaining, they should be referred to voluntary arbitration but not to adjudication, in order to maintain congenial relations.

- iv. **Maintenance of industrial peace:** Permanent industrial peace in an organisation can be ensured through the following measures:
- Establish machinery for prevention and settlement of industrial disputes. This includes legislative and non-legislative measures. Preventive measures include works committees, standing orders, welfare officers, shop councils, joint councils and joint management councils. Settlement methods include voluntary arbitration, conciliation and adjudication.
 - Government should be provided with requisite authority for settling the industrial disputes wherever necessary.
 - Provision for the bipartite and tripartite committees in order to evolve personnel policies, code of conduct, code of discipline, etc.
 - Provision for the various committees to implement and evaluate the collective bargaining agreements, court orders and judgements, awards of voluntary arbitration, etc.

Significance of Industrial Relations

Good Industrial Relations implies peaceful, harmonious, fruitful relations between labour and management. In such a situation, both labour and management realise their mutual obligations toward each other and resort to actions that promote harmony and understanding the following benefits accrue from such a productive relationship:

- Industrial peace:** Unilateral actions disappear; both parties consult each other before initiating any action; they primarily focus on goals that are realisable without overstepping their territories. This leads to peaceful co-existence.
- Industrial democracy:** The process of joint consultation paves the way for industrial democracy. This motivates workers to give of their best to the organisation and share the fruits of progress jointly with management.
- Improved productivity:** Cordial relations between labour and management ensures uninterrupted production and single-minded pursuit of pre-determined goals. It becomes easy to realise even difficult targets in such an atmosphere. The excellent track record of Sundaram Fasteners (A TVS Group company which won the prestigious GM award for the fourth successive year in 1999 as a quality supplier of radiator caps) is worth mentioning here. It is known for zero breakdowns, zero accidents and zero defects. Not a single day has so far been lost due to a strike in the company. It is the first company to get the ISO certification (in 1990). The per-employee productivity is comparable to the best in the world. One study rates the company among the 20 most competitive companies in Asia. (The Week, May 28, 2000). Another group company, Sundaram Clayton received the Deming prize in 1998 – making it the only Indian company that has ever received the award outside Japan. The 45-year-old CEO, Venu Sreenivasan hires every worker for both companies but allows managers to be appointed by his chief operating officers. During 1998-99 he has taken a 10 per cent cut in his salary in order to avoid having to layoff workers! (Business Today, Nov 22- 6 Dec, 1998).
- Benefits to workers:** Cordial labour-management relations ensure higher productivity. The company would be in a position to offer fair economic and non-economic incentives to its employees. This, in turn, would spur people to realise targets and get ahead productively. It becomes easy for management to initiate needed changes quickly, in line with market demands and improve the lot of workers

continuously. Sound industrial relations enable a company to take full advantage of technological advancements and pass on some of these benefits to workers as well.

Industrial Conflict

Relations between labour and management do not proceed along the lines envisaged above for a variety of reasons. Divergent views, opposite stands, contrasting demands characterise labour-management relations. Employees want more jobs, management wants to reduce staff, raise productivity and save on all fronts. Management wants to computerise and introduce latest technology gradually in order to reduce the dependence on manual force. Labour and unions cannot afford to let this happen by keeping silence. Labour wants a fair share of productivity gains. Management wants to demonstrate those gains as fruits of risky investments. The argument goes on and on. However, the survival of both partners in the industrial activity is dependent on how appreciatively they look at each other's concerns and get along without rubbing each other the wrong way.

Industrial conflicts constitute militant and organised protests against existing industrial conditions. They are symptoms of industrial unrest in the same way that boils are a symptom of a disordered body (Patterson). The Industrial Disputes Act, 1947, defines an industrial dispute as "any dispute or difference between employees and employees, or between employees and employers, or between employers and employers, which is connected with the employment, or non-employment, or the terms of employment or with the conditions of work of any person". Thus, the term is characterised by the following factors:

- There should be a difference or dispute. For example, labour demands something, management does not grant the same.
- The dispute could be between employer-employer, employee-employee or employer-employee.
- The dispute must pertain to some work-related issue.
- Dispute between one or two workmen and their employers is not an industrial dispute; instead, it must be raised by a group or class of workmen.

Forms of Industrial Disputes

The various forms of industrial disputes may be stated thus:

Strikes

A strike is a spontaneous and concerted withdrawal of labour from production temporarily. It is a collective stoppage of work by a group of workers for pressuring their employers to accept certain demands. The Industrial Disputes Act 1947 has defined a strike as "an assertion of work by a body of persons" employed in an 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. Strikes are of several types:

- a. **Sympathetic strike:** When a strike is undertaken to show sympathy with workers in other industries, it is called a sympathetic strike.
- b. **General strike:** It is a strike by all or most of the unions in a industry or a region.
- c. **Unofficial strike:** It is a strike undertaken without the consent of the unions.
- d. **Sectional strike:** It is the refusal of a section of a given class of workers to perform their normal duties.
- e. **Bumper strike:** It is a strike when the unions plan to paralyse the industry, firm by firm, the order being chosen by the union. Such strikes are supported by the contributions of those who are still at work.

