



**MEASI INSTITUTE OF MANAGEMENT  
CHENNAI-14**  
**Approved by All India Council of Technical Education and  
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# **INDUSTRIAL AND LABOUR RELATIONS**

## **COURSE MATERIAL**



## **VISION & MISSION STATEMENTS**

### **VISION;**

- To emerge as the most preferred Business School with Global recognition by producing most competent ethical managers, entrepreneurs and researchers through quality education.

### **MISSION;**

- **Knowledge through quality teaching learning process;** To enable the students to meet the challenges of the fast challenging global business environment through quality teaching learning process.
- **Managerial Competencies with Industry institute interface;** To impart conceptual and practical skills for meeting managerial competencies required in competitive environment with the help of effective industry institute interface.
- **Continuous Improvement with the state of art infrastructure facilities;** To aid the students in achieving their full potential by enhancing their learning experience with the state of art infrastructure and facilities.
- **Values and Ethics;** To inculcate value based education through professional ethics, human values and societal responsibilities.

## **PROGRAMME EDUCATIONAL OBJECTIVES (PEOs)**

**PEO 1; Placement;** To equip the students with requisite knowledge skills and right attitude necessary to get placed as efficient managers in corporate companies.

**PEO 2; Entrepreneur;** To create effective entrepreneurs by enhancing their critical thinking, problem solving and decision-making skill.

**PEO 3; Research and Development;** To make sustained efforts for holistic development of the students by encouraging them towards research and development.

**PEO4; Contribution to Society;** To produce proficient professionals with strong integrity to contribute to society.

### **Program Outcome;**

MI. Anees Fathima, Asst. Professor, MIM



**PO1; Problem Solving Skill;** Apply knowledge of management theories and practices to solve business problems.

**PO2; Decision Making Skill;** Foster analytical and critical thinking abilities for data-based decision making.

**PO3; Ethical Value;** Ability to develop value based leadership ability.

**PO4; Communication Skill;** Ability to understand, analyze and communicate global, economic, legal and ethical aspects of business.

**PO5; Individual and Leadership Skill;** Ability to lead themselves and others in the achievement of organizational goals, contributing effectively to a team environment.

**PO6; Employability Skill;** Foster and enhance employability skills through subject knowledge.

**PO7; Entrepreneurial Skill;** Equipped with skills and competencies to become an entrepreneur.

**PO8; Contribution to community;** Succeed in career endeavors and contribute significantly to the community.



Subject Code	Subject Name	L	T	P	S	C
PMF23	<b>INDUSTRIAL AND LABOUR RELATIONS</b>	3	0	0	1	3
<b>Course Objectives</b>						
<b>C1</b>	To familiarize the students to the basic concepts of Industrial Relations in order to aid in understanding how an industry functions.					
<b>C2</b>	To provide insights on Industrial Harmony and Conflicts.					
<b>C3</b>	To throw light on Labour Relations, Joint consultation.					
<b>C4</b>	To explicate on Trade Union, Problems and role of Indian Trade Unions.					
<b>C5</b>	To elucidate on Collective Bargaining, Tripartite Machinery.					
<b>SYLLABUS</b>						
Unit. No.	Details	Hours				
<b>Unit I</b>	<b>Industrial Relations:</b> The changing concepts of Industrial relations- Factors affecting employee stability. Application on Psychology to Industrial Relations. Codes of Conduct.	9				
<b>Unit II</b>	<b>Industrial Harmony and Conflict:</b> Harmonious relations in industry- importance and means; cause of industrial disputes- Machinery for settling of disputes- Negotiation- Conciliation- Mediation- Arbitration and Adjudication- Strikes- Lock-outs- Layoff and Retrenchment codes of discipline- Grievance procedure-Labour management co-operation; Worker's participation in management.	9				
<b>Unit III</b>	<b>Labour Relations:</b> Changing concept of management labour relations- Statute laws- Tripartite conventions- development of the idea of social justice- limitation of management prerogatives increasing labour responsibility in productivity. Joint Consultation; Principal types- Attitude of trade unions and management- Joint consultation in India.	9				
<b>Unit IV</b>	<b>Trade Unions:</b> Trade Unions and their growth- economic- social and political conditions leading to the development of trade unionism- Theories of trade unionism- Aim and objectives of trade unions- Structure and governing of trade unions. Problems and Role of Indian Trade Unions; Recognition and leadership- Finances and Membership- Compulsory versus free membership- Political activities- Welfare- Legislation- Majority and Minority unions- Social responsibilities- positive role in economic and social development.	9				
<b>Unit V</b>	<b>Collective Bargaining:</b> Meaning- Scope- Subject matter and parties- Methods and tactics- Administrations of collective bargaining agreements- Fair and unfair labor practice. Tripartite Machinery; At the center and in the states- I.L.O. – Its functions and role in labor movement – Industrial health and safety- Industrial legislations.	9				
<b>TOTAL HOURS</b>						<b>45</b>



Reference Books			
1.	Bray, M. and Walsh, J., Industrial Relations; A Contemporary Approach, Tata McGraw Hill Education, 2011.		
2.	Monappa, Nambudri and Selvaraj, Industrial Relations and Labour Laws, 2 <sup>nd</sup> Edition, Tata McGraw-Hill, 2012.		
3.	Sen, R., Industrial Relations; Text and Cases, 2 <sup>nd</sup> Edition, Macmillan Publishers India, 2009.		
4.	Sinha, S.I. and Sankar, P., Industrial Relations, Trade Unions and Labor Legislation, Pearson, 2003.		
5.	Sivarethinamohan, Industrial Relations and Labour Welfare, PHI Learning, 2010.		
6.	VenkataRatnam, C. S., Industrial Relations, Oxford University Press, 2006.		
E-Sources			
1.	<a href="http://www.bvimsr.com/documents/publication/2009VIN1/16.pdf">http://www.bvimsr.com/documents/publication/2009VIN1/16.pdf</a>		
2.	<a href="https://www.researchgate.net/publication/260473548">https://www.researchgate.net/publication/260473548</a> Emerging Trends in Employee Relations in India		
3.	<a href="http://www.icmrindia.org/Short%20Case%20Studies/Human%20Resource%20Management/CLHR048.htm">http://www.icmrindia.org/Short%20Case%20Studies/Human%20Resource%20Management/CLHR048.htm</a>		
4.	<a href="https://www.scribd.com/document/284767698/Lecture-Notes-of-Industrial-Relations">https://www.scribd.com/document/284767698/Lecture-Notes-of-Industrial-Relations</a>		
5.	<a href="http://mbaexamnotes.com/industrial-relations-and-labour-laws.html">http://mbaexamnotes.com/industrial-relations-and-labour-laws.html</a>		
Assessment Tools Used			
1.	Assignments	6.	Group Discussions
2.	Internal Assessment Tests	7.	Management games
3.	Model Exam	8.	Role play
4.	Seminar	9.	Simulation
5.	Case studies	10.	Synetics
Content Beyond Syllabus			
1.	Impact of Globalization & Information Technology on IR.		
2.	Role of Human Resource Development in Developing Industrial Relation- Industrial Relation Democracy, Industrial peace.		
3.	Disciplinary Action Communication – Suspension Orders, show cause, Notices, memo, charge sheet, warning, letter of termination & dismissal		
4.	Challenges of modern Industrial relations manager.		
Additional Reference Books			
1.	Industrial & Labor Laws – S P Jain		
2.	Labor Laws for managers – B D Singh		
3.	Industrial & Labor Law- S.P. JainDhanpatrai & Co.		
4.	Industrial Relations – Arun Monappa		
5.	Collective Bargaining and Industrial -Kochan, T.A. & Katz Henry, Homewood, Illinois, Richard D Irish, 2nd edition, 1988.		
Course Outcomes			
CO. No.	On completion of this course successfully students will	Program Outcomes (PO)	
<b>C323.1</b>	Familiarize the students to the basic concepts of Industrial Relations.	PO4, PO6	



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<b>C323.2</b>	Possess knowledge on Industrial Harmony and Conflicts.	PO1, PO2, PO3, PO5, PO6
<b>C323.3</b>	Have insights on Labor Relations, Joint Consultation.	PO5, PO6
<b>C323.4</b>	Learn about Trade Union, Problems and role of Indian Trade Unions.	PO6
<b>C323.5</b>	Have better understanding on Collective Bargaining, Tripartite Machinery.	PO4, PO6



## **UNIT I - INDUSTRIAL RELATIONS**

*Industrial Relations: The changing concepts of Industrial relations- Factors affecting employee stability. Application on Psychology to Industrial Relations. Codes of Conduct.*

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### **Industrial Relations:**

#### **Meaning**

In the broad sense, industrial relations cover all such relationships that a business enterprise maintains with various sections of the society such as workers, state, customers and public who come into its contact.

In the narrow sense, it refers to all types of relationships between employer and employees, trade union and management, works and union and between workers and workers. It also includes all sorts of relationships at both formal and informal levels in the organization.

#### **Definition:**

The term 'industrial relations' has been variously defined. J.T. Dunlop defines industrial relations as "the complex interrelations among managers, workers and agencies of the governments". According to Dale Yoder "industrial relations is the process of management dealing with one or more unions with a view to negotiate and subsequently administer collective bargaining agreement or labour contract".

### **CONCEPT OF INDUSTRIAL RELATIONS**

**The term 'Industrial Relations' comprises of two terms: 'Industry' and 'Relations'.**

"Industry" refers to "any productive activity in which an individual (or a group of individuals) is (are) engaged". By "relations" we mean "the relationships that exist within the industry between the employer and his workmen."

The term industrial relations explain the relationship between employees and management which stem directly or indirectly from union-employer relationship.

Industrial relations are the relationships between employees and employers within the organizational settings. Industrial relations are basically the interactions between employers, employees and the government, and the institutions and associations through which such interactions are mediated. The term industrial relations have a broad as well as a narrow outlook. Originally, industrial relations were broadly defined to include the relationships and interactions between employers and employees. From this perspective, industrial relations covers all aspects of the employment relationship, including human resource management, employee relations, and union-management (or labour) relations. Now its meaning has become more specific and restricted.



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The relationships which arise at and out of the workplace generally include the relationships between individual workers, the relationships between workers and their employer, the relationships between employers, the relationships employers and workers have with the organizations formed to promote their

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respective interests, and the relations between those organizations, at all levels. Industrial Relations also includes the processes through which these relationships are expressed (such as, collective bargaining, workers' participation in decision-making, and grievance and dispute settlement), and the management of conflict between employers, workers and trade unions, when it arises.

### **Significance of Industrial Relations**

Maintenance of harmonious industrial relations is of vital importance for the survival and growth of the industrial enterprise. Good industrial relations result in increased efficiency and hence prosperity, reduced turnover and other tangible benefits to the organization. The significance of industrial relations can be summarized as below:

1. ***It establishes industrial democracy:*** Industrial relations means settling employees' problems through collective bargaining, mutual cooperation and mutual agreement amongst the parties i.e., management and employees' unions. This helps in establishing industrial democracy in the organization which motivates them to contribute their best to the growth and prosperity of the organization.
2. ***It contributes to economic growth and development:*** Good industrial relations lead to increased efficiency and hence higher productivity and income. This will result in economic development of the economy.
3. ***It improves morale of the work force:*** Good industrial relations, built-in mutual cooperation and common agreed approach motivate one to contribute one's best, result in higher productivity and hence income, give more job satisfaction and help improve the morale of the workers.
4. ***It ensures optimum use of scarce resources:*** Good and harmonious industrial relations create a sense of belongingness and group-cohesiveness among workers, and also a congenial environment resulting in less industrial unrest, grievances and disputes. This will ensure optimum use of resources, both human and materials, eliminating all types of wastage.
5. ***It discourages unfair practices on the part of both management and unions:*** Industrial relations involve setting up machinery to solve problems confronted by management and employees through mutual agreement to which both these parties are bound. This results in banning of the unfair practices being used by employers or trade unions.
6. ***It prompts enactment of sound labour legislation:*** Industrial relations necessitate passing of certain labour laws to protect and promote the welfare of labour and safeguard interests of all the parties against unfair means or practices.
7. ***It facilitates change:*** Good industrial relations help in improvement of cooperation, team work, performance and productivity and hence in taking full advantages of modern inventions, innovations and MI.



