

1. Industrial Relations : Disputes of Settlement

(1)

Unit-1

1. Meaning & Nature of Industrial Relations :-

→ Nature of Industrial Relation -

Industrial Relations are invariably a combination of cooperation, collaboration & conflict b/w labour & management.

However, effort should be made to seek the max. degree of cooperation & collaboration b/w them so that organisational objectives may be achieved efficiently.

→ Industrial relations denote the relations b/w employee employers & employee in industry. In a broad sense the term also includes the relation b/w the various unions, b/w the state & the unions as well as thus b/w the employers & the state.

Nature of Industrial Relation

- 1) Industrial Relation do not constitute a single relationship b/w employers & employee.
- 2) They are complex & multi-dimensional involving economic, historical, social, psychological, etc political & other variables.

accept their demand.

Aspects of Industrial Relation

Two imp. aspects —

- 1) Relation b/w individual employee & manager called personnel relations.
- 2) Collective relation b/w labour unions & management, called labour relations or labour-management relations.

Objectives of Industrial Relation

- The primary objective of industrial relation to maintain good & healthy relation b/w the workers & the management in the enterprise.
- To protect the interests of employee as well as management by securing the highest level of mutual understanding & goodwill among them.
- To avoid industrial conflicts & minimise the occurrence of strike & lockout (disagreement).
- To minimise labour turnover & absenteeism by providing job satisfaction to the workers.
- To raise productivity to a higher level which is need of a day;
- To accept their demand.

Variables of Industrial Relations

(3)

There are 3 major Variables in IR -

- (i) Employee & their Organisation (Personnel level)
- (ii) Employers & their Organisation (Team level)

→ The personal characteristics of workers, their culture, educational attainments, qualification, skills, attitude towards work etc. play an imp. role in IR.

→ Their comes work from, their variation in size, composition & the extent of specialization they impose, internal communication, employers associations & so on.

- (iii) Government - The govt. exerts an important influence on industrial relations through such measures as providing employment. The govt. keep an eye on both the trade unions & employers organisation to keep them disciplined.

Importance of Good Industrial Relations

Good Industrial relation refers to maintenance of harmonious relations b/w the labour union & the management in an organisation.

accept their demand.

1) Contribution to Economic growth -

Good Industrial Relations leads to increased efficiency of economy & more, higher productivity of income. This will result in economic growth.

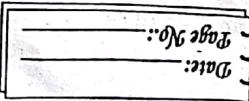
2) Establishment of Industrial Democracy -

A business enterprise with good industrial relation settles industrial disputes & solve other common problems of the employee. through collective bargaining, mutual negotiations, mutual cooperation, mutual agreement amongst the parties.

3) High Maturity of Workforce - Good IR imply the existence of an atmosphere of mutual cooperation, confidence & respect within the enterprise. In such an atmosphere, there are common goals & also common approach to achieve the goals, which motivate all members to the organisation to contribute their best to situation.

4) Enactment of Sound Labour Legislation

5) Optimum Use of Scarce Resources - Harmonious IR

 creates a sense of belongingness & also a complete absence of industrial unrest & disputes. This obviously ensures optimum use of human as well as non-human resources.

Industrial disputes & strike

Industrial dispute means any diff. or dispute b/w employers & employee or b/w employee & workmen or b/w workmen & workmen, which is connected with the employment.

Main Reasons of Industrial dispute -

- Within the Relation b/w the employers & employee (seven days working week)
are frequently clouded by a sense of exploitation & discontent. This gives rise of industrial dispute.

(State of unhappy
being unhappy)

(Symptoms)

- High labour Turnover (Employee leaving employer to new employer)
- Disciplinary Problem
- Low morale → (confidence)
- High absenteeism.

(Habitual pattern of absence)

Weapons of Labour

- 1) Strike → • When workers collectively cease to work.
 - for Trade Unions, strike is the most powerful weapon for forcing the management to accept their demand.

Various forms of strike

Weapons
to

- ① Economic Strike
 - ② General Strike
 - ③ Hunger Strike
 - ④ Sympathetic Strike
 - ⑤ Stay-in Strike
 - ⑥ Slow down strike
- (demand of inc. in wages, travelling allowance, house rent allowance)
- (is this strike is made to fulfill all common demand of workers) (To fulfill their need labour refuse to take food from organisation)
- (when workers of one unit is on strike & by scij them on strike another group unit is also now on strike)

Stay-in strike or Pin down or Tool down strike

when workers of any organisation do not leave the workplace but be on strike. They keep control over the production facility

Slow down strike → Restrict the amount of work in an organised manner.