- f. **Sit down strike (also called stay-in, tool down, pen down strike):** It is a strike in which workers cease to perform their duties but do not leave the place of work.
- g. **Slow-down strike:** Known as a 'go-slow' tactic, the workers do not stop working but put breaks to the normal way of doing things.
- h. **Lightning strike:** Out of provocation, workers may go on strike without notice or at very short notice. There is an element of surprise in such wildcat strikes.
- i. **Hunger strike:** To gain sympathy from the public and get noticed by the employer, workers may decide to forego food for a specified period. Small batches of workers may also go on a relay hunger strike in a sequential order. Such non-violent protests generally bring moral pressure on employers to iron out the differences with labour quickly.

Lock-outs

Lock-out is the counterpart of strike. It is the weapon available to the employer to close down the factory till the workers agree to resume work on the conditions laid down by the employer. The Industrial Disputes Act of 1947 defined it as "the closing of a place of an employment, or the suspension of work or the refusal of an employer to continue to employ any number of persons employed by him". If it is impossible to meet the demands of the workers, employers may decide to go for lock-out. An employer may also pull down the shutters so as to bring psychological pressure on the workers to agree to his conditions or face closure of the unit.

Gherao

Gherao means to surround. In this method, a group of workers initiate collective action aimed at preventing members of the management from leaving the office. This can happen outside the factory premises too. The persons who are 'gheraoes' are not allowed to move for a long time, sometimes even without food or water. The National Commission on Labour, while refusing to accept it as a form of industrial protest, opined that gheraos tend to inflict physical duress (as against economic pressure) on the persons affected and endanger not only industrial harmony but also create problems of law and order.

Picketing and Boycott

When picketing, workers often carry/display signs, banners and placards (in connection with the dispute), prevent others from entering the place of work and persuade others to join the strike.

Boycott aims at disrupting the normal functioning of an enterprise. Through forceful appeals and negative behavioural acts, striking workers prevent others from entering the place of work and persuade them not to cooperate with the employer.

Causes of Industrial Disputes ⇐

Some of the prominent causes of industrial disputes may be listed thus:

- a. **Employment:** The list here includes disputes over wages, allowances, bonus, benefits, working conditions, unjust dismissals, retrenchment of workers, methods of job evaluation, changes in methods of production, non-implementation of awards of tribunals, etc. The National Commission on Labour remarked "though on a majority of occasions industrial disputes were based on claims pertaining to the terms and conditions of employment, sometimes economic issues of a general character dominated and, on occasions, purely political motives".
- b. **Nationalisation:** Workers protested against the introduction of rationalisation, automation, computerisation (e.g., Bank unions oppose this move even now) on various occasions, fearing large scale retrenchment.

- c. **Administration-related causes:** These pertain to ill-treatment, undeserved punishment, verbal abuse, physical assaults, etc.
- d. **Recognition:** Disputes arose when employers failed to recognise a union as a bargaining agent.
- e. **Sympathetic strikes:** Workers struck work in one plant/industry when they wanted to exhibit their solidarity with striking workers from another plant or industry.
- f. **Psychological/social causes:** On occasion, family, friends, community, environmental pressures and concerns also instigated the workers to take to the streets.
- g. **Institutional causes:** Disputes arose on account of institutional factors such as: recognition of unions, membership of unions, scope of collective bargaining, unfair practices.
- h. **Political causes:** Political leaders have used unions as powerful weapons to build tensions inside a plant/industry with a view to satisfy their own private ends on a number of occasions, especially in unionised places like Mumbai, Ahmedabad, Kanpur, Calcutta, etc.

t a b l e 26.2

Percentage Distribution of Disputes by Causes

Cause Group	2000	2001	2002
1. Wages and allowances	20.6	26.9	21.3
2. Personnel	11.5	12.0	14.1
3. Indiscipline	26.1	25.0	29.9
4. Bonus	9.0	7.1	6.7
5. Charter of Demands	13.5	11.0	10.5

Source: Pocket Book of Labour Statistics, 2003-04.

Industrial Disputes in India⁶

Industrial dispute in the form of a strike or a lock-out, is a double edged sword. It means stoppage of work, causing production loss to the employer. The worker, at the same time, is pushed to the wall as he loses his earnings. Disputes were not wide spread in India before the First World War (1914-1918). Workers were largely illiterates, had no organising powers and clearly lacked strong union leaders who could fight on their behalf and deliver the goods. A timeline on major industrial unrest/upheavals in India may be provided thus:

I 1918 – 1920

- Many strikes during this period. People were ever eager to fight for their democratic rights.
- 1919, more than a lakh workers of Bombay Cotton Textile Mills went on strike.
- 1920, more than 200 strikes affecting near 1.5 lakh workers.