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other scientific and technological advances. It helps the work force to adjust themselves to change easily and quickly.

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### **Objectives of Industrial Relations**

1. To bring better understanding and cooperation between employers and workers.
2. To establish a proper channel of communication between workers and management.
3. To ensure constructive contribution of trade unions.
4. To avoid industrial conflicts and to maintain harmonious relations.
5. To safeguard the interest of workers and the management.
6. To work in the direction of establishing and maintaining industrial democracy.
7. To ensure workers' participation in decision-making.
8. To increase the morale and discipline of workers.
9. To ensure better working conditions, living conditions and reasonable wages.
10. To develop employees to adapt themselves for technological, social and economic changes.
11. To make positive contributions for the economic development of the country.

### **Scope**

The scope of industrial relations includes all aspects of relationships such as bringing cordial and healthy labour management relations, creating industrial peace and developing industrial democracy.

The cordial and healthy labour management relations could be brought in-

- by safeguarding the interest of the workers;
- by fixing reasonable wages;
- by providing good working conditions;
- by providing other social security measures;
- by maintaining healthy trade unions;
- by collective bargaining.

The industrial peace could be attained –

- by setting industrial disputes through mutual understanding and agreement;
- by evolving various legal measure and setting up various machineries such as Works Committee, Boards of Conciliation, Labour Courts etc.

The industrial democracy could be achieved –

- by allowing workers to take part in management; and
- by recognition of human rights.



### **Approaches to Industrial Relations**

Industrial conflicts are the results of several socio-economic, psychological and political factors. Various lines of thoughts have been expressed and approaches used to explain this complex phenomenon. One observer has stated, “An economist tries to interpret industrial conflict in terms of impersonal market forces and laws of supply and demand. To a politician, industrial conflict is a war of different ideologies – perhaps a class-war. To a psychologist, industrial conflict means the conflicting interests, aspirations, goals, motives and perceptions of different groups of individuals, operating within and reacting to a given socio-economic and political environment”.

**Psychological approach:** According to psychologists, problems of industrial relations have their origin in the perceptions of the management, unions, rank and file workers. These perceptions may be the perceptions of persons, of situations or of issues involved in the conflict. The perceptions of situations and issues differ because the same position may appear entirely different to different parties. The perceptions of unions and of the management of the same issues may be widely different and, hence, clashes may arise between the two parties. Other factors also influence perception and may bring about clashes.

**Sociological approach:** Industry is a social world in miniature. The management goals, workers’ attitudes, perception of change in industry, are all, in turn, decided by broad social factors like the culture of the institutions, customs, structural changes, status-symbols, rationality, acceptance or resistance to change, tolerance etc. Industry is, thus inseparable from the society in which it functions. Through the main function of an industry is economic, its social consequences are also important such as urbanization, social mobility, housing and transport problem in industrial areas, disintegration of family structure, stress and strain, etc. As industries develop, a new industrial-cum-social pattern emerges, which provides general new relationships, institutions and behavioural pattern and new techniques of handling human resources. These do influence the development of industrial relations.

**Human relations approach:** Human resources are made up of living human beings. They want freedom of speech, of thought of expression, of movement, etc. When employers treat them as inanimate objects, encroach on their expectations, throat-cuts, conflicts and tensions arise. In fact major problems in industrial relations arise out of a tension which is created because of the employer’s pressures and workers’ reactions, protests and resistance to these pressures through protective mechanisms in the form of workers’ organization, associations and trade unions.

### **Factors Affecting Industrial Relations**



### **External Factors**

The history of industrial relations goes back to when workers felt that employer actions or market conditions caused them to have an unequal share of power in their relationship with their employer. Workers turned to collective bargaining in the public and private sectors to get better wages and working conditions from their employer's representatives. Today, there are many laws ensuring that U.S. workers receive a minimum wage and safe working environments. More labor regulation later decreased the need for collective bargaining.

### **Internal Factors**

Another way to look at industrial relations is the impact of the company's human resources practices. These might include low productivity, absenteeism, high employee turnover, low job security, unsatisfactory or unsafe working environments, failure to recognize performance in pay plans, and lack of motivation, according to the International Labour Organisation. Small-business owners can address these problems by updating their HR practices and firing managers who create these problems. They can also address employee motivation, including rolling out more opportunities for training and advancement, pay for performance, performance incentives and worker recognition programs.

### **Work Climate**

You can set up the most research-based HR policies in your firm, but employees will still judge the company by how it feels to work there. Look at how your leadership style affects employees and how your managers manage employees. If there are problems with worker performance among many workers or other indicators such as high turnover or absenteeism, you need to study what's causing those conditions. Start by introducing a new HR goal, such as introducing flexibility and participation into your management model; give managers and workers more authority to decide how to accomplish their goals.

### **Employee Attitudes**

You can use an employee survey to study the sources of conflict or dissatisfaction in employees. They will have a wide range of attitudes about working for you. It's important to determine if they respect you as a leader and care about the company. These are signs of good employee relations and will usually produce better performance. Employees who love the company can often perform well even when faced with tough economic conditions, which may give them a bigger workload and fewer pay increases.

### **Application on psychology to industrial relations:**



Industrial-Organizational(called as I-O) Psychologists recognize the interdependence of individuals, organizations, and society, and they recognize the impact of factors such as increasing government influences, growing consumer awareness, skill shortages, and the changing nature of the workforce. I-O Psychologists facilitate responses to issues and problems involving people at work by serving as advisors and catalysts for business, industry, labor, public, academic, community, and health organizations.

**They are:** Scientists who derive principles of individual, group, and organizational behavior through research; Consultants and staff psychologists who develop scientific knowledge and apply it to the solution of problems at work; and Teachers who train in the research and application of Industrial-Organizational Psychology.

### **PSYCHOLOGISTS AS SCIENTISTS AND PROFESSIONALS:**

Scientific aspects of I-O Psychology include both applied and basic science. Applied aspects are oriented around scientific solutions to human problems at work. Basic aspects are quite variable, following the investigator's interests. Examples include research on methods of behavioral measurement, communication, motivation, social interaction, and leadership. Professional aspects of I-O Psychology include personnel research, training and development, psychological testing research, counseling and consulting, advising management, setting personnel policy, human resource planning, organizational development and analysis, and other human resource functions.

### **I-O PSYCHOLOGISTS WORK WITH ORGANIZATIONS IN THE AREAS OF:**

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- Selection and Placement Developing assessment tools for selection, placement, classification, and promotion of employees Validating test instruments Analyzing job content Developing and implementing selection programs Optimizing placement of personnel Identifying management potential.
- Training and Development Identifying training and development needs Formulating and implementing technical training and management development programs Evaluating the effectiveness of training and development programs relative to productivity and satisfaction Planning careers.
- Organizational Development Analyzing organizational structure Maximizing the satisfaction and the effectiveness of individuals and work groups Facilitating organizational change.
- Performance Measurement Developing criteria Measuring utility Evaluating organizational effectiveness.
- Quality of Work life Enhancing the productive outputs of individuals Identifying factors associated with job satisfaction Redesigning jobs to make them more meaningful.



- Consumer Psychology Assessing consumer preferences Identifying consumer reactions to new products Developing market segmentation strategies.
- Engineering Psychology Designing work environments Optimizing person-machine effectiveness Developing systems technologies

### **WORKING WITH INDUSTRIAL ORGANIZATIONAL PSYCHOLOGISTS TYPICAL APPROACH OF CONSULTING I-O PSYCHOLOGISTS:**

- I-O Psychologists will want to have their own look at the situation, usually on the premises of the organization. Their diagnosis may include a redefinition of the problem.
- Their preliminary inquiries should enable them to estimate the time the project will take on their part and on the part of the organization's staff, after which they will present an estimate of the cost.
- They should discuss the steps they plan to take, what organizational resources they may have to use, and the outline of methods and procedures to be employed.
- They should check over the results of their program and plan the organization's follow-up procedures as well.
- Qualified psychologists avoid making extravagant promises of overnight miracles or short-cut cures. They are more likely to underestimate outcomes than to guarantee results.

### **EVALUATING A PSYCHOLOGIST'S EXPERIENCE:**

- To help in the selection of a psychologist, review his or her professional services or research projects performed.
- When were they performed?
- Are the references appropriate, reputable, discriminating? Has the psychologist in fact conducted the research projects, or did other members of the psychologist's firm complete them?

### **I-O PSYCHOLOGISTS WILL NEED FROM THE ORGANIZATION:**

- Whether as consultants or staff members, I-O psychologists will need a realistic budget, supporting personnel, and cooperation from the organization.





- Less obvious are certain organizational conditions for the effective practice of psychology. I-O psychologists will operate best in an organizational setting that: has broad and realistic expectations for the role of psychology; situates psychologists where they have effective communications with key executives; enables psychologists to report to an organizationally effective manager, one who is open to contributions from the application of psychology; and recognizes staff members' professional obligations, such as publication and participation in professional activities.





## **UNIT II - INDUSTRIAL HARMONY AND CONFLICT**

*Industrial Harmony and Conflict: Harmonious relations in industry- importance and means; cause of industrial disputes- Machinery for settling of disputes- Negotiation- Conciliation- Mediation-Arbitration and Adjudication- Strikes- Lock-outs- Layoff and Retrenchment codes of discipline-Grievance procedure-Labour management co-operation; Worker's participation in management.*

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### **IMPORTANCE OF HARMONIOUS INDUSTRIAL RELATIONS**

There has been a phenomenal growth in employment, wages, benefits, working conditions, status of the worker, educational facilities etc, with the growth and spread of industry.

The maintenance of harmonious industrial relations so as to maintain higher productivity to fulfill the goals of the Five Year Plans in India.

The investment in and the scope of industries in India have been growing plan after plan .Much of the success or failure of Indian Five Year Plans would be dependent on the maintenance of harmonious employee-employer relations.

Frequent industrial conflicts not only affect the management and labor but also tend to impoverish the community as a whole.

They lead to wastage, formant class hatred .embitter mutual relations and inflict damages on the progress of the nation.

They affect production and national income in an adverse manner .They also clog the progress and development of the nation .

### **Need for Industrial Peace:**

The objectives of maintenance of industrial peace is not only find out ways and means to solve conflicts. To settle differences and to secure the unreserved cooperation of and goodwill among different groups in industry with a view to drive their energies.

Interest towards economically viable commercially feasible ,financially profitable and socially desirable channels.

It also aims at the development of a sense of mutual confidence ,dependence and respect and at the same time encouraging them to come to closer to each other for removing misunderstanding ,redressing grievances ,if any. In a peaceful atmosphere and with open mind and fostering industrial pursuits for mutual benefits and social progress. But the maintenance of congenial industrial relations ,particularly in a democratic society like ours is not only a significant task but also a complicated one.



### **Causes of Industrial Disputes**

The causes of industrial conflict or disputes have been much varied. These may be described partly a psychological or social and partly political, but predominantly economic. Some important factors responsible for industrial conflict and poor industrial relations may be briefly stated as follows:

Mental inertia on the part of both management and labour.

Lack of proper fixation of wages in conformity with cost of living and a reasonable wage structure generally.

Bad working conditions.

Lack of competence or training on the part of first-line supervision as well management at upper levels in the practice of human relations.

Assignment of unduly heavy work-loads to worker, unfair labour practices (such as victimization or undue dismissal).

Lack of strong and healthy trade unionism, lack of a proper policy of union recognition and inter-union rivalries.

A fall in the standard of discipline among employees largely due to wrong or improper leadership, often resulting in insubordination or disobedience on the part of employees.

