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ELECTIVE COURSE –PAPER – IV (Optional)

INDUSTRIAL RELATIONS AND COLLECTIVE BARGAINING

Unit - I

Industrial Relations

Definition of IR Concepts-Industrial disputes: meaning & causes-Importance of good labour management relations-Industrial Dispute Act 1947-Disputes settlement machineries-Awards and settlements-Strike and lockout-Lay-off and retrenchment -Present day industrial worker: A comparison with his predecessor-Directive principles of State policy -creating and adopting labour policy-Role of ILO in industrial relations.

Definition of IR Concepts

- the relations between management and workers in industry.
- Industrial relation defined as relation of Individual or group of employee and employer for engaging themselves in a way to maximize the productive activities.

Definition

- According to Dale Yoder', IR is a designation of a whole field of relationship that exists because of the necessary collaboration of men and women in the employment processes of Industry”.
- Armstrong has defined IR as “IR is concerned with the systems and procedures used by unions and employers to determine the reward for effort and other conditions of employment, to protect the interests of the employed and their employers and to regulate the ways in which employers treat their employees”

Industrial Relations

- Industrial relations is the management of the relationship between employers and employees
- Is the relationship which exists between employers and employees.
- It is most important that this relationship is good.

Good Industrial Relations Lead To:

- Discussions taking place on an ongoing basis
- Disputes over wages, working conditions and promotion can be settled without a strike

Poor Industrial Relations

- Disputes and strikes
- Loss of pay for employees
- Loss of profits for employers
- Unhappy workers looking for new jobs

Objectives of Industrial Relations

- To bring better understanding and cooperation between employers and workers.
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- To establish a proper channel of communication between workers and management
- To ensure constructive contribution of trade unions.
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- To avoid industrial conflicts and to maintain harmonious relations.
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- To safeguard the interest of workers and the management.6.
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- To work in the direction of establishing and maintaining industrial democracy.
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- To ensure workers participation in decision-making.
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- To increase the morale and discipline of workers.
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- To ensure better working conditions, living conditions and reasonable wages

Industrial disputes

- a dispute between employers and employees.
- An industrial dispute may be defined as a conflict or difference of opinion between management and workers on the terms of employment.
- It is a disagreement between an employer and employees' representative; usually a trade union, over pay and other working conditions and can result in industrial actions.
- When an industrial dispute occurs, both the parties, that is the management and the workmen, try to pressurize each other.
- The management may resort to lockouts while the workers may resort to strikes, picketing.

Industrial disputes

- According to Sec. 2 of the Industrial Dispute Act, 1947,
- “Industrial dispute means any dispute or difference between employers and employers 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” Industrial disputes are of symptoms of industrial unrest in the same way that boils are symptoms of a disordered body.
- Whenever an industrial dispute occurs, both management and workers try to pressurize each other.
- The management may resort to lock-out and the workers may resort to strike, gherao, picketing, etc

Strike:

- Strike is a very powerful weapon used by a trade union to get its demands accepted. It means quitting work by a group of workers for the purpose of bringing pressure on their employer to accept their demands.
- According to Industrial Disputes Act, 1947, “Strike 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.

Types of strikes

- **(i) Economic Strike:**
 - Under this type of strike, members of the trade union stop work to enforce their economic demands such as wages, bonus, and other conditions of work.
- **(ii) Sympathetic Strike:**
 - The members of a union collectively stop work to support or express their sympathy with the members of other unions who are on strike in the other undertakings.
- **(iii) General Strike:**
 - It means a strike by members of all or most of the unions in a region or an industry. It may be a strike of all the workers in a particular region of industry to force demands common to all the workers. It may also be an extension of the sympathetic strike to express general protest by the workers.
- **(iv) Sit Down Strike:**
 - When workers do not leave their place of work, but stop work, they are said to be on sit down or stay in strike. It is also known as tools down or pen down strike. The workers remain at their work-place and also keep their control over the work facilities.
- **(v) Slow Down Strike:**
 - Employees remain on their jobs under this type of strike. They do not stop work, but restrict the rate of output in an organised manner. They adopt go- slow tactics to put pressure on the employers.

Lock-out:

- Lock-out is declared by the employers to put pressure on their workers.
- It is an act on the part of the employers to close down the place of work until the workers agree to resume the work on the terms and conditions specified by the employers.
- The Industrial Disputes Act, 1947 has defined lock-out as closing of a place of employment or the suspension of work or the refusal by an employer to continue to employ any number of persons employed by him.
- Lock-outs are declared to curb the activities of militant workers. Generally, lock-out is declared a trial of strength between the management and its employees.

Gherao:

- It is a Hindi word which means to surround.
- The term 'Gherao' denotes a collective action initiated by a group of workers under which members of the management of an industrial establishment are prohibited from leaving the business or residential premises by the workers who block their exit through human barricade.
- A human barricade is created in the form of a ring or a circle at the centre of which the persons concerned virtually remain prisoners of the persons who resort to gherao.
- Gheraos are quite common in India these days. Gheraos are resorted to not only in industrial organisations, but also in educational and other institutions.
- The persons who are gheraoed are not allowed to move nor do any work.