II 1921 – 1928

- After the first world war employers were keen to introduce rationalisation to cut wages with a view to cope with sluggish demand conditions.
- TISCO shut down; E.I. Railway strikes and strikes in Bombay Cotton Textile Mills were common; increased tendency to use 'strikes' as a powerful weapon.
- Binny and Co. affected by strike/lockout. Buckingham and Carnatic mills closed down.

- Formation of ILO in 1919; AITUC in 1920; Trade Union Act in 1926; Industrial Disputes Act 1929; a conciliation machinery was provided for setting disputes peacefully.

III 1929 – 1939

- Depression hit the industry sadly. 1928, 1929 – intense industrial unrest.
- 1930-1937 relatively peaceful, barring short-lived strikes in Bombay Cotton Mills and a general strike in Mumbai.
- 1937-1939 unrest increased. The Congress Party's manifesto raised workers' hopes. In 1937 and 1938 the number of strikes was 379 and 399 respectively.
- 1939, 406 disputes involving nearly 5 lakh workers. The Second World War (1939-1945) worsened the situation further.

IV 1939 – 1945

- Sep 1939, war broke out; inflation and rising prices, high cost of living, low purchasing power of workers.
- Disputes rose from 322 in 1940 to 694 in 1942. Between 1939-1945, 4000 strikes led to a loss of 31.5 million man-days.
- A large number of strikes revolved around the issue of dearness allowance.
- In 1940, 1,75,000 Bombay textile workers struck work for over 40 days.
- Defence of India Rules framed, paving the way for compulsory adjudication of disputes and prohibiting strikes during the court proceedings. 1942-1946 was relatively free from large scale strikes/lockouts.

V 1940 – 1947

- Between 1940-1947, a total of 7009 strikes took place affecting cotton, woolen and silk mills badly, followed by unrest in engineering, railways, mining, etc.
- Demands for higher wages and bonus were the main causes of disputes. Bombay (now Mumbai) was the most troublesome city (542 strikes) followed by the states of Bengal, MP and UP during this period.

VI Post Independence 1947 – 1974

- Tall promises made by Congress Party raised hopes among the workers, cost of living went up steeply, the fear of retrenchment was uppermost in the minds of workers, communists influenced the thinking of working class under the circumstances.
- Intense labour unrest in Railways, P & T in 1949, textile and jute mills suffered most. Code of Discipline was evolved in 1958.
- Gheraos, Bandhs, Strikes were quite common over rising prices and growing retrenchment in recession hit industries.

VII Post Emergency 1975 – 1990

- During the Emergency period (1975-1977) the number of disputes fell sharply. However, during this period lock-outs affected the industrial relations scene badly.

- The suppressed feelings of helplessness and frustration found outlet after the emergency was lifted. Datta Samant emerged as a strong trade union leader in Bombay (now Mumbai). In Jan 1982, the largest textile strike involving 2.5 lakh workers from over 60 mills was organised causing a loss of over Rs 500 crores to workers and mill owners. Production loss was estimated at over Rs 2,000 crores. Several mills were closed. The strike had a sad ending.

VIII Post Liberalisation

- (i) After liberalisation (1990 onwards) the clout of unions was reduced drastically. Strikes organised by Rajan Nair, Chand Bibi, Dhunji Neterwala did not yield major benefits to workers. The Datta Samant-led agitation in Premier Automobiles Ltd failed miserably.

t a b l e 26.3

Disputes by Strikes and Lockouts

Strikes/Lockouts	2000	2001	2002
Strikes (Number)	426	372	295
Workers involved ('000)	1044	489	900
Man-days cost ('000)	11959	5563	9665
Lockouts (Number)	345	302	284
Workers involved ('000)	374	199	199
Man-days cost ('000)	16804	18204	16921

Source: Pocket Book of Labour Statistics, 2003-04.

- (ii) A steady reduction in the number of disputes is discernible. From 1810 strikes recorded in 1991, the figure came down to 295 in 2002. The number of mandays lost due to strikes has also fallen steadily.
- (iii) The trends indicate a shift in balance of power since 1993. The man-day loss figures suggest the management flexing their muscles, locking out units rather than the workmen forcing the hand of management through strike action. In major cities like Calcutta, Mumbai, Chennai, Delhi, Bangalore trade unions are just fighting for survival now.
- (iv) The militancy which was almost synonymous with labour unions in the past has, by and large, declined now. The Shiv Sena led Bharatiya Kamgar Sena was more pragmatic and was quick to understand the shifting trends. In the Mumbai and Pune belt it enjoys membership of over 2.5 lakh workers. Mill owners are also happy to deal with such unions which give importance to plant level factors and conduct the negotiations in a give-and-take manner.

t a b l e 26.4

Industrial Disputes Resulting in Work Stoppages

	1999	2000	2001	2002
No. of Disputes	927	771	674	579
No. of Workers Involved (1000)	1311	1418	688	1079
Mandays cost ('000)	28767	28763	23767	-26566
Wages Cost (Rs in crores)	(403)	(319)	(284)	(227)
Value of Production Loss (Rs in crores)	670.37	1182.34	830.21	682.96
	(352)	(279)	(254)	(197)

Source: Pocket book of Labour Statistics, 2003-04.