Difference in regard to sharing the gains of increased productivity. Inadequate collective bargaining agreements.

Legal complexities in the industrial relations machinery or settlement of industrial disputes.

Lack of necessary changes in the working of government in accordance with changing needs and circumstances.

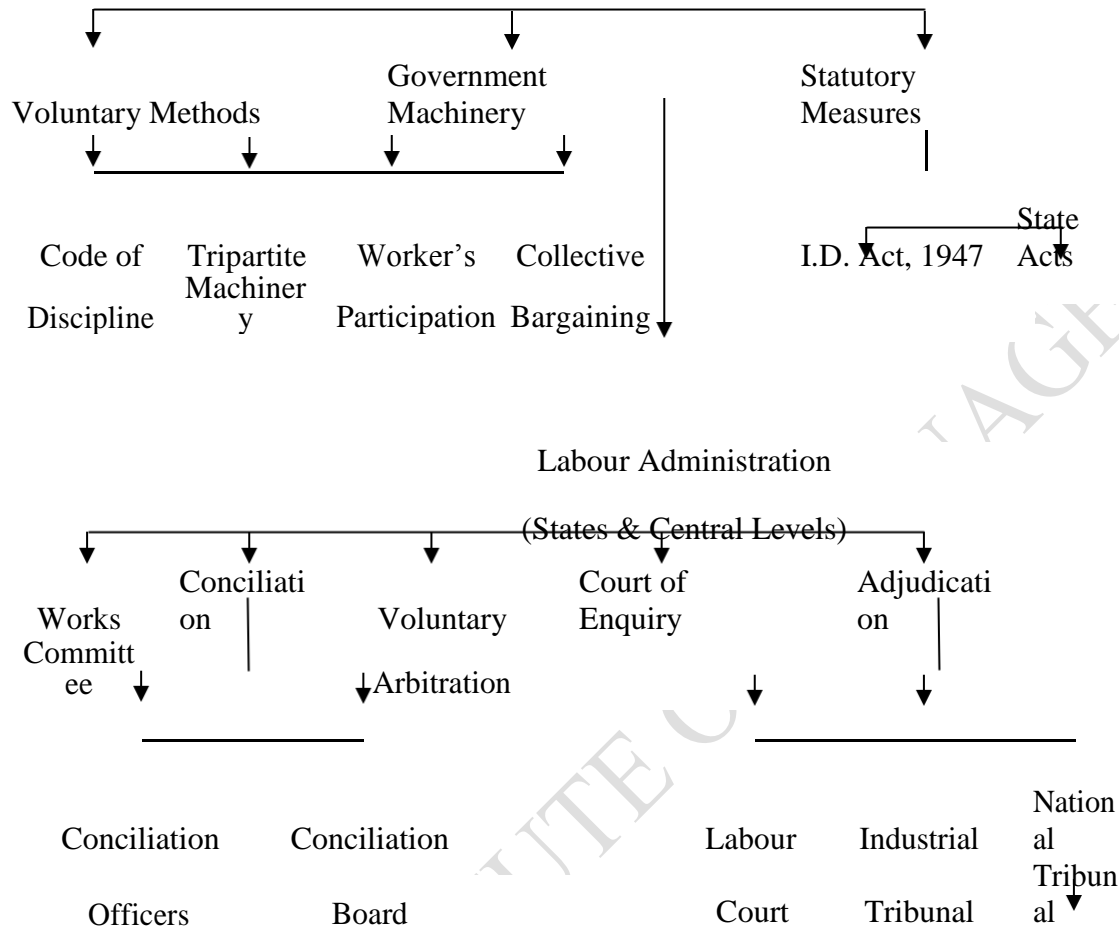
Combination of too much law and too little respect for law even at high levels. Political environment of the country; and

### **Machinery for Prevention and Settlement of Industrial Relations**

The machinery for prevention and settlement of the disputes has been given in the following figure:



### Machinery for Prevention and Settlement of Industrial Relations



### GOVERNMENT MACHINERY TO RESOLVE INDUSTRIAL DISPUTES

The main object of the Industrial Disputes Act is the investigation of and management of industrial disputes. One of the principal aims of the Industrial Disputes Act is to harmonise the conflicting interests of employers and employees engaged in industrial establishments as defined in the Act.

The various methods and machinery under the industrial disputes act can be classified as under the following heads:

#### **(I) Conciliation**

- a. Works committee
- b. Conciliation officer



c. Board of conciliation

**(II) Arbitration**

d. Court of inquiry

**(III) Adjudication**

e. Labour court

f. Industrial tribunal and

g. National tribunal

**(I) Conciliation:**

Conciliation may be described as “The practice by which the services of neutral third party are used in a dispute as a means of helping the disputing parties to reduce the extent of their differences and to arrive at an amicable settlement or agreed solution.

As a process of peace-making in industrial relations, conciliation aims to bring about the speedy settlement of disputes without resorting to strikes or lock-outs, and to hasten the termination of work-stoppages when these have occurred.

Various methods of conciliation are discussed below:

**(a) Works committee (Section 3):** the following are the objectives of the works

Committee:

- (1) To promote measure for securing and preserving good relations between employer and employees.
- (2) To strive for minimizing the difference of opinion in regard to matters of mutual interest between the employees and the employer. It is meant to create a sense of partnership or comradeship between the employers and workmen.

The decision of works committee is neither agreement nor compromise. Further it is neither binding on the parties nor enforceable under the act. It may however be noted that the works committee is entitled to:

- (a) Discuss grievances arising out of the disciplinary action, or
- (b) Take up such matters which fall under the purview of Standing orders, or
- (c) Enter into agreement with the employer on changes in conditions of service, or
- (d) Supplant or supersede the unions for the purpose, of collective bargaining.

**(b) Conciliation Officer (Section 4):**

Under the act, the appropriate government is empowered to appoint desired number of conciliation officers, by notification in the Official Gazette, for the settlement of industrial disputes.



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The number of Conciliation Officers to be appointed is determined by the appropriate government, taking into account the volume of work and the quality of industrial disputes that actually exist or may arise. A Conciliation Office may be appointed for a specified area or for specified industries or for one or more specified industries and either permanently or for a specified area or for specified industries or for one or more specified industries and either permanently or for a limited time.

His duty is to induce the parties to come to a fair and amicable decision on matters in dispute. He is an independent person who investigates the dispute and all matters affecting thereto. He is not an adjudication body but is merely a suggesting body. He goes from camp to camp and finds out the greatest common measures of agreement. He is charged with the duty of mediating in and promoting settlement of industrial disputes.

**Duties of the Conciliation Officer:** The Act provides (under Sec.12) that (i) if an Industrial dispute exist or is apprehended in a public utility industry, the Conciliation Officer shall hold conciliation proceedings: and (ii) in case of other industry, his power is discretionary, I.e. he may or may not hold such proceedings.

The Conciliation Officer has wide powers of making investigation without delay, into an industrial dispute and all matters affecting the merits and rights of settlement thereof and may do all such things as he thinks fit, to induce the parties to come to a fair and amicable settlement of the dispute.

**Board of conciliation (Section 5):** A board of conciliation is constituted as an adhoc body by the appropriate government. Its purpose is to mediate and to induce the parties to come to a fair and amicable settlement, so the appropriate government is not empowered to constitute a Board for the purpose of referring criminal proceedings. The board cannot enforce an award. It also cannot thrust upon the contending parties its own terms and conditions of settlement. It can take action only when a dispute has been referred to it by the government.

The board may be constituted by the appropriate government by notification in the Official Gazette. It shall consist of a chairman (who shall be an “independent person: i.e. not connected with the dispute or with any industry directly affected by such dispute) and two or four members, as the government thinks fit, who shall be appointed to represent the party. If any party fails to recommend any name within the prescribed time, the appropriate government shall appoint such persons as it thinks fit to represent to party. The act requires that the appointment of board of conciliation together with the names of persons constituting it shall be notified in the Official Gazette. The notice to the employer shall be sent to him personally or if the employer is an incorporated body to the agent, manager or the principle officer of such corporation.



## **(II) Arbitration:**

Arbitration is a means of securing an award on a conflict issue by reference to a third party. It is a process in which a dispute is submitted to an impartial outsider who makes a decision which is usually binding on both the parties.

### **(A) Court of Inquiry (section 6):**

A court of inquiry is constituted, as an ad hoc body as the occasion may arise, by the appropriate government. It can inquire into any matter connected with or relevant to industrial dispute; but not into the dispute itself.

The constitution of the court has to be notified in the Official Gazette. It may consist of one independent person or such number of independent persons as the appropriate government thinks fit.

If there are more than two persons, one of them shall be appointed as the chairman. The appointment of court together with the names of persons constituting it requires to be notified in the official gazette.

A court having the prescribed quorum, may act notwithstanding the absence of the chairman or any of its members of any vacancy in its number. The court of inquiry is not required to make any recommendations for resolving disputes. It is seldom appointed, as it is a superfluous and ad hoc body. It has no power to impose any settlement upon the parties. It's merely fact finding machinery.

Its duty is to inquire into the matter referred to it by the appropriate government and to make a report on it on the inquiry held on matters referred to it within a period of six months from the commencement of the enquiry. It must be signed by all the members. A member can submit a government within 30 days from its receipt.

The section 22, 23 and 33 lays down that during the pendency of the proceeding **Before a court of inquiry, the following rights of workers remain unaffected viz.**

- (1) The right of the worker to go on strike:
- (2) The right of employer to resort to lockout and
- (3) The right of employer to dismiss or otherwise to punish the worker in certain cases under section 33.

## **(III) Adjudication:**

The ultimate legal remedy for the settlement of an unresolved dispute is its reference to adjudication by the government. The adjudication involves intervention in the dispute by a third party appointed by the government for the purpose of deciding the nature of final settlement.

### **Three tier system of adjudication:**



(a) **Labour Court (Section 7) :** One or more labour court may be constituted by the appropriate government by notification in the Official Gazette, for adjudication on industrial disputes relating to any matter specified in the Second Schedule of the Act, and for performing such other functions as may be assigned to them.

A labour court shall consist of one person only, to be appointed by the appropriate Government. Such a person should have been, for a period of not less than 3 years, a district judge or an additional district judge or has held any judicial office in India for not less than 7 years; or has been a presiding officer of a labour court for not less than 5 years.

No person shall be appointed or continue in the office of the labour court if he is not an independent person, or he has attained the age of 65 years.

The duties of the labour courts are (i) to hold adjudication proceedings expeditiously, and (ii) submit the award to the appropriate government as soon as practicable on the conclusion of the proceedings. The labour court usually deals with matters which arise in day-to-day working.

(D) **Industrial Tribunal (section 7 A) :** The appropriate government may appoint one or more Industrial Tribunals for the adjudication of industrial disputes relating to any matter whether specified in the Second Schedule of the Third Schedule. The matters which are in the form of new demands and give rise to industrial disputes, which affect the working of a company or industry, are usually referred to an industrial tribunal.

**An industrial tribunal may be appointed for a limited period on an ad hoc basis or Permanently.**

**The matters specified in the third Schedule are:**

1. Wages, including the period and mode of payment:
2. Compensatory and other allowances
3. Hours of Work and rest intervals
4. Leave with wages and holidays
5. Bonus, profit sharing, provident fund and gratuity
6. Shift working otherwise than in accordance with standing orders
7. Classification of grades
8. Rules of discipline
9. Rationalization
10. Retrenchment of workmen and closure of an establishment or undertaking
11. Any other matter that may be assigned to them under Act.

(c) **National Tribunal (Section 7 B):** The Central Government may, by notification in the official gazette, constitute one or more national tribunals for adjudication of industrial disputes: (i) involving questions of MI. Anees Fathima, Asst. Professor, MIM





national importance; or (ii) which are of such a nature that industries in more than one state are likely to be interested in, or affected by such, disputes.