Gherao

- Gheraos have been criticised legally and morally.
- Legally gheraos amount to imposing wrongful restraints on the freedom of some persons to move. That is why, courts have held it as an illegal action.
- Gheraos tend to inflict physical duress on the persons affected.
- They also create law and order problem.
- Morally, to gherao a person to press him to agree to certain demands is unjustified because it amounts to getting consent under duress and pressure.
- A person who is gheraoed is subjected to humiliation.
- Moreover, a person who has made a promise under gherao is justified in going back over the word after that.
- In short, as pointed out by a National Commission on Labour, gherao cannot be treated as a form of industrial protest because it involves physical coercion rather than economic pressure.

Picketing:

- **Picketing:**
- When workers are dissuaded from reporting for work by stationing certain men at the factory gates, such a step is known as picketing. If picketing does not involve any violence, it is perfectly legal. It is basically a method of drawing the attention of public towards the fact there is a dispute between the management and the workers.

Causes of Industrial Disputes:

- **We can classify the causes of industrial disputes into two broad groups:**
- (i) Economic causes, and
- (ii) Non-economic causes.
- **Economic causes include:**
- (i) Wages,
- (ii) Bonus,
- (iii) Dearness allowance,
- (iv) Conditions of work and employment,
- (v) Working hours,
- (vi) Leave and holidays with pay, and
- (vii) Unjust dismissals or retrenchments.
- **Non-economic causes include:**
- (i) Recognition of trade unions,
- (ii) Victimisation of workers,
- (iii) Ill-treatment by supervisory staff,
- (iv) Sympathetic strikes,
- (v) Political causes, etc.

Causes of Industrial Disputes:

- Inadequate fixation of wage or wage structure;
- Unhealthy working conditions;
- Indiscipline;
- Lack of human relations skill on the part of supervisors and other managers;
- Desire on the part of the workers for higher bonus or DA and the corresponding desire of the employers to give as little as possible;
- Inappropriate introduction of automation without providing the right climate;
- Unduly heavy workloads;

Causes of Industrial Disputes:

- Inadequate welfare facilities;
- Dispute on sharing the gains of productivity;
- Unfair labour practices, like victimization and undue dismissal;
- Retrenchment, dismissals and lock-outs on the part of management and strikes on the part of the workers;
- Inter-union rivalries; and
- General economic and political environment, such as rising prices, strikes by others, and general indiscipline having their effect on the employees' attitudes

Causes of Industrial Disputes

- Industrial Factors
- Management attitude to labour
- Government Machinery
- other causes
- ✓ Inter/Intra Union Rivalry
- ✓ Charter of Demands
- ✓ Work Load
- ✓ Standing orders/rules/service conditions/safety measures
- ✓ Non-implementation of agreements and awards etc.

Measures to Improve Industrial Relations:

- **1. Progressive Management:**
- There should be progressive outlook of the management of each industrial enterprise. It should be conscious of its obligations and responsibilities to the owners of the business, the employees, the consumers and the nation. The management must recognise the rights of workers to organise unions to protect their economic and social interests.
- The management should follow a proactive approach, i.e., it should anticipate problems and take timely steps to minimize these problems. Challenges must be anticipated before they arise otherwise reactive actions will compound them and cause more discontent among the workers.
- **2. Strong and Stable Union:**
- A strong and stable union in each industrial enterprise is essential for good industrial relations. The employers can easily ignore a weak union on the plea that it hardly represents the workers. The agreement with such a union will hardly be honoured by a large section of workforce. Therefore, there must be a strong and stable union in every enterprise to represent the majority of workers and negotiate with the management about the terms and conditions of service.

Measures to Improve Industrial Relations:

- **3. Atmosphere of Mutual Trust:**
 - Both management and labour should help in the development of an atmosphere of mutual cooperation, confidence, and respect. Management should adopt a progressive outlook, and should recognise the right of workers.
 - Similarly, labour unions should persuade their members to work for the common objectives of the organisation. Both the management and the unions should have faith in collective bargaining and other peaceful methods of settling industrial disputes.
- **4. Mutual Accommodation:**
 - The right of collective bargaining of the trade unions must be recognised by the employers. Collective bargaining is the cornerstone of industrial relations. In any organisation, there must be a great emphasis on mutual accommodation rather than conflict or uncompromising attitude. Conflicting attitude does not lead to amicable labour relations; it may foster union militancy as the union reacts by engaging in pressure tactics. The approach must be of mutual “give and take” rather than “take or leave”.
- **5. Sincere Implementation of Agreements:**
 - The management should sincerely implement the settlements reached with the trade unions. The agreement between the management and the unions should be enforced both in letter and spirit.

Measures to Improve Industrial Relations:

- **6. Workers' Participation in Management:**
- The participation of workers in the management of the industrial unit should be encouraged by making effective use of works committees, joint consultation and other methods. This will improve communication between managers and workers, increase productivity and lead to greater effectiveness.
- **7. Sound Personnel Policies:**
- Personnel policies should be formulated in consultation with the workers and their representatives if they are to be implemented effectively. The policies should be clearly stated so that there is no confusion in the mind of anybody. The implementation of the policies should be uniform throughout the organisation to ensure fair treatment to each worker.
- **8. Government's Role:**
- The Government should play an active role for promoting industrial peace. It should make law for the compulsory recognition of a representative union in each industrial unit. It should intervene to settle disputes if the management and the workers are unable to settle their disputes. This will restore industrial peace.