Trends in Recent Years: Important Data Regarding Disputes

Disputes by Sector (Number)	2000	2001	2002
Public			
Private	125	139	63
	646	535	516
Disputes by Strikes/Lockouts (Number)			
Strikes	426	372	295
Lockouts	345	302	264
Mandays Lost in Disputes (by states in '000)			
Andhra	-	1498	1718
Karnataka	-	1005	322
Kerala	-	945	6961
Maharashtra	-	742	633
Rajasthan	-	1259	1308
Tamilnadu	-	1842	1563
West Bengal	-	14847	12911
Disputes by Causes (Percentage)			
Wages and allowances	20.6	26.9	21.3
Personnel	11.5	12.0	14.1
Indiscipline	26.1	25.9	29.9
Charter of Demands	13.5	11.0	10.5
Bonus	9.0	7.1	6.7
Disputes by Duration (Percentage)			
10-20 days	14.5	18.0	16.5
20-30 days	8.8	6.8	8.6
More than 30 days	39.7	34.4	37.0

- (v) Broadly speaking the states of AP, Karnataka, Kerala, Maharashtra, Rajasthan and West Bengal together accounted for over 75 per cent of the total number of disputes.
- (vi) Disputes in manufacturing industries were quite high. Thirty to forty per cent of disputes arose in railways, textiles, coal, docks and ports, insurance, banking and plantations.
- (vii) In public sector disputes were frequent in steel, P & T, railways, ports, LIC, Indian Airlines and fertilizer units.
- (viii) More than half of disputes (30%) arose on account of income factors (wages, allowances, bonus) followed by causes relating to indiscipline, personnel and charter of demands.
- (ix) Layoffs were relatively high in Andhra Pradesh, Gujarat, UP, Maharashtra, Kerala, Karnataka and Rajasthan when compared to other states.

Industrial Disputes: Preventive Machinery

The methods for prevention of industrial disputes are explained below:

Table 26.5

Trends in Recent Years: Important Data Regarding Disputes

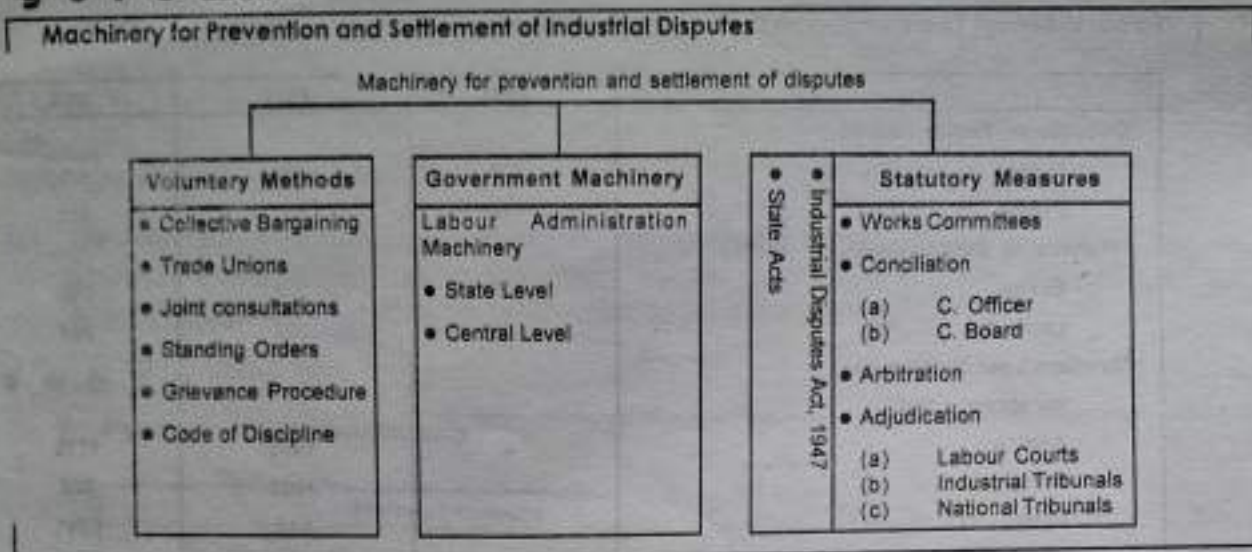
Disputes by Sector (Number)	2000	2001	2002
Public			
Private	125	139	63
	646	535	516
Disputes by Strikes/Lockouts (Number)			
Strikes	426	372	295
Lockouts	345	302	284
Mandays Lost in Disputes (by states in '000)			
Andhra	-	1496	1718
Karnataka	-	1005	322
Kerala	-	945	8981
Maharashtra	-	742	633
Rajasthan	-	1259	1308
Tamilnadu	-	1842	1563
West Bengal	-	14847	12911
Disputes by Causes (Percentage)			
Wages and allowances	20.8	26.9	21.3
Personnel	11.5	12.0	14.1
Indiscipline	26.1	25.9	29.9
Charter of Demands	13.5	11.0	10.5
Bonus	9.0	7.1	6.7
Disputes by Duration (Percentage)			
10-20 days	14.5	18.0	16.5
20-30 days	6.8	6.8	8.6
More than 30 days	39.7	34.4	37.0