It consists of one person only, who is an independent person and below 65 years of Age. He should be or has been judge of a high court or held the office of chairman or any other member of the Labour Appellate tribunal for a period of not less than 2 years.

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

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

### **MEDIATION**

Mediation' is the ancient art of the peace-maker. It has been practiced in a number of areas when people disagree. It is an ancient and honorable process for the settlement of disputes – disputes between two warring nations, disputes between litigants, disputes between labour and management, and in general,

disputes between people. It has been most usefully employed to smooth out serious disagreements which threaten the rupture of established relations, such as those between husbands and wives, among associates and friends, and among partners in common endeavors.

#### **Kinds of Mediator**

There are three kinds of mediators, according to Prof. Pigou, namely

- (i) The eminent outsider;
- (ii) The non-governmental board; and
- (iii) The board connected with some part of the government system of the country.

**There are various advantages inaccessible to non-governmental boards but which are readily available to the boards attached with governmental machinery of the country, because:**

- (i) They possess exceptional facilities for ascertaining the existence of difference at the earliest possible moment through administrative officers;
- (ii) They are endowed with greater intellectual and financial resources and can use them more liberally;  
and
- (iii) When mediators are sent out, they are likely to wield a modicum of power which may enable them to work well.





Different types of these mediators are valuable in their own spheres. But they are sometimes dangerous. The development of pace-promoting machinery within separate industries may be checked by the actions of the intervening body.

### **Forms of Disputes:**

Strikes and lockouts are the most common forms of disputes.

### **Strike:**

“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 or a number of persons who are or have been so employed to continue to work or to accept employment. The following points may be noted regarding the definition of strike:

- Strike can take place only when there is a cessation of work or refusal to work by the workmen acting in combination or in a concerted manner.
- If on the sudden death of a fellow-worker, the workmen acting in concert refuse to resume work, it amounts to a strike (National Textile Workers’ Union Vs. Shree Meenakshi Mills (1951) II L.L.J. 516).

### **Types of Strike**

- ***Stay-in, sit-down, pen-down strike:*** In all such cases, the workmen after taking their seats refuse to do work. All such acts on the part of the workmen acting in combination, amount to a strike.
- ***Go-slow:*** Go-slow does not amount to strike, but it is a serious case of its conduct.
- ***Sympathetic strike:*** Cessation of work in the support of the demands of workmen belonging to other employer is called a sympathetic strike. The management can take disciplinary action for the absence of workmen. However, in Remalingam Vs. Indian Metallurgical Corporation, Madras, 1964-I L.L.J.81, it was held that such cessation of work will not amount to a strike since there is no intention to use the strike against the management.
- ***Hunger strike:*** Some workers may resort to fast on or near the place of work or residence of the employers. If it is peaceful and does not result in cessation of work, it will not constitute a strike. But if due to such a fact, even those present for work, could not be given work, it will amount to strike (Pepariach Sugar Mills Ltd. Vs. Their Workmen).
- ***Lightning or wildcat strike:*** A wildcat strike is an unofficial strike i.e. a strike not sanctioned by the union. Such strikes occasionally occur in violation of the no-strike pledge in collective bargaining agreements. In such a situation union is obliged to use its best efforts to end the strike. Such strikes are



prohibited in public utility services under Section 22 of the Industrial Disputes Act, 1947. Further, the standing order of a company generally required for notice.

- **Work-to-rule:** Since there is a no cessation of work, it does not constitute a strike.

### **Lockout**

Section 2(1) of the Industrial Disputes Act, 1947 defines “lockout” to mean the temporary closing of a place of employment or the suspension of work, or the refusal by an employers to continue to employ any number of persons employed by him.

lockout, thus, is the counterpart of strike – the corresponding weapon the hands of employer to resist the collective demands of workmen or to enforce his terms. It has been held by the courts that the suspension of work as a disciplinary measure does not amount to lockout. Similarly, temporary suspension of work called lay-off is not lock-out.

### **Regulation of strikes and lock-outs**

Employees do not have an unfettered right to go on strike nor do employers have such right to impose lockout. The Industrial Disputes Act lays down several restrictions on the rights of both the parties. A strike or lockout commenced or continued in contravention of that restriction is termed illegal and there is serve punishment provided for the same.

### **Illegal strikes and lockout are of two types:**

- Those which are illegal from the time of their commencement; and
- Those which are not illegal at the time of commencement but become illegal subsequently.

Section 22 and 23 of the IDA provide for certain restriction which if not followed make strikes and lockouts illegal from their very commencement.

According to this section, no person employed shall go on strike in breach of contract-

- Without giving notice of strike to the employer, as here matter provided, within 6 week before striking;  
or
- Within fourteen days of giving such notice; or
- Before the expiry of the date of strike specified in any such notice as aforesaid; or
- During the pendency of any conciliation proceedings before a Conciliation Officer and seven days after the conclusion of such proceedings.



### **Consequences of illegal strikes and lock-outs.**

**1. Penalty for illegal strikes [Sec.26(1)]:** Any workman who commences, continues or otherwise acts in furtherance of a strike which is illegal, shall be punishable with imprisonment for a term which may extend to 1 month, or with fine which may extend to Rs. 50, or with both.

**2. Penalty for illegal lock-out [Sec.26(2)]:** Any employer who commences, continues or otherwise acts in furtherance of a lock-out which is illegal, shall be punishable with imprisonment for a term which may extend to 1 month, or with fine which may extend to Rs. 1,000 or with both.

**3. Penalty for instigation, etc. [Sec. 27]:** Any person who instigates or incites others to take part in, or otherwise acts in furtherance of, a strike or lock-out which is illegal, shall be punishable with imprisonment for a term which may extend to 6 months, or with fine which may extend to Rs. 1,000 or with both.

**4. Penalty for giving financial aid for illegal strikes and lock-outs [Sec. 28]:** Any person who knowingly expends or applies any money in direct furtherance or support of any illegal strike or lock-out shall be punishable with an imprisonment for a term which may extend to 6 months, or with fine which may extend to Rs. 1,000 or with both.

### **Layoff**

**Section2 (kkk) - Layoff :** Lay-off means failure, refusal, or inability of a employer to give employment to a workman whose name is on the muster rolls of his industrial establishment and who has not been retrenched, on the account of lack of coal, lack of power, lack of raw material, over stocking of output, failure of machinery, due to natural calamity, or due to any other connected reason.

### **Retrenchment**

#### **Section2 (Retrenchment)**

Retrenchment means termination of service of an employee by an employer for any reason other than as a punishment due to disciplinary action. This does not include - voluntary retirement, superannuation, non-renewal of contract, termination on the ground of continued ill-health. For any reason what so ever - surplus age, redundancy due to advanced machinery, slowdown in business.

### **Grievances Handling**

A grievance is a sign of the employees' discontent with job and its nature. It is caused due to the difference between employee expectation and management practice.



Beach defines a grievance as, 'any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the notice of the management.

Julius defines a grievance as 'any discontent or dissatisfaction, whether exposed or not, whether valid or not, arising out of anything connected with the company which an employee thinks, believes or even feels to be unfair, unjust and inequitable'.

A grievance is a problem submitted by an employee or by a few employees of different types. It may be concerning a situation or may likely to affect the terms and conditions of employment of one worker or a few workers.

### **Areas of Grievances:**

#### **Grievances resulting from working conditions**

- Poor physical conditions of work place.
- Lack of proper tools, machines and equipments.
- Frequent changes in schedules or procedures.
- Rigid production standards
- Improper matching of the worker with the job.
- Poor relationship with the supervisor.

#### **Grievances resulting from management policy and practices**

- Poor payment
- Lack of job security
- Inadequate benefits such as medical benefits, leave travel concession etc.
- Leave facilities
- Seniority
- Transfer
- Promotion
- Lack of career planning and development
- Hostility towards labour union
- Defective leadership style
- Communication gap

#### **Grievances resulting from alleged violations of**

- Violation collective bargaining agreement



- Violation of Central/State laws
- Violation of common rules

#### **Grievances resulting from personal maladjustment**

- Over ambition
- Excessive self-esteem

#### **Methods of Identifying Grievances:**

The following methods can help the employer to identify the grievances:

1. **Directive observation:** Knowledge of human behavior is requisite quality of every good manager. From the changed behavior of employees, he should be able to sniff the causes of grievances. This he can do without its knowledge to the employee. This method will give general pattern of grievances. In addition to normal routine, periodic interviews with the employees, group meetings and collective bargaining are the specific occasions where direct observation can help in unfolding the grievances.
2. **Grip boxes:** The boxes (like suggestion boxes) are placed at easily accessible spots to most employees in the organization. The employees can file anonymous complaints about their dissatisfaction in these boxes. Due to anonymity, the fear of managerial action is avoided. Moreover management's interest is also limited to the free and fair views of employees.
3. **Open door policy:** Most democratic by nature, the policy is preached most but practiced very rarely in Indian organizations. But this method will be more useful in absence of an effective grievance procedure; otherwise the organisation will do well to have a grievance procedure. Open door policy demands that the employees, even at the lowest rank, should have easy access to the chief executive to get his grievances redressed.
4. **Exit interview:** Higher employee turnover is a problem of every organisation. Employees leave the organisation either due to dissatisfaction or for better prospects. Exit interviews may be conducted to know the reasons for leaving the job. Properly conducted exit interviews can provide significant information about the strengths and weaknesses of the organisation and can pave way for further improving the management policies for its labour force.

#### **Steps in handling grievances**

It is important that grievance must be handled in a systematic manner. The following steps should be taken in handling grievances:

1. Defining, describing or expressing the nature of the grievances as clearly and fully as possible;
2. Gathering all facts that serve to explain when, how, where, to whom and why the grievance occurred;
3. Establishing tentative solutions or answers to the grievances;



4. Gathering additional information to check the validity of the solutions and thus ascertain the best possible solution;
5. Applying the solution, and
6. Following up the case to see that it has been handled satisfactorily and the trouble has been eliminated.

### **Principles or Guidelines for Grievance Handling**

1. In handling grievances, a considerable amount of time must be spent in talking to employees; gathering data from them and passing on various types of information. Such talks to be most effective, should conform to definite patterns and adhere to well tested rules.
2. The manager must seek to develop an attitude towards employees that should be helpful in gaining their confidence. The management should also display a sincere interest in the problems of employees and their constructive willingness to be to help to them with a view to gain not only their confidence but also their utmost loyal by and genuine cooperation.
3. The procedure adopt by the management in handling the grievances must be apparent.
4. Grievances should be handled in terms of their total effect on the organization and not solely their immediate or individual effect.

### **Grievance handling procedures**

Grievance procedure is the most significant channel through which dissatisfaction of employees can be communicated to management. A grievance procedure is an ordered multistep process that the employer and employee jointly use to redress grievances and resolve disputes that arise. Thus a formal procedure which attempts to resolve the differences of parties involved, in an orderly, peaceful and expeditious manner, may be defined as grievance procedure or grievance redressed machinery. The steps in this machinery vary from organization to organization.

For handling grievances, as a first step, the management is required to designate the persons for each of the various departments to be approached by the works and the department heads for handling grievances as the second step. A Grievance Committee may also be constituted with representatives of workers and management. The model grievance producer give the various steps through which a grievance should be processed.

First, the grievance is taken to the departmental representative of the management who has to give an answer within 48 hours. Failing this, the aggrieved worker/ employee can beet the departmental head along with the departmental representative of the management and this step is allotted three days. Above this, the grievance is taken up by the Grievance Committee which should make its recommendations to the manager within seven days. The final decision of the management has to be communicated to the MI. Anees Fathima, Asst. Professor, MIM





workers or employee concerned within three days of the Grievance Committee's recommendations. If the employee is not satisfied, he can make an appeal for revision and the management has to communicate its decision within a week. In the case of non-settlement, the grievance may be referred to voluntary arbitration. The formal conciliation machinery will not be invoked till the final decision of the top management has been found unacceptable by the aggrieved employee.