Causes of industrial Disputes

- 1. . Disputes mainly relate to the strife between employers and their employees. According to the Industrial Dispute Act, 1947 sec(2(k)), Industrial disputes mean 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 terms of employment or with the conditions of labor of any person.
- 2. Causes of industrial Disputes: Causes of Industrial disputes may be grouped into four categories : (A) Industrial Factors (B) Management's Attitude towards workers (C) Government Machinery ; and (D) Other Causes
- 3. (A) Industrial Factors : Under this category, some of the causes of dispute may be : (i) An industrial matter relating 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 (establishing limits) of the functions of an employee (iii) An industrial matter in which both the parties are directly and substantially interested. (iii) disputes arising out of unemployment, inflation, change in the attitude of
- 4. (II) Management Attitude Towards Labor : (i) Management's unwillingness to talk over any dispute with their employees. (ii) Management's unwillingness to recognize a particular trade union , delegating enough authority to their representatives, etc. (iii) unwillingness to negotiate and settlement of disputes. (iv) Management's insistence to take care of recruitments, promotion etc without consulting the concerned employees (v) Management's unwillingness to provide services and benefits to its employees

Causes of industrial Disputes

- 5. (III) Government Machinery : (a) Though there are number of enactments for promotion of harmonious relations, it is ineffective and unsatisfactory due to various reasons like their irrelevancy in the context of the challenges of present industrial climate/culture, incapability of understanding and answering imperatives of development, improper and inadequate implementation by many employers. (b) The governments conciliation machinery has settled a very negligible number of disputes .
- 6. (IV) Other Causes : (i) Affiliation of the trade unions with a political party, where the latter may instigate the trade unions to conduct strikes, lockouts , gheraos etc. (ii) Political instability, centre-state relations, sometimes result into industrial conflict. (iii) Other potential factors like corruption in industry and public life, easy money, etc can also result into industrial disputes.
- 7. Industrial Disputes Strikes Lockouts Primary Secondary Others Strikes
Strikes 1. General 2. Particular 3. Political 4. Bandhs Sit down Stay-in Toke Stay- Wor Lighten Picke Ghe Hunge Tool n or away Go k To ing or ting rao r Down Prote Strike - Rule & Strikes or st Cat- s Slo Boyc Pen Strike Call w ott Down s strikes Strikes
- 8. Industrial disputes are basically of two types , i.e. Strikes and Lockouts. Strikes : Strikes are a result of more fundamental maladjustments, injustices and economic disturbances. Strike is a temporary cessation of work by a group of employees in order to express grievances or to enforce a demand concerning changes in work conditions. Strikes are divided into three types . They are Primary strikes, secondary strikes and other strikes.

Causes of industrial Disputes

- 9. I. Primary strikes are generally against the employer with whom the dispute exists. They are : (i) Stay Away Strikes: In this strike workmen stay away from the work place. They organize rallies, demonstrations, etc. (ii) Stay-in or sit Down Strikes : In this strike, workmen come to the place , they stay at the work place but they don't work. (iii) Tools Down, Pen Down Strike : Here the strikers lay down their tools in case of factory workers , office workers lay down their pens,
- 10. (iv) Token or Protest Strikes : It is of very short duration and is in nature of signal for the danger ahead. In this strike workers do not work for an hour or a day. (v) Lightening or Wild cat strike : In this strike, the strike is done without any prior notice or with a shortest notice. (vi) Go –Slow : In this strike, the workers intentionally reduce the speed of work.
- 11. (vii) Work to rule : In this strike, the strikers undertake the work according to rules or job description. (viii) Picketing : It is an act of protesting by the workmen in front of the premises of the employer. (ix) Boycott: It aims at disrupting the normal functioning of the enterprise. (x) Gherao : It is a physical blockade of a target either by encirclement, intended to block from and to a particular office, workshop etc. (xi) Hunger Strike : This type of strike is resorted to either by the leaders of the union or by some workers all at a time for a limited period or up to the period of settlement of disputes.
- 12. II Secondary Strike : Secondary strikes are against a third party. These strikes are sympathetic strikes. III. Other Strikes : These strikes are in the form of general, particular, political and bandhs. Lockouts: Lockout means the closing of a place of business or of employment or the suspension of work, or the refusal by the employer to continue to employ any number of persons employed by him. However, termination of employment or retrenchment, and prohibiting an employee are not lockouts.