- (v) Broadly speaking the states of AP, Karnataka, Kerala, Maharashtra, Rajasthan and West Bengal together accounted for over 75 per cent of the total number of disputes.
- (vi) Disputes in manufacturing industries were quite high. Thirty to forty per cent of disputes arose in railways, textiles, coal, docks and ports, insurance, banking and plantations.
- (vii) In public sector disputes were frequent in steel, P & T, railways, ports, LIC, Indian Airlines and fertilizer units.
- (viii) More than half of disputes (30%) arose on account of income factors (wages, allowances, bonus) followed by causes relating to indiscipline, personnel and charter of demands.
- (ix) Layoffs were relatively high in Andhra Pradesh, Gujarat, UP, Maharashtra, Kerala, Karnataka and Rajasthan when compared to other states.

Industrial Disputes: Preventive Machinery

The methods for prevention of industrial disputes are explained below:

Figure 26.2



Trade Unions

Strong trade unions help prevent industrial disputes. They can bargain with employers effectively and seek quick redressal of grievances. Industrial relations will be sound only when the bargaining power of the employees' union is equal to that of management. A strong union can protect the employees' interest relating to wages, benefits, job security, etc.

Joint Consultations

To prevent industrial disputes, two ways of joint consultations are adopted – Works committees and Joint management councils.

A. Works Committees

As per the provisions of the Industrial Disputes Act, 1947, works committees have to be set up in all those industrial units which employ 100 or more persons and are composed of an equal number of employers' and employees' representatives. The committees are given the responsibility of removing the causes of friction between labour and management in the day-to-day functioning of a unit. A works committee is a purely consultative body and not a negotiating body. The committee offers :

- Greater participation to worker in day-to-day affairs.
- Ensures close mutual interaction between labour and management.
- Generates a cooperative atmosphere for negotiations between the two parties.
- Opens the door for unions to have a clear view of what is going on within the unit.
- Strengthens the spirit of voluntary settlement of disputes.

A number of issues come under the purview of works committees like wages, benefits, bonus, hours of work, terms and conditions of employment, welfare measures, training, transfers, etc.

The Tata Iron and Steel Company (TISCO, Jamshedpur) was the first to create a works committee way back in 1920. Till the end of Second World War, employers have not realised the importance of works committees and as a result, very few works committees came into existence. The Industrial Disputes Act, 1947, legalised the establishment of works committees at the plant level.

Though a large number of committees were established in the central sphere, only 530 committees were operational at the end of 1987 (in 1952, 2075 works committees were in existence!).

Works committees in India did not succeed on account of several reasons. The scope and functions of these committees were not clearly defined. The advisory nature of the committee did not help matters either. The committee, in the absence of legal powers, could not enforce its own decisions. Multiple unions had their representatives in the same committee at the plant level. This had only escalated tensions among members. Often, employers used these committees (filled with their own 'yes' men) to fight workers' associations. To complicate matters further, unions did not welcome the formation of these committees fearing dilution of their power. Unions looked upon these as their rivals. Many works committees do not function at all, for they exist only on paper. They do not meet at regular intervals and do not discuss matters of real importance.

According to the National Commission on Labour (1969) the advisory nature of works committees, the recommendations, vagueness regarding their exact scope, their functions, inter-union rivalries, union opposition and reluctance of employees to utilise such media have rendered works committees ineffective.

B. Joint Management Councils (JMCs)

In the Industrial Policy Resolution 1956, the need for joint management councils consisting of representatives of management, technicians and workers was emphasised. Management must supply facts regarding the working of a unit and the council discusses various matters across the table and recommends steps for improving efficiency.

The main features of the scheme are given below:

- The scheme is voluntary, not obligatory.
- The JMC should consist of equal numbers of representatives of workers and employers (minimum 6 and maximum 12).
- JMCs should look after three areas: (i) information sharing (ii) consultative and (iii) administrative. Matters relating to welfare, safety, training, holiday schedules, formulation of standing orders, etc., all come under the above three categories.
- Decisions of the JMC should be unanimous and should be implemented without any delay.
- The JMCs should not encroach on the jurisdiction of works committees.
- The JMC members should be given proper training.
- Representation of workers to the JMCs should be based on nominations by the recognised union.
- Initially JMCs should be constituted in a large number of public and private sector units being over 500 or more workers where there is a strong trade union, and where the labour-management relations are sound.