In the case of any grievance arising out of discharge or dismissal, the workman or employee has the right to appeal either to the dismissing authority or to a senior authority specific by the management within a week from the date of dismissal or discharge.

Although the grievance procedure gives the employees opportunity to raise their grievances to the highest possible level of management, yet they should be resolved as close as possible to their source. The main object of grievance procedure is to resolve the grievance at earliest possible stage. The management must convince itself that justice is not only done, but seen to be done and the presence of a trade union representative with the aggrieved party helps to ensure fair play not only for the employee concerned, but also for his management.

### **Employee Discipline**

Discipline may be defined as an attitude of mind which aims at inculcating restraint, orderly behavior and respect for and willing obedience to a recognized authority. In any industry discipline is a useful tool for developing, improving and stabilizing the personality of workers. Industrial discipline is essential for the smooth running of an organisation, for increasing production and productivity, for the maintenance of industrial peace and for the prosperity of the industry and the nation. It is a process of bringing multifarious advantages to the organisation and its employees.

### **Code of Discipline**

The Fifteenth Indian Labour Conference discussed the question of discipline in industry and laid down the following general principles:

- There should be no lock-out or strike without notice.
- No unilateral action should be taken in connection with any industrial matter.
- There should be no recourse to go-slow tactics.
- No deliberate damage should be caused to plant or property.
- Acts of violence, intimidation, coercion or instigation should not be resorted to.
- The existing machinery for settlement of disputes should be utilized.
- Awards and agreements should be speedily implemented.



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- Any agreement which disturbs cordial industrial relations should be avoided.

The Code embodies four parts. Part I contains the duties and responsibilities of employees, workers and the government in maintaining discipline in industry. Part II enlists the common obligations of management and unions. Part III deals with the obligations of management only, while Part IV relates to those of the unions only. In additions, Annexure-A to the Code embodies the national level agreement on the criteria for the recognition of unions. A supplementary document contains the rights of recognized unions and a model grievance procedure. Thus, the Code is highly comprehensive and ethical in its approach to the industrial relations system. It has been reproduced below.

*Part –I: To maintain discipline in industry (both in public and private sectors)*

There has to be: (i) a just recognition by employers and workers of the rights and responsibilities of either party, as defined by the laws and agreements (including bipartite and tripartite agreements arrived at all levels from time to time); and ii) a proper and willing discharge by either party of its obligation consequent on such recognition.

*Part – II: To ensure better discipline in industry, management and union(s) agree*

- that no unilateral actions should be taken in connection with any industrial matter and that disputes should be settled at appropriate level;
- That the existing machinery for settlement of disputes should be utilized with the utmost expedition.
- that there should be no strike or lock-out without notice;
- that affirming their faith in democratic principles, they bind themselves to settle all future differences, disputes and grievances by mutual negotiation, conciliation and voluntary arbitration;
- that neither will have recourse to (a) coercion, (b) intimidation, (c) victimization, and (d) go-show;
- that they will avoid (a) litigation, (b) sit-down and stay-in-strikes, and (c) lock-outs;
- that they will promote constructive cooperation between their representatives at all levels and as between workers themselves and abide by the spirit of agreements mutually entered into;
- that they will establish upon a mutually agreed basis a Grievance Procedure which will ensure a speedy and full investigation leading to settlement;
- that they will abide by various stages in the Grievance Procedure and take no arbitrary action which would by-pass this procedure; and
- That they will educate the management personnel and workers regarding their obligations to each other.

*Part-III Management agrees*

- not to increase work-loads unless agreed upon or settled otherwise;





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- not to support or encourage any unfair labour practice such as: (a) interference with the right of employees to enroll or continue as union members; (b) discriminations, restraint or coercion against any employee because of recognized activity of trade unions; and (c) victimization of any employee and abuse of authority in any form;
- to take prompt actions for (a) settlement of grievance, and (b) implementation of settlements, awards, decisions and orders;
- to display in conspicuous places in the undertaking the provision of this Code in local language(s);
- to distinguish between actions justifying immediate discharge and those where discharge must be preceded by a warning, reprimand, suspension or some other form of disciplinary action and to arrange that all such disciplinary action should be subject to an appeal through normal Grievance Procedure;
- to take appropriate disciplinary action against its officers and members in cases where enquiries reveal that they were responsible for precipitate action by workers leading to indiscipline; and
- To recognize the unions in accordance with the criteria (Annexure A given below) evolved at the 16<sup>th</sup> session of the Indian Labour Conference held in May, 1958.

Part-IV: Union(s) agrees

- not to encourage any form of physical duress;
- not to permit demonstrations which are not peaceful and not to permit rowdiness in demonstration;
- that their members will not engage or cause other employees to engage in any union activity during working hours, unless as provided for by law, agreement or practice;
- to discourage unfair labour practices such as: (a) negligence of duty, (b) careless operation, (c) damage to property, (d) interference with or disturbance to normal work, and (e) insubordination;
- to take prompt actions to implement awards, agreements, settlements and decisions;
- to display in conspicuous places in the union offices, the provision of this Code in the local language(s); and
- to express disapproval and to take appropriate action against office bearers and members for indulging in action against the spirit of this Code.

The Code does not have any legal sanction but the following moral sanctions are behind it:

1. The Central Employers' and Workers' Organizations shall take the following steps against their constituent units guilty of breaches of Code:
  - to ask the unit to explain the infringement of the Code;



- to give notice to the unit to set right the infringement within a specific period;
  - to warn, and in case persistent violation of the Code; and
  - not to give countenance, in any manner, to non-members who did not observe the Code; and
  - Not to give countenance, in any manner, to non-members who did not observe the Code.
2. Grave, willful and persistent breaches of the Code by any party should be widely publicized.
  3. Failure to observe the Code would entail derecognition normally for a period of one year-this period may be increased or decreased by the implementing Committee concerned.
  4. A dispute may not ordinarily be referred for adjudication if there is a strike or lockout without proper notice or in breach of the code as determined by an Implementation.

### **Workers' Participation in Management**

Workers participation in management is an essential ingredient of industrial democracy. The concept of workers participation in management is based on "Human Relations" approach to management which brought about a new set of values to labour and management.

Traditionally, the concept of Workers' Participation in Management (WPM) refers to participation of non-managerial employees in the decision-making process of the organisation.

### **Objectives**

The scheme has economic, psychological, ethical and political objectives.

- Its psychological objective of the scheme is to secure full recognition of the workers. Association of worker with management provides him with a sense of importance, involvement and a feeling of belongingness. He considers himself to be an indispensable constituent of the organisation.
- Socially, the need for participation arises because modern industry is a social institution with the interest of employer, the share-holders, the community and the workers equally invested in it.
- The ethical objective of participation is to develop workers free personality and to recognize human dignity.
- The political objective of participation is to develop workers conscious of their democratic rights on their work place and thus bring about industrial democracy.

### **Levels of Participation**

1. **Information participation:** It ensures that employees are able to receive information and express their views pertaining to the matters of general economic importance.



2. ***Consultative participation:*** Here works are consulted on the matters of employee welfare such as work, safety and health. However, final decision always rests at the option of management and employees' views are only of advisory nature.
3. ***Associative participation:*** It is extension of consultative participation as management here is under moral obligation to accept and implement the unanimous decisions of employees.
4. ***Administrative participation:*** It ensure greater share of works in discharge of managerial functions. Here, decision already taken by the management come to employees, preferably with alternatives for administration and employees have to select the best from those for implementation.



### - LABOUR RELATIONS AND JOINT CONSULTATION

*Labour Relations: Changing concept of management labour relations- Statute laws- Tripartite conventions- development of the idea of social justice- limitation of management prerogatives increasing labour responsibility in productivity.*

*Joint Consultation: Principal types- Attitude of trade unions and management- Joint consultation in India.*

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## LABOUR RELATIONS

Labor relation was considered as a relationship between employees and employers. But these days, this has become a burning issue consisting of the relationship between workers, employers and social environment of the organization.

(or)

Labor relation or employee relation or industrial relation is a system that makes the social dialogue between employees, employers and society/government. It refers to all means of relationship between management and employees, unions and management, unions and employees and between the employees themselves.

### ➤ CONCEPT OF LABOUR RELATIONS

- Traditionally, labor relation was considered as a relationship between employees and employers.
- But these days, this has become a burning issue consisting of the relationship between workers, employers and social environment of the organization.
- It is a dynamic socio-economic process that makes a social dialogue possible among employees, employers and the organizational social environment.
- The primary focus of it should be on grievance handling, industrial dispute, and interpretation labor laws, etc.
- It provides a context in which organizational rules and regulations are framed so that organizational roles assigned to members are performed.
- Hence, labor relation or employee relation or industrial relation is a system that makes the social dialogue between employees, employers and society/government.
- It refers to all means of relationship between management and employees, unions and management, unions and employees and between the employees themselves.
- It is a joint effort of these major influences that produce a harmonious industrial relations between them. But it is multidimensional force that is influenced by the external forces economic, social, cultural, political, legal, technological and occupational forces.



- The primary concern of labor relations is to promote a healthy and harmonious relationship between employees and the employers.
- Beside management and workers, the government is another important factor that influences organizational affairs through legal and administrative measures.
- In this way, this harmonizes the divergent and conflicting interests of these parties through a consolidated dialogue.

➤ **STATUTE LAWS**

The body of law consisting of written laws adopted by a legislative body. Statute law is often contrasted with case law, which originates from decisions of the appellate courts; and with constitutional law, based on a country's written constitution.

➤ **TRIPARTITE CONVENTION**

Labour policy in India has been evolving in response to the specific needs of the situation in relation to industry and the working class and has to suit the requirements of planned economy. A body of principles and practise has grown up as a product of joint consultation in which representatives of government, the working class and the employers have been participating at various level.

**IMPORTANT OF TRIPARTITE BODIES**

1. THE INDIAN LABOUR CONFERENCE (I.L.C)
2. THE STANDING LABOUR COMMITTEE (S.L.C)
3. THE COMITTEE ON CONVENTION
4. THE INDUSTRIAL COMITTEE
5. OTHER BOBIES OF TRIPARTITE

**1. THE INDIAN LABOUR CONFERENCE AND STANDING LABOUR COMMITTEE**

Both I.L.C and S.L.C are two important constituent of tripartite bodies.

The objects of the Indian labour conference

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

The function of the ILC is to "advise the govt of India on any matter referred to it for advise, taking into account suggestion made by the provincial government, the state and representative of the organisation of workers and employers"



The standing labour committee(SLC)main function is to "consider and examine such question as may be referred to it by the plenary conference or the central govt ,and to render advice taking into account the suggestion made by various government, workers and employers".

## **2.COMMITTEE ON CONVENTION**

This is a three-man tripartite committee set up 1954.The object was(a)"to examine the ILO convention and recommendation which have not so far been ratified by india and(b)to make suggestion with regard to a phased and speedy implementation of ilo standards".

## **3.INDUSTRIAL COMMITTEES**

The eighth session of the ILC(1947) decided to set up industrial committee "to discuss various specific problems special to the industries covered by them and submit their report to the conference ,which would co-ordinate their activities."

### **VARIOUS INDUSTRIAL COMMITTEE:**

1. Committee on N.T.C Turnaround
2. Committee on plantation
3. Commenting on the working of industrial committee

## **4.OTHER TRIPARTITE COMMITTEES**

- (a) Steering committee on wages
- (b) Central implementation and evaluation machinery
- (c) Central boards of workers education
- (d) National productivity council

## **SOCIAL JUSTICE**

The fair and proper administration of laws conforming to the natural laws that all persons, irrespective of ethnic origin, gender, possessions, race, religion, etc., are to be treated equally and without prejudice.

### **Concept of social justice**

#### **1. THE CONCEPT OF SOCIAL JUSTICE**

- The concept of social-economic Justice is a living concept and gives substance to the rule of law and meaning and significance to the ideal of a welfare State.
- The Indian constitution is an illustration of the forces at work in socio-economic Jurisprudence.