Causes of industrial Disputes

- [13.](#) PREVENTIVE MEASURES OF INDUSTRIAL DISPUTES Labor Tripartite Standing Grievance Welfare and Orders Procedure Officer Bipartite Bodies Collective Strong Labor Co- Joint Consultations Bargaining Trade Partnership and Unions Profit sharing
- [14.](#) 1] Labor Welfare Officer : Section 49 (1) and (2) of the Factories Act, 1948 specifies that every factory wherein 500 or more workers are ordinarily employed at least one welfare Officer must be appointed, where the number of workers are in excess of 2500, the assistant and / or additional welfare officers are required to be appointed to assist the Welfare Officer. The functions of Labor Welfare Officer includes : (I) Labor Welfare Functions : Advice and assistance in implementing legislative and non-legislative provisions relating to :
- [15.](#) (a) Health & Safety (b) Working conditions (c) Sanitation & Cleanliness (d) Recreation (e) Welfare Amenities (f) Workers Education (g) Services like Co-operative grain shops, housing cooperatives. (h) Formation of welfare committees. (i) Housing (j) Implementation of welfare Acts. (II) Labor Administration Functions : These may cover : (a) Organizational Discipline (b) Safety & Medical administration (c) Wage & salary administration (d) Administration of Legislation covering Industrial Relations
- [16.](#) Labor Relations Functions: These may consist of : (III) (a) Administration of standing orders. (b) Settlement of Grievances. (c) Settlement of Disputes through statutory procedures. (d) Trade unions & union management relations (e) Steps to increase productivity efficiency.
- [17.](#) 2] Tripartite and Bipartite Bodies : Industrial relations in India have been shaped largely by the policies and practices of Tripartite and Bipartite bodies. The purpose of consultative machinery is to bring the partners together for mutual settlement of differences in spirit of cooperation and goodwill. Bipartite consultative machinery comprises two parties i.e. employees and employer, the important bipartite body is works committees.

Causes of industrial Disputes

- [18.](#) Works Committee : Works committees greatly contribute in prevention of industrial disputes. It is represented by an equal number of representatives of each party and the method of their appointment are also laid down in agreements or enactments. Objectives and Functions : (a) To promote industrial goodwill. (b) To secure cooperation from employers and employees. (c) To ensure the cooperation of private concerns. (d) To provide for a popular agency for supervising the management of nationalized undertakings.
- [19.](#) For the successful working of the works committee, the employers are required to abstain from doing anything that is likely to hamper various facilities to workers. The Trade unions on the committees also have to abstain from doing things that upset the operations of the undertaking.
- [20.](#) 3] Standing Orders : Majority of the industrial disputes are related to conditions of employment. To prevent this, Standing orders are formulated. It was made obligatory that standing orders should govern the conditions of employment under the Industrial Employment (Standing Orders) Act of 1946. The Standing Orders regulate the conditions of employment from the stage of entry to the stage of exit.
- [21.](#) 4] Grievance Procedure : Grievance generally arise from day – to – day working relations. Grievances of the employees are readdressed by the management. Management can prevent the occurrence of industrial disputes by solving the individual problems. 5] Collective Bargaining : Collective bargaining helps for settlement of issues and prevention of industrial disputes. It occurs when representatives of a labor union meet management representatives to determine employees wages and benefits, to create or revise work rules and to resolve disputes or violations of the labor contract.

Causes of industrial Disputes

- [22.](#) 6] Strong Trade unions :Trade union is the most suitable and effective agency to conduct collective bargaining on behalf of the workers. A powerful bargaining may be achieved by strong trade unions, which enable the workforce to maintain harmonious relations with the management.7] Labor Co-partnership and profit sharing :Good industrial relations can be maintained through proper partnership and profit sharing; employer gives a portion of total profits to workers in addition to their normal wages. This sort of attitude of management would create psychological conditions favorable for industrial peace.
- [23.](#) 8]Joint Consultation : Joint Consultation involves a continuous relationship between labor and management and expects willingness of management and the participation of workers in discussing common problems of interest. This is the result of collective bargaining relations on a stable basis when parties know each other well and have a mutual trust.
- [24.](#) Settlement of Disputes: Whatever may be the cause of industrial disputes, the consequences are harmful to all stakeholders-management, employees, economy and the society . For management, disputes result in loss of production, revenue, profit, and even sickness of the plant. Employees would be hard hit as the disputes may lead to lockouts and consequent loss of wages and even jobs. Various methods are available for resolving disputes. Most important of them are :
- [25.](#) Collective Bargaining Arbitration Dispute Code of Settlement Discipline Conciliation Grievance Procedure Adjudication Consultative Machinery
- [26.](#) Collective Bargaining: Collective bargaining helps for settlement of issues and prevention of industrial disputes. It occurs when representatives of a labor union meet management representatives to determine employees wages and benefits, to create or revise work rules and to resolve disputes or violations of the labor contract. The bargaining is collective in the sense that the chosen representative of the employees (i.e. union) acts as a bargaining agent for all the employees in carrying out negotiations and dealings with the management. On the employer side, it is collective in those common situations in which the companies have joined together in an employer association for the purposes of bargaining with a union.