- ② Boycott :- In this type workers decide to boycott the company by not using its product. Boycott effects the marketability of its product.

(not to take a particular work of ↑ action)

- ③ Picketing - When workers are dissuaded from work by stationing certain men at factory gates (assign to specific place)

- ④ Otherao - (Surround) workers may gherao the members of management by blocking their exits & forcing them to stay inside.

Weapons of Management

To put pressur on employees, management or may use
 following weapon -

(put pressur on working class)

- ① Employers Association → An employer may close the plant of
- ② Lockout → An employer may close the plant of
employment temporarily, known as lockout.
- ③ Termination of service → In this management restrict workers who are on strike.
They restrict their chance of getting employment.

Main causes of Industrial disputes

Economic causes

- Demand for higher bonus
- Reduction of working hours
- Demand for paid holidays

Political causes

Personnel causes

- (like transfer, promotion)

In discipline

A) Q → What are the causes of industrial dispute in India? Suggest measures to reduce industrial disputes.

Effect of Industrial Disputes

- 1) Tense Relation - (atmosphere of breakdown of communication & lack of Trust)
- 2) lower morale - due to tension, interest in work is diminished.
- 3) Frustration among employee
- 4) Resistance to change
- 5) Lower profitability
- 6) Impact on Economy.

Measures to Improve Industrial disputes

(Those above reasons which badly affect the organisation, by recovering them)

- 1) Atmosphere of mutual Trust.
- 2) Effective communication
- 3) Fair Personnel policy
- 4) Proactive management
- 5) Strong Unions
- 6) Industrial democracy.
- 7) Effective implementation of agreements.
- 8) Role of Government.

Machinery for handling of Industrial disputes

Preventive

Machinery

(Non Statutory)

It creates a harmonious relation b/w labour & management so that dispute not arise.

o (a) Workers participation in management

(b) Collective Bargaining

(c) Tripartite Bodies

(d) Code of discipline

(e) Standing orders

Settlement

Machinery

(Statutory)

(Required, permitted)

(i) Labour Courts

(ii) Industrial Tribunals

- ① Conciliation
- ② Court of enquiry
- ③ Voluntary arbitration

④ Adjudication

Labour Industrial National
Court Tribunals Tribunals

→ In order to eliminate industrial disputes, preventive steps should be taken. But if preventive machinery fails then the Industrial settlement machinery should be activated by the government.

Preventive Machinery

Set X

- (i) Workers participate in management → (discussed in next chapter)
- ↑
group
- (ii) Tripartite Bodies →
- Industrial relations in India have been shaped largely by principles & policy evolved through Tripartite Consultative machinery at industry & national levels.

→ The aim of Consultative machinery is to bring the policy together for mutual settlement of diff. in a spirit of cooperation & goodwill.

one in a year → ILC (Indian Labour Conference) } Constituted to suggest ways & means to prevent dispute.
when necessary → SLC (Standing Labour Committee)

- (iii) Code of Discipline - It is a set of self-imposed mutually agreed voluntary principles of discipline of relation b/w management & workers.

- (iv) Standing Orders → To prevent emergency of industrial strike over the condition of employment.

- Standing Order regulate the condition of employment from the stage of entry to exist in the organisation.

Settlement of Industrial disputes (Judical management)

made to settle them) as early as possible so that they do not lead to work stoppage.

It is a process of rational & orderly discussion b/w the parties to a dispute under the guidance of conciliator.

① Conciliation → Conciliation or mediation signifies (third party) investigation intervention in promoting the voluntary settlement of disputes.

→ Conciliation machinery as provided under Industrial dispute act, 1947 are —

- (a) Conciliation officers
- (b) Board of Conciliation
- (c) Court of Enquiry

② Arbitration - It is a method of settling diff. b/w workers & management with the advocacy of Mahatma Gandhi.

→ Voluntary Arbitration refers to getting the dispute settled through an independent person chosen by parties involved mutually & voluntarily.

↑ (A formal judgement on a disputed matter)

③ Adjudication → The ultimate remedy for the settlement of an unresolved dispute is its referral by the government to adjudication.

(Internationally mediated in
situation to outcome) of

Collective

→ It is a process which involves intervention in the dispute by a third party appointed by the government, for the purpose of settling dispute.