- It sets out the Directive principles of State Policy fundamental to the governance of the country and spells out a social order in which Justice, Social, economic and political, shall inform all the Institutions of National life.
- 2. Social Justice in Civil Society:
- By Rousseau of the Original Civil Society where the difference and disparities, in course of time, became so gruesome that a demand for Social Justice was a natural outcry of mankind in general.
- 3. Social Justice under the Constitution of India:
- A picture of the constitution will give us the right perspective for appreciation of the scope and place of Social Justice as an aspiration of the Nation The former chief Justice of India, P.N. Bhagwati Inter-alia observed: "Today a vast social revolution is taking place in the judicial process, the law is fast changing and the problems of the poor are coming to the forefront.
- 4. Origin of Social Justice and Jurisprudence:
- The greatest Contribution of Ehrlich to Sociological School of Jurisprudence lies in scientific approach to Study of Law in its Social Context and his emphasis on relation between law and the life of the Society.
- 5. Sociological approach of social justice:
- According to Roscoe pound "Sociological Approach should ensure that making Interpretation and application of Laws take account of Social facts".
- (i) To achieve this target there should be a factual study of the social effects of legal administration.
- (ii) Social Investigation as preliminaries to legislation
- 6. Position of Social Justice Pre Independence of India:
- The position of Social Justice in ancient time.
- The position of Social Justice in medieval time.
- The position of Social Justice in modern time.
- 7. Position of social justice Post Independence of India:
- After the independence, social legislation gained a new impetus.
- The rule of law and the legal system were strengthened considerably.
- The Constitution of India became the main inspiration for making a variety of legislations.
- 8. Jurisprudential perspective of social justice:
- With the independence of India, a new Constitution was adopted for the country embodying the social philosophy and economic values towards attainment of an egalitarian welfare State
- 9. Social justice:





- Developments leading to the constitutional safeguards:
- The quest for social justice in India began more than a century ago.
- When the Indian National Congress was formed in 1885 the desire of the Indians was to have the same rights and privileges enjoyed by the British citizens in the United Kingdom without any discrimination whatsoever.

10. The constitutional perspective of social justice:

- The framers of Constitution realized that unless unequal are treated unequally the socio-economic, political, regional and gender gaps could not be bridged.
- The compelling social situation led to the creation of special provisions in the Constitution for the advancement of socially and economically backward classes of citizens.

11. Social justice under the constitution of India:

- The Constitution of India has solemnly promised to all its citizens justices-social, economic and political; liberty of thought expression, belief, faith and worship; equality of status and of opportunity; and to promote among the all fraternity assuring the dignity of the individual and the unity of the nation.

**IMPORTANCE OF SOCIAL JUSTICE**

Social justice embodies essential principles of equity and access to all opportunities in society in accordance with democratic principles and respect for all persons and points of view

- We commit our self to promoting equity, opportunity, and social justice through the college's operations and its mission related to teaching research and service.
- Social justice is a term that is used to describe economic quality.
- Social justice is where justice is found in every aspect of society within a country or organization.
- Social justice is proper and fair applying of laws that are conform to the natural law of all nations.
- Advanced studies in teaching and learning program places and emphasis on social justice throughout the program, but particularly in the course, education and culture.
- Early childhood education program emphasizes social justice across its courses and field experiences.
- Creating opportunities for educational outreach research and development of innovative.
- Educational media products between faculty, students, artists entrepreneurs, grassroots and non-profit organizations among others.





- Providing access to quality educational media products that the target children of colour economically challenged , first generation college students and other diverse or traditionally underserved populations in k-12. Higher education and on-formal learning environments.
- The fair and proper administration of laws conforming to the natural law that all persons irrespective of ethnic origin gender, possessions race ,religion etc are to be treated equally and without prejudice.
- Functionally ,'justice is a set of universal principles which guide people in judging what is right and what is wrong ,no matter what the culture and society they live in.
- Social justice encompasses economic justice. Social justice is the virtue which guides us in creating those organized human interactions
- When justly organized, provide us with access to what is good for the person both individually and in our associations with others
- Social justice also imposes on each of us a personal responsibility to work with others to design and continually perfect our institutions as tools for personal and social development
- Economic justice which touches the individual person as well as the social order, encompasses the moral principles which guide us in design our economic institutions, these institutions determine how each person earns a living enters into contracts, exchanges goods and services with others.

### ➤ **MANAGEMENT PREROGATIVE**

**Managerial Prerogatives** are considered natural rights that allow employers to manage their employees. They are the discretionary powers left at any moment in the hands of managers. Every act which a manager or his subordinates can lawfully do, without the consent of the worker organization, is done by virtue of this prerogative.

#### **MOST COMMON MANAGEMENT PREROGATIVES:**

1. THE RIGHT TO HIRE
2. THE RIGHT TO DISMISS
3. THE RIGHT TO TRANSFER
4. THE RIGHT TO PROMOTE AND DEMOTE
5. THE RIGHT TO DISCIPLINE
6. THE RIGHT TO LAY DOWN POLICIES
7. THE RIGHT TO ESTABLISH WORKING HOURS
8. THE RIGHT TO ORGANIZE AND REORGANIZE



## 9. THE RIGHT TO REASONABLE RETURN ON INVESTMENT

## 10. THE RIGHT TO EXPANISON AND GROWTH

### 1. THE RIGHT TO HIRE:

- The company has the exclusive right to purchase labour from any person whom it chooses. Thus ,the transferee in good faith of a business establishment has no obligation to absorb employees of the transferor and to continue on employing them.

### 2. THE RIGHT TO DISMISS

- The company has the right to dismiss employees in accordance with the causes and procedures established by law.T
- his particular right must be exercised with caution and without abuse of discretion because termination affects the right of the worker to securit of tenure.

### 3. THE RIGHT TO TRANSFER

The company has the right to transfer an employee from one to another office within the business establishment provided that there is no demotion in rank salary ,benefits and other privileges.

This is a privilege inherent in the employers right to control and conduct its business enterprise and conduct of its business operation to achieve its purpose. It cannot be denied to the employer.

### 4. THE RIGHT TO PROMOTE AND DEMOTE

The company has the right to promote employees.promotion:scalar ascent of an employee to another position higher in rank or salary.The right to promote carries with it the right to demote.

### 5. THE RIGHT TO DISCIPLINE

The right of the employer to subject his employees to disciplinary measures and the need for discipline have been judically noticed.

### 6. THE RIGHT TO LAY DOWN POLICIES

Establish working hours,and to organise and reorganise in general terms,an employer is free to regulate ,according to his own discretion and judgment,all aspect of employment ,including work assignment ,working method ,time place,and the manner or work,tools to be used ,processes to be followed,supervision of workers and working regulation.

### Joint consultation

Joint consultation A formal system of communication between the management of an organization and the employees' representatives used prior to taking decisions affecting the workforce, usually effected through a joint consultative committee.



(or)

Joint consultation, or cooperation between employers and employees, is prescribed either in the **Act on Co-operation within Undertakings**, in sect oral agreements between the central confederations or in sect oral agreements, depending on the industry

**Purpose of joint Cosultation:**

- To further co-operation between the employer and the personnel and among members of personnel
- To provide personnel with the opportunity to influence matters relating to their work and workplace and
- To develop the operations of companies and corporations and their working conditions

Joint consultation aims to promote a positive atmosphere at work, enable change and increase the personnel's readiness to accept change. These objectives are best achieved by continuous negotiation between the employees and the employer.

Joint consultation is an essential part of successful management. Providing information and communicating the objectives and achievements of joint consultation to the personnel is vitally important – before and after the cooperation procedure.

**Matters discussed**

The purpose of joint consultation is to allow personnel to participate in decision-making before the matter is settled, that is, already at the preparatory stage. At this stage, it is still possible to discuss the grounds for and effects of the matter in question and any alternatives there may be.

According to the Act on Co-operation within Undertakings and the joint consultation agreements, the employer must inform the personnel of issues such as the company's development perspectives and economic situation, and provide sufficient information to enable the matter to be dealt with. The Act and both the agreements concluded by the central confederations and sect oral agreements also contain more detailed information on what additional matters are to be settled by means of the joint consultation procedure.

**Parties**

The parties to joint consultation are the employer and the personnel. Joint consultation can be either direct or representative.

**Direct joint consultation**

Issues about work and the activities of the work community may be discussed by the supervisors and personnel. Joint meetings are arranged at the workplace for this purpose. Direct joint consultation is also a part of daily routines, management and good supervisory work.



### **Representative joint consultation**

Instead of direct communication, joint consultation may be carried out by a separately appointed cooperation body, to which the personnel elect their own representatives. Personnel representatives are usually shop stewards and occupational safety delegates.

### **ATTITUDE OF TRADE UNIONS AND MANAGEMENT**

Joint training is provided to those management and union representatives who are, or will be, part of the consultation committee. The program can be tailored to meet the particular needs of the parties. A short program can be completed in 3 hours with a complete program requiring a full day.

#### **Benefits of effective joint consultation committees for management:**

- The establishment of the means for improved communication with the union.
- An opportunity to discuss operational issues in a problem solving manner.
- A more positive labour management relationship.
- An opportunity to respond to constructive suggestions and valid complaints.

#### **For the union:**

- An opportunity for ongoing communication with management.
- An opportunity to provide constructive input into operational problems.
- An avenue to express employee and union concerns.
- An opportunity to resolve ongoing issues.

#### **FUNCTIONS OF THE JOINT CONSULTATION COMMITTEE:**

4 The Comhairle and Trade Unions shall plan to develop a fair and progressive employment agenda to support innovative quality service delivery. This principle will underpin all of the committee's agreements and activities. The functions of the committee are as follows:

- (1) To support and develop a local framework which will contribute to the development of a highly skilled and motivated workforce.
- (2) To negotiate sustainable local collective agreements on employment related matters.
- (3) To promote the support of the application of such agreements for the Comhairle and its employees.
- (4) To promote co-operation between employers and recognised unions throughout the Comhairle.
- (5) To support the promotion of equality and the elimination of discriminatory practices in employment.
- (6) To support the development and adoption of local codes of practice to cover the conduct and obligations of employees and employers.



- (7) To support the development and implementation of training and development initiatives and to ensure their integration into broader employee development strategies.
- (8) To provide a local conciliation service for the resolution of disputes.
- (9) To undertake any activity incidental to the above.

## **JOINT CONSULTATION IN INDIA**

### **THE MACHINERY FOR JOINT CONSULTATION AND COMPULSORY ARBITRATION**

The Scheme for Joint Consultation and Compulsory Arbitration for the Central Government Employees was introduced in the year 1966 on the lines of the Whitley Councils of the United Kingdom. To promote harmonious relations between the government and its employees.

- To secure the greatest measure of cooperation between the government in its capacity as employer and the general body of its employees in matters of common concern; and
- To increase the efficiency of the public services, through a collaborative endeavour, to narrow the area of “unresolved differences” and widen the ambit of agreement on substantive issues of common concern.

#### **The JCM scheme provides for a three tier machinery:-**

- (i) the National Council as the apex body; (chaired by the Cabinet Secretary)
- (ii) Departmental Councils at the level of individual Ministries / Departments including their attached and subordinate offices and (chaired by respective Secretaries)
- (iii) Regional / Office Councils to deal with mainly the local problems at the level of each individual office, depending on its structure. (chaired by Head of office of respective organisations) The scope of the JCM Scheme includes all matters relating to:

- conditions of service and work,
- welfare of the employees and
- improvement of efficiency and standards of work, provided, however, that
  - (i) in regard to recruitment, promotion and discipline, consultation is limited to matters of general principles; and
  - (ii) individual cases are not considered.