Originally the idea was to be implemented in over 150 units, but at present about 80 are operating in public sector units such as Hindustan Insecticides, HMT, Indian Airlines, Air India, etc. and in a large number of private sector units such as TISCO, Arvind mills, Modi Spinners and Weaving Mills, Travancore Rubber works, etc. The experiment has not succeeded in India. As one expert commented, "the works committees and the joint councils have failed... It is living in a fool's paradise to believe that labour will be an active partner in management". Factors such as lack of interest on the part of workers, union rivalries, unfavourable management attitudes, etc., are mainly responsible for the unsatisfactory performance of JMCs in India.

Standing Orders

The term 'Standing orders' refers to the rules and regulations which govern the conditions of employment of workers. They specify the duties and responsibilities of both employers and employees. Through standing

orders, the conditions of employment are sought to be regularised, paving the way for industrial peace and harmony. The Industrial Employment (standing orders) Act of 1946 provides for the framing of standing orders in all industrial undertakings employing 100 or more workers. As per the provisions of the Act, employers have to formulate standing orders in consultation with workers and submit to a certifying officer. The matters to be highlighted therein are: (a) Classification of employees, (b) Hours of work, holidays, paydays, wage rates, (c) Shift working, (d) Attendance and late coming, (e) Leave rules, (f) Temporary stoppages of work, (g) Termination, suspension and disciplinary actions, etc.

The certified copies of the standing orders must be displayed prominently inside the undertaking. Once certified, the standing orders are binding on the employer and the employees. Violation of conditions mentioned therein invite penalties. The Labour Commissioner (Deputy Labour Commissioner, Regional Labour Commissioner) exercises the powers of certifying officer and in that capacity has all the powers of a civil court. The Act has been amended a number of times, the latest in 1982. The 1982 Act provides for the payment of a subsistence allowance to workers who are placed under suspension.

Grievance Procedure

A grievance may be defined as "any real or imagined feeling or personal injustice which an employee has concerning his employment relationship". Grievances have to be redressed promptly. Any attempt to suppress them may backfire and may find expression in violent forms later on. A model grievance procedure, as suggested by the Indian Labour Conference, 1958, has more or less been widely accepted now in India. Under this model, both the employer and the workers are expected to follow certain steps so as to put out the frictions between them. Another method commonly used to prevent industrial disputes – Workers' Participation in Management – has already been explained previously.

Code of Discipline

Over the years, several legislative measures have been adopted in India to promote discipline and harmony between employees and employers. Sad to relate, the results have not been very encouraging. As a remedy, the Second Five Year Plan has suggested that both employees and employers must formulate and abide by a voluntary Code of Discipline. In pursuance of this suggestion, the Fifteenth Indian Labour Conference suggested a Code of Discipline in 1957. The Central National Labour Organisations (INTUC, AITUC, HMS, UTUC) and Employers' Associations (EFI, AIOIE, AIMO) have agreed to enforce the code with effect from June 1, 1958. The code aims at preventing disputes by providing for voluntary and mutual settlement of disputes through negotiations without the interference of an outside agency. The principles regulating the conduct of the employer and the employee, as provided for in the code, may be listed thus:

Obligations of Both Parties

- It restrains both employers and employees from unilateral action. Both parties must recognise each other's rights and obligations and settle disputes through the existing machinery for the settlement of disputes.
- The parties should not indulge in strikes and lock-outs without notice or without exploring possibilities to resolve disputes through negotiations.
- Neither party will resort to coercion, intimidation, victimisation or litigation or adopt unfair labour practices (e.g., go slow, sit down strike, etc.).
- Both employers and unions will educate workers regarding their obligations and agree to follow a mutually agreed grievance procedure.

Obligations of Employer

Management agrees not to increase workload without prior agreement with workers, discourages unfair labour practices, take prompt action to redress grievances, displays the code in prominent places, agrees

to implement all awards and agreements, take disciplinary action against officers/members who instigate workers and agrees to recognise a representative union.

Obligations of Unions

Unions agree not to indulge in physical duress, not to permit employees to do union work during working hours, discourage negligence of duty, careless operations, damage to property, insubordination and take action against office bearers who work against the spirit of the code.

The code does not have any legal sanction. However, the central employers and workers' organisations agree to impose certain moral sanctions against erring members such as seeking explanations for infringement of provisions, criticizing them for not following the code, give wide publicity to the fact that a particular unit is working against the code, etc.