Causes of industrial Disputes

- [27.](#) Collective bargaining has been viewed as a process of social change, as a peace treaty between the conflicting parties and as a system of industrial jurisprudence. (i.e it is a method of introducing civil rights into the industry). The process of collective bargaining involves six major steps :
- [28.](#) Environment Preparation for Negotiation Bargaining Issues Negotiating Yes Negotiation Overcoming Breakdowns Breakdowns No Reaching the Agreement Ratifying the agreement Administration of the Agreement
- [29.](#) Code of Discipline : The code of discipline defines duties and responsibilities of employers and workers. The objectives of the code are: 1. To ensure that employers and employees recognize each others rights and obligations. 2. To promote consecutive co-operation between parties concerned at all levels. 3. To eliminate all forms of coercion, intimidation and violence in IR. 4. To avoid work stoppages. 5. To facilitate the growth of trade unions. 6. To maintain discipline in the industry.
- [30.](#) Grievance Procedure : This is another method of resolving disputes. Grievance is any discontent or dissatisfaction, arising out of employment relationship, which an employee thinks , believes or feels to be unfair, unjust or inequitable. A grievance procedure is a formal process which is preliminary to arbitration, which enables the parties involved to attempt to resolve their differences in a peaceful and orderly manner. It enables the company and the trade union to investigate and discuss the problem at issue without in any way interrupting the peaceful conduct of business. When the grievance redressal machinery works effectively, it satisfactorily resolve most of the disputes between labor and management.

Causes of industrial Disputes

- [31.](#) Voluntary VI stage within 7 days NS- Not satisfied Arbitration NS V stage Appeal to Committee of Management for union & Management revision Representatives IV stage communicates NS Manager the decision within 7 days NS Grievance Committee NS III stage conveys verbally Departmental Head of the Representatives department NS II stage Department Supervisor decision Representatives within 3 days NS Foreman I stage answer to be given within Grievant Employee 48 hrs
- [32.](#) Arbitration : Arbitration is a procedure in which a neutral third party studies the bargaining situation, listens to both the parties, gathers information and then makes recommendations that are binding on both the parties. Arbitration is an effective means of resolving disputes because it is :1. Established by the parties themselves and the decision is acceptable to them.2. Relatively expeditious when compared to courts and tribunals.
- [33.](#) Process of Arbitration :1) The labor union generally takes initiative to go for arbitration. when the union decides, it notifies the management.2) The union & the management select the potential arbitrator by carefully studying the previous decisions given by the particular arbitrator, to detect any biases.3) After the arbitrator is selected, the time & place for hearing will be determined, the issue to be resolved will be presented to the arbitrator in a document that summarizes the questions to be decided, any contract restrictions that prohibit the arbitrator from making an award that would change the terms of existing contract.4) Each side represents its case at the hearing.5) Each party has to submit formal written statements.
- [34.](#) 1) Witness , cross-examination, transcripts & legal counsel may be used.2) After hearing, the arbitrator studies the materials submitted and reaches the decision within 30 – 60 days.3) The decision given usually is a written opinion mentioning the reasons.4) The report is submitted by the arbitrator to the appropriate government

Causes of industrial Disputes

- [35.](#) Conciliation : Conciliation is a process by which the representatives of workers and employers are brought together before a third party with a view to persuading them to arrive at an agreement by mutual discussion between them. The third party may be an individual or a group of people. The third party may also be called as mediators. The ID Act, 1947 and other state enactments authorise the governments to appoint conciliators charged with duty of mediating in and promoting the settlement of industrial disputes. In Conciliation, the ultimate decision rests with the parties themselves but the conciliator may offer a solution to the dispute acceptable to both the parties and serve as a channel of communication. The parties may accept his recommendation or reject it.
- [36.](#) If the conciliation fails, the next stage may be compulsory adjudication or the parties may be left with their own choice. In cases where a settlement is arrived at, they can record the settlement and in case of failure of the conciliatory negotiations, they can send a failure report to the appropriate government.

Causes of industrial Disputes

- [37.](#) Adjudication : Adjudication means a mandatory settlement of an industrial dispute by a labor court or a tribunal. Generally, the government refers a dispute for adjudication depending on the failure of conciliation proceedings. Section 10 of the Industrial Act, 1947, provides for reference of a dispute to labor court or tribunal. Disputes are generally referred to adjudication on the recommendation of the conciliation officer who had dealt with them earlier. The government has discretionary powers to accept or reject recommendations of the conciliation officer. It is obvious that once a dispute is referred for adjudication, the verdict of a labor court or tribunal is binding on both the parties. This is the most significant instrument of resolving disputes. But, it has been criticised because of the delay involved in resolving conflicts.
- [38.](#) Consultative Machinery : Consultative machinery is set by the government to resolve conflicts. The main function is to bring the parties together for mutual settlement of differences in the spirit of co-operation and goodwill. A consultative machinery operates at plant, industry, state and national levels. At plant level, there are works committee and joint management councils. Being bipartite in character, works committees are constituted as per the provisions of Industrial Disputes Act, 1947 and joint management councils are set up following the trust laid down in the Industrial Policy Resolution, 1956. At the industry level, there are wage boards and industrial committees. Labor advisory boards operate at the state and at the all India level there are Indian labor conference and the Standing labor committee. The bodies operating at state and national level, are tripartite in character, representing government, labor and management.