→ The Industrial Dispute Act 1947, provides 3 adjudication machinery —

(a) Labour Courts

(b) Industrial Tribunals

(c) National Tribunals.

A Type of court with the authority to decide who is right ~~between~~ in particular types.

⇒ Diff. B/w Adjudication & Arbitration.

Collective Bargaining

In order to reach on agreement that suits each person.

- It is the process in which the representative of a labour organisation or the representatives of business organisation meet & attempt to negotiate an agreement, which specifies the nature of employee - employer union relationship.

feature of CR

- It is a collective process
- It is a continuous process (regular of stable relationship)
- It is flexible & dynamic process
- Method of partnership of workers in management.

Subject-matter of Collective Bargaining

- Collective agreement constitutes a code governing relations b/w management & worker.

- The Indian Institute of Personnel Management suggested following subject matter of collective bargaining

- Purpose of agreement, its scope & definition.

- For registered pur.
- iii) Right & Responsibility of management of trade unions.
- 3) Method & machinery for the settlement of future disputes.
- 4) Terminating clauses.
- 5) Wages, Bonus, Production norms, leave, retirements, terms & conditions of service.

Benefits of Collective Bargaining

- 1) Provides a method for the regulation of conditions of employment.
- 2) It provides a flexible mean of adjusting wages.
- 3) Leads to better mutual understanding.
- 4) It creates a sort of industrial jurisprudence (philosophy of law).
- 5) Leads to better implementation of decisions.

Process of Collective Bargaining

- ii) Organisation & Recognition → (diff. groups form → Registration → several fund can be available for future use)
- The first thing to be done (by the employees) to form a group of seven persons or more & get the trade unions registered under act.

There are certain advantages of being a part of the union if registered in terms of general staff fund for specific purpose.

② Preparation for Negotiation

The preparation of negotiation is basically composed of three activities - fact gathering, goal setting & strategy development.

③ Negotiation

Negotiation usually establishes rules, policies & schedules for future meetings.

④ Contract Administration

It is the final phase of collective bargaining. Once a contract is agreed upon, it then must be administrated.

Basic Considerations In Collective Bargaining

Effective negotiations & enforcement requires a systematic preparation of the basis for bargaining which involve following three steps.

① Recognition of Bargaining Agent

The management should give recognition for the union to participate in collective bargaining.

- Selection could be done through Unification of membership by a govt. agency.
- Thus, the bargaining agent of the worker should be properly identified before initiating any action.

② Decide the level of Bargaining :-

Whether the deals are confined to enterprise level, industry level, regional or national level should be decided as the contents, scope etc.

③ Determining the Scope of Coverage of Bargaining :-

- It should have a clear understanding of what are the issues to be covered under bargaining.
- ~~For~~ Important of interrelated issues are to be taken into consideration.

Q → Explain briefly the weakness of collective bargaining in India. What should be done to strengthen this process?

Industrial democracy & workers participation in management

Workers participation in management

Workers participation in management means giving scope

for workers to influence the managerial decision-

multi process at diff levels by various forms
in the organisation.

→ The principal form of workers participation are
information sharing, joint consultation, suggestion
schemes.

Scope of worker's participation

- 1) Information sharing (taking workers opinion before taking any decisions)
- 2) Sharing decision making (The decisions are taken through mutual discussions b/w the representatives of workers & those of management.)

3) self-control - self control implies a process in which subordinate exercise control over the mechanism of decision-making as an active members.

Significance of Workers participation in Management

- 1) Higher productivity
- 2) Human Resource development.
- 3) Greater Commitment
- 4) Reduced Resistance to change.
- 5) Reduced Industrial Unrest
- 6) Industrial democracy
- 7) Improved division

Forms of Workers participation in Management

There are various methods of workers participation in management -

1) Suggestion Scheme →

→ Under this Scheme, management invites suggestions from workers concerning matters such as working condition, safety & welfare facilities etc.

p. Joint Consultation →
↳ a discussion b/w people before a decision is taken
1. A Joint Committee consists of representatives of
management & workers.

- The matters usually discussed by this committee include working hours, festival, national holidays, health services, safety & welfare schemes.
- Joint Consultation is one of the most effective means to bring the parties together in an organised discussion & deliberate on matters of common interest.
- 3) Employee's Representation on the Board of directors

- This form is the highest level of workers participation in management.
- Under this system the workers are given the right to elect a certain number of representatives to nominate on the board of director of organisation.