Under the scheme, there have been continuous interactions with staff unions at the national level as well as at the departmental level and a number of important issues have been resolved amicably through



mutual discussions. Forty five meetings of the council have been held since the inception of the scheme in 1966.

**Standing Committee** - There have been frequent interactions with the staff side through the meetings of the Standing Committee of National Council (JCM). Many issues of the employees of the major ministries / departments like Ministry of Railways, Ministry of Defence and Department of Posts have been resolved through negotiations and interactions with the unions / federations at the departmental level.

During the year 2008, a meeting of Standing Committee of the National Council (JCM) has been held on 7 March, 2008. A special Standing Committee meeting to discuss the items relating to 6th Central Pay Commission was held on 7 May, 2008. A meeting under the Chairmanship of Cabinet Secretary was held on 17 May, 2008 with the Standing Committee members to discuss issues relating to the 6th Central Pay Commission.

**Arbitration** - An important feature of the JCM Scheme is the provision for arbitration in cases where there is no agreement on an issue between the official side and the staff side on matters relating to:-

- pay and allowances;
- weekly hours of work; and
- leave of a class or grade of employees.

**Board of Arbitration (BOA)** - A Board of Arbitration (BOA) comprising a chairman (who is an independent person) and two members, (nominated one each by staff side and official side) is functioning under the administrative control of the Ministry of Labour. Awards of the Board of Arbitration are binding on both the sides, subject to the over-riding authority of the Parliament to reject or modify the awards. Under JCM scheme, 259 references have been made to the Board so far, for settlement. Out of these 257 have been decided by BOA. Most of the awards which were in favour of the employees, have been implemented, except a few which could not be accepted due to adverse affect on national economy / social justice.





## **UNIT IV - TRADE UNIONS AND PROBLEMS AND ROLE OF INDIAN TRADE UNIONS**

*Trade Unions: Trade Unions and their growth- economic- social and political conditions leading to the development of trade unionism- Theories of trade unionism- Aim and objectives of trade unions-Structure and governing of trade unions.*

*Problems and Role of Indian Trade Unions: Recognition and leadership- Finances and Membership- Compulsory versus free membership- Political activities- Welfare- Legislation- Majority and Minority unions- Social responsibilities- positive role in economic and social development.*

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### **Trade Unions**

The term 'Trade Union' has been defined in various ways because of wide differences in the use of this term in different countries. Of all the definitions of a trade union, the classic definition of the Webbs has been most popular. According to them a trade union is "a continuous association of wage-earners for the purpose of maintaining or improving the condition of their working lives". Since this definition does not cover all the extensions of trade union activities in modern times, a trade union with some modification may be redefined as "a continuous association of wage-earners or salaried employees for maintaining the conditions of their working lives and ensuring them a better and healthier status in industry as well as in the society".

### **Functions of Trade Unions**

- Functions relating to members
- Functions relating to organization
- Functions relating to the union; and
- Functions relating to the society.

### **GROWTH AND DEVELOPMENT OF THE TRADE UNION**

#### **MOVEMENT**

The growth and development of the labour movement, and for that part of the trade unions, in India, can be divided into following periods, each of them revealing different tendencies that mark it from others.

1. Social Welfare period, from 1875 to 1918
2. Early Trade Union period, from 1918 to 1924
3. Left-wing Trade Unionism period, from 1924 to 1934
4. Trade Unions' Unity period from 1935 to 1938
5. Second World War period from 1939 to 1945
6. Post – independence period from 1947 to date





### **Social Welfare Period (1875-1918)**

\* The development of industries led to large-scale production on the one hand and social evils like employment and exploitation of women and child labour and the deplorable workable conditions, the government's attitude of complete indifference in respect of protection of labour from such evils, on the other.

### **Early Trade Union Period (1918-1924)**

\* The year 1918 was an important one for the Indian trade union movement.  
\* The industrial unrest that grew up as a result of grave economic difficulties created by war. The rising cost of living prompted the workers to demand reasonable wages for which purpose they united to take resort to collective act

### **Left-Wing Unionism Period (1924-1934)**

\* In 1924, a violent and long-drawn-out strike by unions led to the arrest, prosecution, conviction and imprisonment of many communist leaders. The rapid growth of the trade unionism was facilitated by several factors

### **Trade Union's Unity Period (1935-1938)**

\* In mid-thirties the state of divided labour movement was natural thought undesirable and soon after the first split, attempts at trade union unity began to be made through the efforts of the Roy Group on the basis of 'a platform of unity'.

### **Second World War Period (1939-1945)**

\* The Second World War, which broke out in September 1939, created new strains in the united trade union movement.

\* Hence, again a rift took place in 1941 and the Radicals left the AITUC with nearly 200 unions with a membership of 3, 00,000 and formed a new central federation known as the Indian Federation of Labour

### **The Post-Independence Period (From 1947 to-date)**

\* As pointed out earlier, when attempts to restructure the AITUC failed, those believing in the aims and ideals other than those of the AITUC separated from the organization and established the Indian National Trade Union Congress (INTUC) in May, 1947



## **Aim and objectives of trade unions**

### **AIM:**

Early labor unions attempted to organize workers in order to obtain safe working conditions, better wages, and shorter working hours in the day. Some unions believed it was necessary to accomplish those goals through the political process. Other unions met in secret and did not want owners of industry or companies to know they existed. Some thought only violence would accomplish their goals. As labor unions grew, they became important voting blocs. Most unions started out trying to obtain the "bread and butter" issues--better wages, safe working conditions, and fewer hours. These goals spread to include medical leave without a deduction in pay; pensions provided by owners and workers; medical insurance paid for by owners and workers; laws against child labor; support for free public education, protection of political and civil rights of workers; and the right to hold collective bargaining elections, so that the workers could vote to join a union or not.

### **OBJECTIVES**

#### **Representation**

Trade unions represent individual workers when they have a problem at work. If an employee feels he is being unfairly treated, he can ask the union representative to help sort out the difficulty with the manager or employer. Unions also offer their members legal representation.

#### **Negotiation**

Negotiation is where union representatives, discuss with management, the issues which affect people working in an organization. There may be a difference of opinion between management and union members. Trade unions negotiate with the employers to find out a solution to these differences. Pay, working hours, holidays and changes to working practices are the sorts of issues that are negotiated.

#### **• Member services**

During the last few years, trade unions have increased the range of services they offer their members. These include:

- Education and training** - Most unions run training courses for their members on employment rights, health and safety and other issues. Some unions also help members who have left school with little education by offering courses on basic skills and courses leading to professional qualifications.
- Legal assistance** - As well as offering legal advice on employment issues, some unions give help with personal matters, like housing, wills and debt.
- Financial discounts** - People can get discounts on mortgages, insurance and loans from unions.



- **Welfare benefits** - One of the earliest functions of trade unions was to look after members who hit hard times. Some of the older unions offer financial help to their members when they are sick or unemployed.

### **Union Classified on the Basis of Membership Structure**

The unions have also been classified according to variations in the composition of their members. On this basis, four types of unions have been recognized, namely, craft unions, staff unions, industrial unions, and general unions.

#### **Craft Union**

It is an organization of workers employed in a particular craft or trade or in a single or two or three related trades/crafts/occupations. Such organizations link together those workers who have similar skills, craft training and specialization. “Historically speaking, it were the craft unions that lent stability to the trade union movement because of their relative stability in employment and higher earnings.” the craft unions are mostly found amongst non-manual employees and professional workers.

#### **Staff Union**

The term “staff union” is popularly used to refer both craft and industrial unions. It is an organization or rather a form of organization based on the sense of 72 common status and common need for help. It implies communality of outlook and presupposes some solidarity between workers of different trades. The staff union seeks to recruit members from of non-manual sectors including clerks, supervisors, draughtsmen, computerises, operators, technicians, managers etc.

#### **Industrial Union**

It is an organization of workers which links all craftsmen and skilled workers in any one industry (such as coal, engineering, plantation, textiles) regardless of the differences in craft, skill, grade, position or sex. The common bond here is the industry in which the workers are employed. It is organized upon an industry-wise rather than a craft-wise basis. The membership is large; and it makes workers class-conscious and increases the feeling of solidarity among them.

#### **General Union**

It is that organization which covers various industries and labourers having different types of skills. The objectives of these unions are all embarrassing in character. They have numerical superiority, for they are open to all classes of workers; and this is the source of their strength. From the point of view of solidarity, this type is ideal.



### Recognition of trade unions

The recognition of trade unions by employers was felt to ensure that appropriate modes of collective bargaining took place and that the agreements were collectively reached and mutually observed. Collective agreements to settle disputes can be reached with or without recourse to the conciliation machinery set up by the legislation. A bi-party agreement between one trade union and management is not a binding on members of another or other union(s). However, if a settlement is arrived in the course of conciliation proceedings, then it is a binding as mentioned under section 18 of Industrial Disputes Act, not only on the actual parties making the settlement but also on all other members concerned, present or future. When parties do not reach a settlement and the matter is forwarded for arbitration or adjudication, then the award (An interim or final determination of any industrial dispute by any labour court or industrial tribunal) of the arbitrator or adjudicator is binding on all parties concerned.

**Membership Verification:** An official of the labour department of the state or central government visits the establishment, obtains the manpower list from the management and asks each employee individually whether or not they wish to become members of a union and if so, which union. Based on the responses, the membership claim of all unions is verified to identify which union has the support of the majority of employees. This becomes the criteria for selecting the sole bargaining agent in an establishment. This exercise is carried out once in a few years.

**Check-off:** Under check-off employees are asked to state in writing whether or not they belong to a union and if they do, they to which union. Along with this, employees should also undertake in writing that they are willing to have union membership deducted from their salary. The check-off system helps management to know how many members each union has and who they are whereby enabling them to make an assessment of the relative strength of unions for the purpose of recognition and also, such information can be used to pressurize workers to stop patronizing unions which are not in the good books of the management.

**Secret Ballot:** A more democratic method, election by secret ballot, enables employees to exercise their option secretly, without fear or favor. The entire process takes place in the overall supervision of the Chief Labour Commissioner. There are two types of secret ballots:

- **Panel:** In panel type, the union formed can be a mix of electing members from different parties. For example, a union may be formed with president from one union, secretary from other union and treasurer from a third union.
- **Banner:** In banner type, employees vote for a single union i.e. all positions are held by electing members of same union.



**Code of Discipline:** The fifteenth session of the Indian Labour Conference held in Nainital in 1957 discussed the recognition of trade unions and evolved the Code of Discipline laying down the criteria for trade union recognition. These criteria continue to provide the basis for the recognition of unions in certain central public sector organizations till date.

### **Theories of Trade Unionism**

There is no one theory of Trade Unionism, but many contributors to these theories are revolutionaries like Marx and Engels, Civil servants like Sydney Webb, academics like Common and Hoxie and labour leader like Mitchall. Important theories of trade unionism are as follows.

- 1. Political Revolutionary Theory of Labour Movement of Marx and Engels:** This theory is based on Adam Smith's theory of labour value. Its short run purpose is to eliminate competition among labour, and the ultimate purpose is to overthrow capitalist businessman. Trade union is pure simple a class struggle, and proletarians have nothing to lose but their chains and they a world to win.
- 2. Webbs Theory of Industrial Democracy:** Webb's book 'Industrial democracy' is the Bible of trade unionism. According to Webb, trade unionism is an extension of democracy from political sphere to industrial sphere. Webb agreed with Marx that trade unionism is a class struggle and modern capitalist state is a transitional phase which will lead to democratic socialism. He considered collective bargaining as the process which strengthens labour.
- 3. Cole's Theory of Union Control of Industry:** Cole's views are given in his book "World of Labour" 1913. His views are somewhere in between Webb and Marx. He agrees that unionism is class struggle and the ultimate is the control of industry by labour and not revolution as predicted by Marx.
- 4. Common's Environment Theory:** He was skeptical of generalisations and believed only that which could be proved by evidence. He agreed that collective bargaining was an instrument of class struggle, but he summarised that ultimately there will be partnership between employers and employees.
- 5. Mitchell's Economic Protection Theory of Trade Unionism:** Mitchell, a labour leader, completely rejected individual bargaining. According to him unions afford economic protection to.
- 6. Simons Theory of Monopolistic, anti-Democratic Trade Unionism:** He denounced trade unionism as monopoly founded on violence. And he claimed monopoly power has no use save abuse.