Causes of industrial Disputes

- 39. Strike is one of the oldest and the most effective weapons of labour in its struggle with capital for securing economic justice. Strike has been defined in Section 2 (q) of the Industrial Disputes Act as under—
—Strike 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.||
- 40. The following are essential requirements for the existence of a strike: (1) There must be cessation of work. (2) The cessation of work must be by a body of persons employed in any industry; (3) The strikers must have been acting in combination; (4) The strikers must be working in any establishment which can be called industry within the meaning of Section 2(j); or (5) There must be a concerted refusal; or (6) 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; (7) They must stop work for some demands relating to employment, non-employment or the terms of employment or the conditions of labor of the workmen.

Causes of industrial Disputes

- [41.](#) Ingredients of Strike Cessation of Work:-This is most significant characteristic of the concept of strike. It has been variedly expressed as 'stoppage', 'omission of performance of duties suspension of work, refusing or failing to return to or resume employment'. Thus what is required for strike is that there must be stoppage of work or there must be refusal to continue to work. Refusal must be concerted or under a common understanding. 1. The cessation of work may take any form. It must, however, be temporary and not for ever and it must be voluntary. 2. No duration can be fixed for this. Permanent cessation of work would result in termination of the contract of work. Cessation of work is not a cessation of contract of employment.
- [42.](#) Concerted action Another important ingredient of the strike is a concerted action. The workers must act under a common understanding. The cessation of work by a body of persons employed in any industry in combination is a strike. Thus in a strike it must be proved that there was cessation of work or stoppage of work under a common understanding or it was a concerted action of the workers or there was cessation of work by workers acting in combination.
- [43.](#) Lockouts Section 2(1) of the Industrial Disputes Act, 1947 defines—Lock-out|| as the closing of a place of business of employer or the suspension of work, or the refusal by an employer to continue to employ any number of persons employed by him. It is declared by employers to put pressure on their workers. It is counterpart of a strike. Lockout may happen for several reasons. When only part of a trade union votes to strike, the purpose of a lockout is to put pressure on a union by reducing the number of members who are able to work.

Causes of industrial Disputes

- 44. Every employer has the option to lock out workers, if –1) a dispute has been referred to a council or the Commission for Conciliation, Mediation and Arbitration (CCMA); a certificate that a dispute remains unresolved has been issued; 30 days have elapsed since the referral; and II) 48 hours' written notice of a strike is given to a. the employer; or b. a council (if the dispute relates to a collective agreement to be concluded in a council); or c. to an employers' organisation (if the employer is a member of an organisation that is a party to the dispute); or III) 48 hours' written notice of a lockout is given to a. the trade union; or b. to the workers (if they are not trade union members); or c. a council (if the dispute relates to a collective agreement to be concluded in a council)
- 45. During legal lockouts, employers may –1) not have civil legal proceedings brought against them during legal lockouts; and 2) recover the monetary value of payment in kind through civil proceedings in the Labor Court after legal lockouts.
- 46. Layoff Layoff implies temporary removal of an employee from the payroll of the organization due to circumstances beyond the control of the employer. It may last for an indefinite period. But the employee is not terminated permanently and is expected to be called back in future. The employer employee relationship does not come to an end but is merely suspended during the period of layoff. It is temporary denial of employment. The purpose of layoff is to reduce the financial burden on the organization when the human resources cannot be utilized profitably.
- 47. Under Section 2(KKK) of the Industrial Disputes Act, 1947, layoff is defined as —the failure, refusal or inability of an employer, on account of shortage of coal, power or raw materials or accumulation of stocks or breakdown of machinery or by any other reason, to give employment to a workman whose name appears on the muster rolls of his industrial establishment and who has not been retrenched. Layoff is restored in cyclical and seasonal industries. In mines workers are laid off due to excess of inflammable gas, flood, fire and explosion.

Causes of industrial Disputes

- [48.](#) According to Section 25(c) of the Industrial Disputes Act, 1947, a laid off worker is entitled to compensation equal to 50 per cent of the basic wages and dearness allowance that would have been payable to him had he not been laid off. However, in order to claim this compensation, the laid off workman must satisfy the following conditions: a) he should not be a badli or a casual worker, b) his name must appear on the muster rolls of the industrial establishment, c) he must have completed not less than one year of continuous service, and d) he must present himself for work at the appointed time during normal working hours at least once a day.
- [49.](#) Retrenchment Retrenchment means permanent termination of service of an employee for economic reasons in a going concern. The Industrial Disputes Act, 1947 defines retrenchment as the —termination by the employer of the services of workman for any reason other than termination of services as punishment given by way of disciplinary action, or retirement either voluntary or reaching age of superannuation, or continued ill-health or the closure and winding up of a business||. The Act lays down the following conditions for retrenchment. 1. The employee must be given one month's notice in writing indicating the reasons for retrenchment or wages in lieu of such notice. 2. The employee must be paid compensation equal to 15 days for every completed year of service. 3. Notice in the prescribed manner must be served on the appropriate Government authority. 4. In the absence of any agreement to the contrary, the worker employed last must be terminated first.

