

Prevention and Settlements of Industrial Disputes

Now a day, industrial relations are not a bipartite affair between the management and the labor. Government is playing an active role in promoting industrial relations. The concept of industrial relations has therefore, become a tripartite affair among the employees, employers and the government.

Prevention is better than cure. It is possible to settle the industrial disputes if timely steps are taken by the management. Such disputes can be prevented and settled amicably if there is equitable adjustment between the management and the labor. The Government has taken various steps to see that the industrial disputes are settled peacefully. Firstly, the Government has constituted tripartite conferences for various industries. The Employers, employees and the Government are represented on these conferences. Secondly, statutory provision for the settlement of disputes is provided by the Industrial Disputes Act, 1947.

Prevention of industrial disputes may have different methods. These methods “cover the entire field of relations between industry and labor and include enactment and enforcement of progressive legislation, works committees and councils, wage boards, and trade boards’ profit sharing and co-partnership, tripartite labor machinery, education, housing, welfare work, and all such measures which can bridge the gap between the employers and employed.”

Some of the useful methods used for prevention and settlements of industrial disputes are:

1. Functions of a Labor Welfare Officer
2. Tripartite and Bipartite Bodies
3. Standing Orders
4. Grievance Committee
5. Joint Management Council (JMC)
6. Code of Discipline
7. Collective Bargaining
8. Arbitration
9. Adjudication

1. Functions of a Labor Welfare Officer

Under Factories Act, labor welfare officer has to discharge the following function:

- (a) **Supervision of welfare programmes:** He has to supervise welfare programmes like housing, recreation, sanitation, working of joint committees, grievance redressal, etc.
- (b) **Counselling to workers:** He has to provide counselling to workers on personal and family problems, rendering advice to enable them to adjust to work environment and education.
- (c) **Advising on policy formulation:** He has to educate management in the matter of formulating policies relating to labor welfare measures, trainingx programmes meeting statutory obligations of workers, developing fringe benefits and workers education.
- (d) **Liaison with workers:** He has to establish liaison with workers so that the latter may appreciate the need for harmonious relations between management and worker, understand the implications of HR polices and come to a settlement with the management.
- (e) **Liaison with management:** Establishing liaison with management so that the management appreciates the worker's view points on various matters, different heads of departments meet the statutory obligations under the Act, maintaining congenial relations with workers and implementing various welfare schemes.
- (f) **Working with external public:** This includes establishing contact with factory inspectors, medical officers and other agencies in the community to improve productivity and productive efficiency of workers.

2. Tripartite and Bipartite Bodies

Tripartite bodies involve employee, employer and Government. Bipartite committee comprises of employer and employee. Tripartite committee includes committees on Conventions, steering committee on wages, central implementation and evaluation machinery, Central Board of Worker's Education and National Productivity Council.

Workers committee is an example for Bipartite committee. This committee is represented by employer and employees. It is established through legislation. Method of constitution of this committee is specified in the enactment. .

3. Standing Orders

Standing orders define and regulate terms and conditions of employment and bring about uniformity in them. They also specify the duties and responsibilities of both employers and employees thereby regulating standards of their behavior. Therefore, standing orders can be a good basis for maintaining harmonious relations between employees and employers.

Under Industrial Dispute Act, 1947, every factory employing 100 workers or more is required to frame standing orders in consultation with the workers. These orders must be certified and displayed properly by the employer for the information of the workers.

4. Grievance Committee

Grievance committee comprising the representatives of employees and employer can be established and can periodically examine the issues and give redressal. The committee may inform the progress or status of grievance reported, in case it is felt that redressal may take time.

The committee may explain its inability to the grievant whenever it is not possible to redress the grievance within the scope of its authority. It may advise the grievant as to what may be done to further have it redressed.

5. Joint Management Council (JMC)

Industrial Policy Resolution, 1956, gave birth to JMC. It provides an opportunity to workers to participate in management.

Salient features of JMC include:

- This scheme is voluntary.
- The strength of JMC may be a minimum of 6 members and maximum of 12 consisting equal number of representatives of employer and employees.
- Decision arrived at JMC has to be unanimous.
- It can be set up in units with a workforce of 500 or more workers.

Objectives of JMC are:

- Satisfy the psychological needs of workers
- Improve the welfare measures
- Increase workers efficiency
- Improve the relation and association between workers, managers and promoters.

Hindustan Insecticide, HMT, Indian Airlines, Air India, TISCO, Arvind mills, Modi Spinners etc. were pioneers to JMC scheme. Past experience indicates that industrial relation is smooth in units where JMCs are functioning effectively. In 1994, JMCs were introduced in 238 public sector units at the shop floor and plant levels. Like workers committee, JMCs are also plagued by inter-union rivalries, union opposition and indifferent attitude of management.

6. Code of Discipline

Indian Labor Conference in its 15th session in 1958 evolved code of discipline for ensuring sound industrial relation climate. The code was approved by employee unions like INTUC, AITUC, HMS and UTUC and employers' associations like Employer Federation of India, AIUE, AIMO, etc., w.e.f. June 1, 1958.

It provides:

- (i) Strikes and lockout should be declared with prior notice.
- (ii) No party should take action without consulting the other.
- (iii) Existing machinery for dispute settlement should be fully exhausted.