4) Co-partnership-
Under this method, workers of an enterprise contribute to its equity and, thus become co-owners of the company.

- They (workers) directly share the management decision not only profit or loss of organisation.

5) Quality Circle

- A quality circle is just another form of team management.
- Under this method problems are considered by a team of workers involved.
- The benefits of the quality circle include improved quality & productivity.

Works Committees

- Works committees promoted good relation b/w the employers & workers.
- Effectiveness of works committee depend on the following factors —
 - a) A more responsive attitude on part of management.
 - b) adequate support from unions.
 - c) Proper appreciation of the suggested functions given to work committee.
 - d) Proper coordination of the functions.

Joint Management Councils (JMC's)

- JMC's is a voluntary measure for the prevention of disputes.
- It is a draft model agreement.
- Its function is to bring about mutual consultations b/w employers & workers over imp. issues affecting industrial relations.
- JMC's should be set up in all public as well as private sectors in which conditions are favourable to the success of the scheme exists.
- JMC's have not been successful as most enterprises have more than one trade union & there is intense competition among them on the matter of (wages, material benefits).
- The draft plan assigned the following functions to joint councils —
 - i) Matter in which workers have a right to receive information and acquire knowledge.
 - ii) Matters in which responsibility is entrusted to them.
 - iii) Matters in which they expect to be consulted.

International Labour Conference Organization

Unit 7

- ILO, is one of the principal international organizations was created in 1919.
- enactment of International legislation (laws) for the protection of working class.
e.g. Night Shift work of women is prohibited for changing attitude of labour class towards organization.

Objective of I.L.O

- i) To Remove injustice & deprivation (poverty).
- ii) To Improve condition of employment of working in order to establish universal peace based upon social justice.
- iii) To establish peace by ending of social & economic inequalities.

The Philadelphia Charter

(charter of freedom of labour)

These principles are embodied in the form of a charter of freedom of labour.

~~The most among them are as follows -~~

Fundamental Principles of ILO

- i) Labour is not a commodity (Thy)
- ii) Freedom of expression & association are essential to sustained progress
- iii) Property anywhere constitutes danger to prosperity everywhere.

Some more principles after change -

- i) All human beings, irrespective of race, colour or sex, have the right to pursue both their material well-being & spiritual development in conditions of freedom & dignity, & of economic security & equal opportunity.
- ii) It is a responsibility of the International Labour organization to examine & consider all international economic & financial policies.
- iii) All National & International policy & measures, in particular, those of an economic & financial character should be judged.

Membership of ILO

- The Total number of member states of ILO is presently 182.
- The Constitution of the ILO provides that its membership is open to the states which were its members on 28th June 1945; and also admits members to the Organization by unanimous concurrence of all the member states.
 - The general Conference of ILO also admits members to the Organization by unanimous concurrence of all the member states.

Organisation structure of ILO

ILO operates through three main organs -

- i) The International Labour Conference which meets annually.
- ii) The Governing Body.
- iii) The International Labour Office.

International Labour Conference

- The International Labour Conference is the policy making body of the ILO.
- It Comprises three groups representing governments, employers & workers in the ratio of 2:1:1.

Important functions of ILC

- 1) To formulate International labour standards.
- 2) To fix the amount of contribution by each member state.
- 3) To select members of governing body.
- 4) To decide budget expenditures.
- 5) To appoint committees to deal with diff. matters during each sessions.
- 6) To confirm the powers, function & procedure of Regional Conference.

The Governing Body

Originally, the governing body consists of 24 members including 12 government representatives

12 members of
12 members of
members states

6
representatives
employers
6
representatives
workers

12 : 6 : 6

→ 16 : 8 : 8 , 20 : 10 : 10

→ At present it is composed of 56 members
 28 → gov.
 14 → employers
 14 → workers

The International Labour Office.

- The International labour office acts as the Secretariat of ILO, a world information centre & a publishing house.
- The admin head of ILO is director general, & director general is appointed by the government body & is responsible to attend all meet'gs of govt. body.

function of ILO

- i) prepare documents on the various items, meet'gs, conf'renc'.
- ii) deal with problem of Industry & Unemployment of international interest.
- iii) Carry out the duties with effective observance.

Major activities of ILO

- Improvement of conditions of work & life.
- development of human resource & Social institution
- Research & planning.