Causes of industrial Disputes

- **Causes Of Industrial Disputes**
- Handling employee misconduct is a very critical task to be performed by the senior managers. Misconduct and other offensive behaviors often lead to decreased levels of productivity as they affect the individual performance of the employees. To manage discipline among employees, every company opts for a discipline policy which describes the approach it will follow to handle misconduct.
- The causes of industrial disputes can be broadly classified into two categories: economic and non-economic causes. The economic causes will include issues relating to compensation like wages, bonus, allowances, and conditions for work, working hours, leave and holidays without pay, unjust layoffs and retrenchments. The non economic factors will include victimization of workers, ill treatment by staff members, sympathetic strikes, political factors, indiscipline etc.
- **Wages and allowances:** Since the cost of living index is increasing, workers generally bargain for higher wages to meet the rising cost of living index and to increase their standards of living. In 2002, 21.4% of disputes were caused by demand of higher wages and allowances. This percentage was 20.4% during 2003 and during 2004 increased up to 26.2%. In 2005, wages and allowances accounted for 21.8% of disputes.

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Causes of industrial Disputes

- **Personnel and retrenchment:** The personnel and retrenchment have also been an important factor which accounted for disputes. During the year 2002, disputes caused by personnel were 14.1% while those caused by retrenchment and layoffs were 2.2% and 0.4% respectively. In 2003, a similar trend could be seen, wherein 11.2% of the disputes were caused by personnel, while 2.4% and 0.6% of disputes were caused by retrenchment and layoffs. In year 2005, only 9.6% of the disputes were caused by personnel, and only 0.4% were caused by retrenchment.
- **Indiscipline and violence:** From the given table, it is evident that the number of disputes caused by indiscipline has shown an increasing trend. In 2002, 29.9% of disputes were caused because of indiscipline, which rose up to 36.9% in 2003. Similarly in 2004 and 2005, 40.4% and 41.6% of disputes were caused due to indiscipline respectively. During the year 2003, indiscipline accounted for the highest percentage (36.9%) of the total time-loss of all disputes, followed by cause-groups wage and allowance and personnel with 20.4% and 11.2% respectively. A similar trend was observed in 2004 where indiscipline accounted for 40.4% of disputes.
- **Bonus:** Bonus has always been an important factor in industrial disputes. 6.7% of the disputes were because of bonus in 2002 and 2003 as compared to 3.5% and 3.6% in 2004 and 2005 respectively.
- **Leave and working hours:** Leaves and working hours have not been so important causes of industrial disputes. During 2002, 0.5% of the disputes were because of leave and hours of work while this percentage increased to 1% in 2003. During 2004, only 0.4% of the disputes were because of leaves and working hours.
- **Miscellaneous:** The miscellaneous factors include
 - Inter/Intra Union Rivalry
 - Charter of Demands
 - Work Load
 - Standing orders/rules/service conditions/safety measures
 - Non-implementation of agreements and awards etc.

Importance of good labour management relations

- The increase in productivity and prosperity of the country is the result of industrial peace and harmony.
- Industrial harmony brings about greater cooperation between workers and management
- Which results better production
- that lead to the economic progress
- and prosperity of the country

Agarwal (1982)

The Report of National Commission on Labour (1995)

- industrial harmony is indispensable when a country plans to make **economic progress** isbound up with industrial harmony inevitably leads to more **cooperation** between employerand employees, which result in more **productivity** and there by contributes in **all round prosperity** of the count

Importance of good labour management relations

- improving the economic condition of workers in the existing state of industrial management and political government,
- control by the state over industries to regulate production and industrial relations,
- socialization or nationalization of industries by making the state itself an
- employee, and
- vesting the proprietorship of industries in the workers.
- safeguard the interests of labour
- avoid industrial conflicts and develop harmonious relations
- establish and maintain industrial democracy based on labour partnership
- bring down strikes, lockouts, and gherous

Importance of good labour management relations

- Effective Industrial relations means Industrial peace necessary for better and higher production, hence, healthy Industrial Relations is the key to progress of individuals, management, Industry and Nation.
- Importance of Industrial Relations are as follows:
- Uninterrupted production
 - a. It is the most important benefit of industrial relations.
 - b. It ensures continuity of production.
 - c. It provides continuous employment to all.
 - d. Optimum use of available resources in order to gain maximum possible production.
 - e. Continuous flow of income for all.

Importance of good labour management relations

- Reduction in Industrial Dispute

- a. Cordial Industrial relations helps in reducing industrial disputes, disputes are reflections of the failure of basic motivation in order secure satisfaction among employees. Some reflections of industrial unrest includes strikes, lockouts, gheraos and grievances.
- b. It promotes industrial peace with cordial industrial relations, disputes can be settled through co-operation.

- High morale - Industrial relation improves the morale of employees

- a. Employee feels that he is co-owner of the profits of industry.
- b. High morale induces employees to work with high energy as they feel that their interest co-ordinates with organizational interest.
- c. In order to maintain good Industrial relations employer need to realize and share equally the profits of industry generously with employees
- d. Unity of thought and action against workers and management is main achievement of industrial peace.
- e. Effective industrial relations boosts morale of workers which leads to positive effect in production

Importance of good labour management relations

- Mental revolution
 - a. Effective Industrial Relations brings mental revolution among employees which bring complete overhaul in the outlook of employees.
 - b. Employees, employer and government need to work out a new relationship in consonance with spirit of true democracy where each thinks of themselves as partners in industry.
 - c. Industrial peace ultimately lies in transformed outlook.
- Economic growth and Development

It promotes economic growth and development, effective industrial relations lead to increase efficiency and higher productivity, which ultimately results in economic development.
- Discourages unfair practices

Cordial industrial relations discourages unfair practices on part of both management and unions. Industrial relations leads to formation of machineries in order to solve problems confronted by management, employees and unions through mutual understanding and negotiations to which both parties are bound, this results in banning of unfair labour practices.
- Enactment of statutory provisions

Industrial relations enables essential use of certain labour laws in order to protect and promote the welfare of employees and safeguards interests of all parties against unfair means means or practices.