7. Collective Bargaining

Collective Bargaining is a process in which the representatives of the employer and of the employees meet and attempt to negotiate a contract governing the employer-employee-union relationships. Collective Bargaining involves discussion and negotiation between two groups as to the terms and conditions of employment.

When parties to industrial relations know each other and have mutual confidence in each other, this mechanism is very effective. Management should listen to worker's grievance and the workers should understand the management and ensure maximum cooperation at consultative meetings. Formal procedure for consultation should be strictly observed. The discussions should be free and frank. Top management should use this forum to mirror the viewpoints of workers and drive home its point to the workers.

8. Arbitration

The employer and employees may agree to settle the dispute by appointing an independent and impartial person called Arbitrator. Arbitration provides justice at minimum cost.

9. Adjudication

Adjudication is the ultimate legal remedy for settlement of Industrial Dispute. Adjudication means intervention of a legal authority appointed by the government to make a settlement which is binding on both the parties. In other words adjudication means a mandatory settlement of an Industrial dispute by a labor court or a tribunal. For the purpose of adjudication, the Industrial Disputes Act provides 3-tier machinery:

- Labor court
- Industrial Tribunal
- National Tribunal

Machinery for Prevention and Settlement of Industrial Disputes

1. Workers Committees

This Committee consists of representatives of workers and employers. Under the Industrial Disputes Act 1947, workers committees exist in industrial establishments in which one hundred or more workmen are employed during the previous year. It consists of an equal number of representatives of workmen and employer.

It is the duty of the workers committee to promote measures for securing and preserving amity and good relations between the employer and workmen. It also deals with certain matters viz., conditions of work, amenities, safety and accident prevention, educational and recreational activities, promotion of thrift and saving etc.

Functions of Workers Committee:

- a) Promoting industrial goodwill.
- b) Securing cooperation from the employer and the employees.
- c) Removing causes of friction between parties to dispute.
- d) Creating an atmosphere for voluntary settlement of issues like wage benefits, bonus, terms of employment, workload, welfare, training, promotion, transfer, etc. Inter-union-rivalry, union's opposition, employee's reluctance to use workers committee for settling dispute hinders its effective functioning.

2. Conciliation Officers

Conciliation Officers are appointed by the Government under the Industrial Disputes Act, 1947.

The duties of Conciliation officer are given below:

- (i) He has to do everything for bringing a fair and amicable settlement of the dispute. In case of public utility service, he must hold conciliation proceedings in the prescribed manner.
- (ii) He shall send a report to the government if the dispute is settled in the course of conciliation proceedings along with the memorandum of the settlement signed by the parties.
- (iii) Where no settlement is reached, conciliation officer sends a report to the government setting forth the steps taken by him for ascertaining the facts, circumstances relating to dispute and the reasons on account of which settlement could not be reached. The report shall be submitted within 14 days of the commencement of the conciliation proceedings.

In India, government of Bombay first introduced Conciliation and Labor Officer in 1934 when the Bombay Trade Dispute Conciliation Act was passed.

3. Boards of Conciliation

The Government can also appoint a Board of Conciliation for promoting settlement of industrial disputes. The chairman of the board is an independent person and other members (may be two or four) are to be equally represented by the parties to the dispute.

The duties of the board include:

- (a) To investigate the dispute and all matters affecting the merits and do all things as it thinks fit for the purpose of inducing the parties to come to a fair and amicable settlement.
- (b) A report has to be sent to the government by the board whether a dispute is settled or not within two months of the date on which the dispute was referred to it.

4. Court Of Enquiry

The government may appoint a court of enquiry for enquiring into any industrial dispute. A court may consist of one person or more than one person in that case one of the persons will be the chairman. The court shall enquire into the matter and submit its report to the Government within a period of six months.

5. Labor Courts

The government has set up Labor Courts for dealing with the matters specified in the Second Schedule of the Industrial Disputes Act 1947. These matters include:

- a) The propriety or legality of an order passed by an employer under the standing orders.
- b) The application and interpretation of standing orders.
- c) Discharge or dismissal of workmen including reinstatement, or grant or, relief to workmen wrongfully dismissed.
- d) Withdrawal of any customary concession or privilege.
- e) Illegality or otherwise of a strike or lock-out, and
- f) All matters other than those specified in the Third Schedule.

6. Industrial Tribunals

A Tribunal is appointed by the Government for the adjudication of Industrial Disputes relating to any matter specified in the Third Schedule. These matters are given below:

- a) Wages including the period and mode of payment.
- b) Compensatory and other allowances.

- c) Hours of work and rest intervals.
- d) Leave with wages and holidays.
- e) Bonus, profit sharing, provident fund and gratuity.
- f) Shift working otherwise than in accordance with standing orders.
- g) Classifications by grades.
- h) Rules of discipline.
- i) Rationalisation
- j) Retrenchment of workmen and closure of establishment.
- k) Any other matter that may be prescribed.

The Industrial Tribunal consists of only one person who is appointed by the Government. He should either be a Judge of a High Court or District Judge for a period of not less than three years. It makes an award after hearing the parties to the dispute and the award is binding on them.

7. National Tribunal

A National Tribunal is constituted by the Central Government for the adjudication of industrial disputes involving questions of national importance. A National Tribunal shall consist of one person only to be appointed by the Central Government. A person who is or has been a Judge of High Court or who has held the office of the Chairman or member of the Labor Appellate Tribunal is eligible for the appointment of this tribunal.