Conventions & Recommendations

Conventions & Recommendations are instrumental for creating & establishing international minimum social & labour standards.

Convention

→ It is a treaty which when ratified by a member-state creates binding international obligation on that state.

(agreement)

(Officially approved decision)

→ It is an agreement which when ratified by member-state, which helps to bind international responsibility on that state.

An agreement b/w states covers particular matters.

Recommendations

→ It is intended to serve as a guide to the member states in respect of min labour standards and labour laws.

→ A suggestion or proposal on to the best course of action, especially one put forward by an authoritative body.

through Convention of recommendation are the main instrument for setting international standards. Some approval for the above standards is required. In addition other procedures also made -

- i) Resolutions & Conclusions adopted by expert committee
- ii) Resolutions & Reports adopted by bodies representing the view of interest of particular industry, sectors etc.
- iii) Resolution of autonomy of bodies dealing with social security.
- iv) Model codes on various matters.

- Supervision Implementation of Convention
- Recommendations - (DOC to member states of recommendations)
- i) Committee of experts on the application of recommendations - (composed of international law, judges of Supreme Court etc.)
 - ii) fact-finding of Consultation Commission on freedom of association - (its function is to examine complaints) (complaints of member states)
 - iii) Committee on freedom of Association - (complaints made of national or international)

INDIA & THE ILO

Impact of International Labour Standards on Indian Labour Legislation -

1) Condition of Work → In this ILO concerned

attention of work of labour including -

- (a) hours of work
- (b) weekly rest
- (c) holidays with pay
- (d) Principal & method of wage regulation
- (e) labour administration & inspection.

2) Employment of Children & Young Persons

In this ILO standards for prohibition of employment of children & young persons in certain hazardous occupation, night shift etc.

3) Employment of Women - (provides maternity Benefit act, night shift for women prohibited)

4) Health, Safety & Welfare

5) Social Security - (maternity protection, Unemployment prohibition, sickness, insurance)

Chapter -1

- Q.1) Explain the concept of Imp. of Industrial Relation in the context of present industrial set ups.
- Q.2) What are the causes of industrial dispute in India? Suggest measure to reduce industrial dispute.
- Q.3) Discuss the weapons of labour & management which are used in Industrial disputes. what are the causes of strikes & lockouts?
- Q.4) What machinery has been provided under the Industrial disputes act, 1947 for the settlement of Industrial disputes?

Q.5) Explain the steps you would suggest to promote industrial harmony in India.

Chapter -2

Collective Bargaining & workers participation in management

- Q. - What is collective Bargaining
- Q. - Explain the meaning & Imp. of collective bargaining for India. Suggest measure for the effective functioning of collective bargaining.

- Discrepancy
- Q- Define worker participation in management of des
its significance in the context of Indian economy
- Q- What are Joint management councils? Why have they failed in India? Suggest measures to inc. their effectiveness.
- Q- Works Committees & Joint management councils

Chapter-3 Labour Legislation

- Q-1) Give the broad features of Employee Compensation act.

Chapter-4 International Labour Organisation

- Q-1) Short que -
- ILO
 - International Labour Conference
 - India & the ILO

- Q-2) What principles are contained in Philadelphia Charter?
also list the objectives for which International labour organisation was created.

- Q-3) Diff. b/w the conventions & the recommendations of ILO?
also give the procedure of their ratification by the member states.

- X
- x. Discuss the main conventions, recommendations & other means adopted by ILO to raise the standard of workers throughout the world.
- Q. what are the major activities of ILO? describe the technical assistance ILO to India.
- Q. How does ILO supervise the implementation of its Conventions & recommendations? Explain.

Chapter 5 Trade Unionism

- Q.1) What is Trade union? what role does it play to protect the interests of worker?
- Q.2) Explain the objectives of trade unions. what methods are adopted by trade unions to achieve their obj.
- Q.3) What are the weaknesses of Trade Union movement in India? give suggestions for making the trade union movement strong & successful.
- Q.4) Give the procedure for registration of a Trade Union.
- Q.5) Short Notes -
 (i) functioning of Trade Unions
 (ii) Size of Trade Unions

Q-Short Note

① IR as a Tripartite Body.

② Industrial disputes.

③ Consultation at all levels.

④ Industrial harmony.

⑤ diff. Types of strike.

⑥ Quality circle.

Q- Short Note

Q- Short Note