Evaluation

At present the code has been accepted by about 200 individual employers and about 170 trade unions, in addition to the support extended by the central organisations of workers and employers. Barring railways, Port and Docks and undertakings under the Ministry of Defence, the code is applicable to all public sector units. The LIC, SBI and RBI have also accepted it. The focus of the code in the early years was on compliance, i.e., asking the parties to abide by certain basic provisions and discouraging all violations in tripartite committees. The Third Plan felt that the code had a healthy influence on employer-employees relationship and definitively had a restraining and sobering impact on both the parties. The National Commission on Labour (NCL), however, highlighted certain black spots:

- The code failed because the parties did not have a genuine desire to support it wholeheartedly.
- Conflicts between the code and the law.
- Union rivalries, inflationary pressures, the state of indiscipline in the body politic and other reasons beyond the control of employer, etc.

To remedy the situation, NCL wanted the Government to give legal shape to certain important provisions such as:

- Recognising unions as bargaining agents.
- Setting up a grievance machinery.
- Prohibiting strikes/lockouts without notice.
- Imposing penalties for unfair labour practices.
- Providing for voluntary arbitration.

Industrial Disputes: Settlement Machinery

The Industrial Disputes Act, 1947, provides a legalistic way of settling disputes, where the employer and the unions fail to reach an agreement bilaterally. The provisions of this judicial machinery may be listed thus:

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 are:

- The conciliator tries to bridge the gulf between the parties, if possible.

- If he does not fully succeed, he tries to reduce the differences to the extent possible. He acts as a conduit through which messages 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.
- He persuades parties to take a fresh look at the whole issue, through a process of give and take and explore the possibility of reaching a consensus.
- He only advances possible lines of solution 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.
- 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:

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".

Board of Conciliation

When the conciliation officer fails to resolve the disputes between the parties, the government 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 numbers 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.

Court of Enquiry

In case the conciliation proceedings fail to resolve a dispute, a Court of Enquiry is constituted by the government to investigate the dispute and submit the report within six months. It is merely a fact-finding body and its findings are not binding on the parties to the dispute.

How is the Conciliation Machinery Working?

The conciliation machinery has not proved its worth in the country so far. The reason is quite simple, very few cases are referred for conciliation. The few cases that are referred to it remain untenable as they fail to meet the legal stipulations. In some cases disputes are filed, only to be withdrawn later on. A large number of cases remain pending, as the disputing parties do not supply relevant information initially. The heavy work pressures of the officers also come in the way of clearing cases within the 14 days' time period. Conciliation, as pointed out by the National Commission on Labour, is only treated as

a first hurdle by the parties, who prefer to go to the next stage without showing any interest to settle the case(s) quickly. As things stand now, both labour and management do not seem to repose their faith in the efficacy of the machinery created by the Government.

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.

Despite the best efforts of government to give a place of prominence to arbitration, it has not been a resounding success in India. The existing data on disputes settlement machinery shows that not even one per cent of the disputes reported were referred to arbitration. According to the National Commission on Labour, employers have not welcomed the step wholeheartedly. The main hurdles that came in the way were:

- Dearth of suitable arbitrators enjoying the confidence of disputing parties.
- The complicated procedure to be followed in voluntary arbitration.
- The payment of arbitration fees. Unions can seldom afford to pay such fees equally with management.
- The absence of recognised unions which could bind the workers to a common agreement.
- Easy availability of adjudication in case of failure of conciliation or negotiation.
- Absence of a legal remedy for appeal against the award given by the arbitrator.

With a view to promote voluntary arbitration, the Government has appointed a tripartite National Arbitration Promotion Board in July, 1967, consisting of representatives of employers, trade unions and the Government. The board keeps a panel of experts who could act as arbitrator. The board evaluates the progress of voluntary arbitration from time to time and advances suggestions for its improvement. It also tries to evolve principles, norms and procedures for the guidance of the arbitrator and the parties.

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 a 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.

Labour Court

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 propriety 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.

Industrial Tribunal

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) rationalisation; (j) retrenchment and closure of establishments; and (k) any other matter that may be prescribed.

National Tribunal

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

Appraisal

Adjudication has proved to be the most popular way of settling disputes in India. More than 90 per cent of the disputes are settled through this judicial process every year. However, the actual functioning of machinery is far from satisfactory because of (i) the delays involved and (ii) the inefficient implementation of the awards. Adjudication has been criticized thus: (a) on the procedural plane, adjudication is dilatory, expensive and discriminatory as the power of reference vests with the appropriate government. (b) on fundamentals, the system of adjudication has failed to bring about industrial peace, has prevented voluntary settlement of industrial disputes and growth of collective bargaining and has come in the way of healthy growth of trade unions. Quite a good number of disputes are reported to be pending with Labour Courts and Industrial Tribunals for over four or five years. The complicated procedures, red tapism, bureaucratic delays, the high cost of adjudication which only an employer can bear – have all come in the way of prompt settlement of disputes through the adjudication machinery.