Importance of good labour management relations

- Successful Labour Relations
- The success of labour relations starts with establishing a good relationship with employees and the union steward. The trust and respect supervisors build within those relationships will lead the way and impact labour relations.
- Remember that union stewards are still public servants covered under the Standards of Conduct and behavior must be appropriate at all times. While they may challenge or question a decision, they cannot obstruct the Employer's management rights to run a meeting or operation. They also may not respond on behalf of an employee where management is seeking information from that employee.
- Supervisors should also be aware that the complaint resolution processes in the collective agreements are intended for legitimate purposes and are not to be used inappropriately or to undermine management.
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Importance of good labour management relations

- Develop good communications with the employees. You are on a two-way street. An agreement may expire but the relationship is ongoing:
 - Encourage discussion
 - Listen carefully
 - Explain your answer in detail to the questioning employee
- After making your decision, carefully explain more important actions and decisions before putting them into effect.
- Be aware of managerial rights. You should preserve them through use and keep them in effect, but don't flaunt your power.
- In advance of a change in practice, explain in detail the change and the reasons for it.
- Display a genuine interest in your employees.
- Treat every employee fairly and impartially.
- Regard subordinates as associates, not antagonists. Their cooperation is easier to obtain in a positive atmosphere. Learn how to gain this cooperation.
- Establish a good working relationship with the union steward. The steward has a job to do on behalf of the members, so try to respect his/her position. In return, insist that the union steward respect your position as a supervisor and Employer representative because you have obligations as well.
- Honour all provisions of the Collective Agreement. If both the Employer and the Union considered a specific clause warranted negotiations, it deserves your careful administration.
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Importance of good labour management relations

- Guidelines for Establishing a Good Relationship with the Union Steward
- At a time when you do not have a grievance to be discussed with the union steward, sit down in a private setting and discuss the following:
- At all times, conduct by both of you must be in accordance with the Standards of Conduct for Public Service Employees.
- Each of you may make errors that will need to be corrected. These are a normal part of conducting business and tolerance of each other is necessary.
- Accept that because of the nature of the respective positions, you will have different views but will still strive to agree, when possible, on middle ground.

Importance of good labour management relations

- Agree that each will be patient in the grievance procedure, giving each other time to evaluate the respective positions.
- Agree that it is not a demonstration of weakness for a supervisor to ask the Union Steward for assistance, and it is not underhanded for the union steward to advise his/her supervisor of potential problems to allow the supervisor to nip them in the bud.
- Both parties are bound by the collective agreement, each having rights and obligations.
- If you were wrong or have made an error in applying the collective agreement, don't be afraid to admit it. This helps with your credibility.

Importance of good labour management relations

- Come to an agreement that you will deal with each other with respect. Agree to keep personality differences out of the discussion. (Even without agreement, the supervisor should deal with the Union in this way.)

Accept that on some issues there will be no middle ground. There are avenues to resolve these impasses. A failure to agree is not the end of the world.

- Agree that each of you will attempt, wherever possible, not to embarrass the other and when successful in a grievance, not to rub salt in the other's wounds. This behaviour would only impair your ongoing relationship.

Importance of good labour management relations

- Guidelines for Maintaining a Good Relationship with the Union Steward:
- Avoid emotionalism.
- Try to understand the employee's point of view.
- Do not misrepresent or whitewash facts.
- When denying a grievance, always try to explain clearly and fully your reasons for doing it. Include specific collective agreement references when available.
- Make an attempt, only after you have a decision, to inform the union steward of important decisions.
- Do not make commitments that you cannot keep.
- Have your discussion in private.

Importance of good labour management relations

- Employee has expectation of fair and just treatment by the management. Thus, management must treat all employees as individuals and must treat them in a fair manner. Employee favoritism should be avoided.
- Do not make the employees' job monotonous. Keep it interesting. Make it more challenging. This can be done by assigning employees greater responsibilities or indulging them in training programmes.
- Maintain a continuous interaction with the employees. Keep them updated about company's policies, procedures and decisions. Keep the employees well-informed. Informed employees will make sound decisions and will remain motivated and productive. Also, they will feel as a member of organizational family in this manner.

Importance of good labour management relations

- Employees must be rewarded and appreciated for a well-done job or for achieving/over-meeting their targets. This will boost them and they will work together as a team.
- Encourage employee feedback. This feedback will make the employers aware of the concerns of employees, and their views about “you” as an employer.
- Give the employees competitive salary. They should be fairly paid for their talents, skills and competencies.
- Be friendly but not over-friendly with the employees. Build a good rapport with the employee. The employee should feel comfortable with the manager/supervisor rather than feeling scared.