Summary

- Industrial relations are the outcome of the employment relationship in an industrial unit. It underscores the importance of compromise and accommodation in place of conflict and controversy in resolving disputes between labour and management.
- The basic objective of industrial relations is to maintain sound relations between employers and employees.
- There are five different approaches to study industrial relations, namely, the psychological approach, the sociological approach, the human relations approach, Giri's approach and the Gandhian approach.
- The HRD approach recognises employees as invaluable assets in an organisation and believes that they can be developed to an unlimited extent with proper incentives, atmosphere and treatment.
- Constructive attitudes, well-organised unions, proper procedures and policies, bipartite committees, etc., are needed to promote and maintain sound industrial relations.

- Sound industrial relations are essential for ensuring industrial peace and improved productivity. Cordial labour management relations enable the employer to secure cooperation and commitment from employees quite easily.
- Industrial conflicts constitute militant and organised protests against existing terms and conditions of employment. They occur in several forms such as strikes, lock-outs, gheraos, picketing, boycott etc.
- Industrial disputes arise due to several causes relating to recognition, retrenchment, employment conditions, indiscipline, wages and allowances, bonus, ill-treatment etc.
- Strong trade unions, works committees, joint management councils, standing orders, proper grievance procedures, code of discipline, collective bargaining etc. help in preventing industrial disputes.
- Conciliation (Conciliation Officer and Board of Conciliation) arbitration (voluntary and compulsory) and adjudication (Labour Court, Industrial Tribunal, National Tribunal) help in the settlement of disputes as envisaged by the Industrial Disputes Act.

Terminology

- **Industrial relations:** It generally refers to the collective relations between employers and employees as a group.
- **Industrial conflict:** Organised protest against prevailing industrial conditions raised by a group or a class of workers.
- **Strike:** A collective stoppage of work by a group of workers.
- **Lock-out:** Closing down of an undertaking or the suspension of work or the refusal of an employer to continue to employ any number of persons employed by him.
- **Closure:** In case of closure the employer not only shuts down the place of business but also suspends all the transactions of his business.
- **Layoff:** In case of layoff some workers are refused employment whereas under lock out all the workers are refused work. Under layoff the place of employment need not be closed.
- **Retrenchment:** Termination by the employer of the services of a workman for any reason whatsoever, otherwise than as a punishment inflicted by way of disciplinary action.
- **Arbitrator:** A person who is appointed to play the role of an umpire while resolving differences and disputes between two parties.
- **Standing orders:** Rules and regulations which govern the conditions of employment of workers.
- **Code of discipline:** It consists of a set of self-imposed obligations voluntarily formulated by the central organisation of workers and employers.
- **Conciliation:** The practice by which the services of a neutral third party are used in a dispute as a means of helping the disputing parties to reduce the extent of their differences and to arrive at an amicable settlement or agreed solution.
- **Voluntary arbitration:** The process in which the disputing parties show willingness to go to an arbitrator (a third party) and submit to his decision voluntarily.
- **Adjudication:** It is the process of settling disputes through the intervention of a third party appointed by the Government.
- **Industrial dispute:** Any dispute or difference between employers and employees, or between employers and workmen or between workmen and workmen which is connected with the

employment or non-employment or the terms of employment or with the conditions of labour of any person.

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Review Questions

1. What are the important causes of labour unrest in India? Account for the phenomenal unrest in India after Independence. Briefly outline the post - liberalisation industrial relations scene in India.
2. What do you mean by 'strike' and 'lock-out'? What are their causes?

3. Write notes on:
- Works Committee
 - Standing Orders
 - Code of Discipline
 - HRD approach to Industrial Relations
4. Define workers' participation in management and discuss its importance in the context of Indian economy.
5. Explain the machinery for the prevention and settlement of industrial disputes in India.
6. Can workers' participation in management improve the relations between the employers and the employees?
7. What do you mean by industrial relations? What measures would you suggest to improve industrial relations in a firm?
8. Critically examine the legal framework for industrial dispute resolution in India. In what specific ways does the existing system inhibit collective bargaining?
9. Distinguish between arbitration and adjudication. Give reasons for the failure of arbitration in India.
10. Critically examine the institutional provisions for the resolution of industrial disputes within the legal framework in India.
11. What is an industrial dispute? How does it adversely affect the workers, the management and the nation as a whole?
12. Outline the major obstacles that stand in the way of a rapid growth of genuine collective bargaining in India.
13. Examine the current state of labour-management relations in India. What measures would you suggest to make these more cooperative?

Discussion Questions

1. Do you think the right of the workers to strike is a fundamental right - as guaranteed in the Constitution of India? Why and Why not?
2. Can an employer demand a written undertaking from the striking workmen not to repeat such an act after a strike is called off?
3. Can a minority union raise a demand or challenge the existing settlement arrived at with the unions representing majority of workers?
4. Can a temporary worker claim retrenchment compensation under the Industrial disputes Act?
5. Will partial stoppage of work amount to strike?
6. What is the distinction between a 'closure' and a lock-out?
7. "The law makes it possible for the employer to use the unions favourably disposed towards him as a counteracting force against an independent, and hostile trade union during the conciliation process". Comment.