**7. Perlman's Theory of the "Scarcity Consciousness" of Manual Workers:** He rejected the idea of class consciousness as an explanation for the origin of the trade union movement but substituted it with what he called job consciousness.

According to him, 'working people in reality felt an urge towards collective control of their employment opportunities, but hardly towards similar control of industry.' Perlman observed that three dominant factors emerged from the rich historical data:

1. The capacity or incapacity of the capitalist system to survive as a ruling group in the face of revolutionary attacks (e.g., failure in Russia).
2. The source of the anti-capitalist influences being primarily from among the intellectuals in any society.
3. The most vital factor in the labour situation was the trade union movement. Trade unionism, which is essentially pragmatic, struggles constantly not only against the employers for an enlarged opportunity measure in income, security and liberty in the shop and industry, but struggles also, whether consciously or unconsciously, actively or passively, against the intellectual who would frame its programmes and shape its policies.

**8. Tannenbaum's Theory of Man Vs. Machine:** According to him Union is formed in reaction to alienation and loss of community in an individualistic and unfeeling society. In his words, the union returns to the workers his society, which he left behind him when he migrated from a rural background to the anonymity of an urban industrial location. The union gives the worker a fellowship and a value system that he shares with others like him. Institutionally, the trade union movement is an unconscious

effort to harness the drift of our time and reorganise it around the cohesive identity that men working together always achieve.

### **MAJORITY AND MINORITY**

A **majority-minority** or **minority-majority** area is a term used in the United States to refer to a jurisdiction in which one or more racial and/or ethnic minorities (relative to the whole country's population) make up a majority of the local population. The first known use of the term in this context was in 1978, but it may date back further.

#### **United States of America**

In the United States of America **majority-minority** or **minority-majority** area is a United States state or jurisdiction whose population is composed of less than 50% non-Hispanic whites. Racial data is derived from self-identification questions on the U.S. Census and on U.S. Census Bureau estimate





### **South Africa**

- Whites and Coloured South Africans are a majority in some parts of South Africa while being a minority in South Africa overall.

### **England**

- White British (mainly English people) are a minority in London (43.7%) English people are also a minority in the settlements of Luton, Slough, Leicester and Birmingham.

### **Australia**

- European Australians are a minority in some western suburbs of Sydney. 64% of Cabramatta is made up of Eastern Asians, which makes it the largest non-European suburb in Australia The Middle Eastern ancestry leads in suburbs such as, Fairfield, Lakemba, Punchbowl, Bankstown and Auburn (and their surrounds).

### **Fiji**

- Fiji did not have any racial or ethnic group comprise a majority from the 1930s to the 1990s, with the exception of the 1960s and possibly early 1970s

### **India**

- Muslims are a majority in the Lakshadweep and Jammu and Kashmir states/territories of India, and in some other districts of India. However, Muslims are a minority in India overall.

## **ROLE IN ECONOMIC AND SOCIAL DEVELOPMENT**

**Socioeconomics** (also known as **socio-economics** or **social economics**) is the social science that studies how economic activity affects and is shaped by social processes. In general it analyzes how societies progress, stagnate, or regress because of their local or regional economy, or the global economy.

Socioeconomics is sometimes used as an umbrella term with different usages. The term 'social economics' may refer broadly to the "use of economics in the study of society. More narrowly, contemporary practice considers behavioral interactions of individuals and groups through social capital and social "markets" (not excluding for example, sorting by marriage) and the formation of social norms. In the latter, it studies the relation of economics to social values.

A distinct supplemental usage describes social economics as "a discipline studying the reciprocal relationship between economic science on the one hand and social philosophy, ethics, and human dignity on the other" toward social reconstruction and improvement<sup>[4]</sup> or as also emphasizing





multidisciplinary methods from such fields as sociology, history, and political science.<sup>[5]</sup> In criticizing mainstream economics for its alleged faulty philosophical premises (for example the pursuit of self-interest) and neglect of dysfunctional economic relationships, such advocates tend to classify social economics as heterodox.

### **Legislation of trade union**

Trade unions were finally legalised in 1872, after a *Royal Commission on Trade Unions* in 1867 agreed that the establishment of the organizations was to the advantage of both employers and employees.

This period also saw the growth of trade unions in other industrializing countries, especially the United States, Germany and France.

In the United States, the first effective nationwide labor organization was the Knights of Labor, in 1869, which began to grow after 1880. Legalization occurred slowly as a result of a series of court decisions. The Federation of Organized Trades and Labor Unions began in 1881 as a federation of different unions that did not directly enroll workers. In 1886, it became known as the American Federation of Labor or AFL.

In Germany the Free Association of German Trade Unions was formed in 1897 after the conservative Anti-Socialist Laws of Chancellor Otto von Bismarck were repealed.

In France, labor organization was illegal until 1884. The Bourse du Travail was founded in 1887 and merged with the Fédération nationale des syndicats (National Federation of Trade Unions) in 1895 to form the General Confederation of Labour (France).

### **Advantages of Trades Unions:**

- 1. Increase wages for its members:** Industries with trade unions tend to have higher wages than non-unionized industries.
- 2. Counterbalance Monopsony Power:** If a trade union bargains for  $W_3$ , it does not create unemployment, but employment. In the face of Monopsony employers, Trades Unions can increase wages and increase employment. Monopsony employers are those who have market power in setting wages and employing workers. Traditionally, monopsonies occur when there is only 1 firm in a town, or type of employment. However, in modern economies, many employers have a degree of market power (monopsony).
- 3. Represent Worker:** Trades Unions can also protect workers from exploitation, and help to uphold health and safety legislation. Trades unions can give representation to workers facing legal action.



**4. Productivity deals:** Trades Unions can help to negotiate productivity deals. This means they help the firm to increase output; this enables the firm to be able to afford higher wages. Trades unions can be important for implementing new working practices which improve productivity.

**5. Important for Service Sector:** Modern economies have seen a fall in trade union power. This is because of a decline in manufacturing and rise in service sector employment. Service sector jobs tend to more likely to be part time and temporary; unions are needed to protect workers in these kind of jobs.



## COLLECTIVE BARGAINING AND TRIPARTITE MACHINERY

*Collective Bargaining: Meaning- Scope- Subject matter and parties- Methods and tactics- Administrations of collective bargaining agreements- Fair and unfair labour practice.*

*Tripartite Machinery: At the center and in the states- I.L.O. – Its functions and role in labour movement*

*– Industrial health and safety- Industrial legislations.*

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### **Collective Bargaining**

Collective bargaining is a source of solving the problems of employees in the work situation collectively. It provides a good climate for discussing the problems of workers with their employers. The employees put their demands before the employers and the employers also give certain concession to them. Thus it ensures that the management cannot take unilateral decision concerning the work ignoring the workers. It also helps the workers to achieve responsible wages, working conditions, working hours, fringe benefits etc.

### **Meaning**

The term collective bargaining is made up of two words, 'collective' – which means a 'group action' through representation and 'bargaining', means 'negotiating', which involves proposals and counter-proposals, offers and counter-offers. Thus it means collective negotiations between the employer and the employee, relating to their work situations. The success of these negotiations depends upon mutual understanding and give and take principles between the employers and employees.

### **Definition**

Richardson says, "Collective bargaining takes place when a number of work people enter into negotiation as a bargaining unit with an employer or a group of employers with the object of reaching agreement on conditions of the employment of the work people".

### **Scope of collective bargaining:**

1. The scope of collective bargaining is very wide. Any matter defining the relationship between the management and workers may form a part of it.
2. Broadly two types of issues may involved in collective bargaining:  
Economic provision: it includes those provisions which affects the economic, financial, and professional aspects of workers.(working conditions, rules and regulations)



Political provisions or issues: these provisions relates to the general administration such as division of authority and responsibility, workers participation in management and power to challenge the decision

taken by the management.

**Other items being a part of collective bargaining:**

1. Allowances and leave rules
2. Wage and salary structure
3. Wage incentive scheme
4. Lay off and retrenchment of workers
5. Demotion, promotion transfer
6. Grievances procedure
7. Safety and health facilities
8. Scheme of bonus, profit sharing
9. Maintenance of discipline
10. Medical and compensation schemes, etc.

**Features of collective bargaining:**

1. It is a group action
2. It is flexible and mobile, and not fixed or static
3. It is a two- party process
4. It is a continuous process
5. It is dynamic and not static
6. It is an art
7. It is industrial democracy at work
8. It is a complementary process

**Subject matter and parties**

**Definition;**

The collective bargaining agreement bears in its many provisions the imprints of decades of activity contending for labour equality recognition of the notion underlying collective negotiations indeed in the collective bargaining agreement is to be found a culminating purpose of labour activity

\*In bargaining process the main actors are employees, employers and their associations \*The main focus of the rules is on the terms and conditions of employments



\*The essence of collective bargaining lies in the readiness of the two parties to a dispute to reach an agreement or mutually satisfying settlement it is concerned about the emotions of the people involved in its as well as with the logic of their interests

\*It is carried out on a collective as distinct from an individual basis that is collective bargaining by group of people

\*Collective bargaining is a “civilized bipartite confrontation “between the workers and management with a view to arriving at an agreement for the object is not ‘welfare’ but ‘compromise’.

**Importance of collective bargaining:**

**Importance to the employees:**

Collective bargaining develops a sense of self respect and responsibility among the employees.

- It increases the strength of the workforce, thereby, increasing their bargaining capacity as a group.
- Collective bargaining increases the morale and productivity of employees.
- It restricts management’s freedom for arbitrary action against the employees. Moreover, unilateral actions by the employer are also discouraged.
- Effective collective bargaining machinery strengthens the trade unions movement.
- The workers feel motivated as they can approach the management on various matters and bargain for higher benefits.
- It helps in securing a prompt and fair settlement of grievances. It provides a flexible means for the adjustment of wages and employment conditions to economic and technological changes in the industry, as a result of which the chances for conflicts are reduced.

**Importance to employers:**

1.It become easier for the management to resolve issues at the bargaining level rather than taking up complaints of individual workers.

2. Collective bargaining tends to promote a sense of job security among employees and thereby tends to reduce the cost of labor turnover to management.

3. Collective bargaining opens up the channel of communication between the workers and the management and increases workers participation in decision making.

4. Collective bargaining plays a vital role in settling and preventing industrial disputes.

**The Advantages of Collective Bargaining**

**1. Provides Security To Workers**



Since collective bargaining contracts are legally binding agreements, the employees can be sure of their work conditions. As long as all terms are followed, the management cannot go back or change any of the condition.

## **2. Prohibits Strikes**

This is the security that is provided to the management. Collective bargaining agreements prevent any employees from striking or not working to try to get different benefits. Strikes can cause huge problems within a company, so this is a big draw for management to use collective bargaining.

## **3. Gives Employees a Voice**

All of the employees that the agreement will affect are allowed to have a say in the conditions. All voices are heard, which promotes a much better moral in the workplace. This also ensures that the wants and needs of the majority are met.

## **4. Reduces Bias and Favoritism**

All too often you hear stories of someone getting additional benefits simply because of their relationship with their boss or other irrelevant things. This is greatly reduced, and possibly eliminated, with the use of collective bargaining. It evens the playing field for all employees.

## **5. Stabilizes The Business**

Without the fear of layoffs, or wage cuts, people feel much more stable in their job and position at a company. The stability also comes in for the management because they can easily determine budgets because all wages and benefits are clearly laid out.

## **The Disadvantages of Collective Bargaining**

### **1. Not All People Will Agree**

Collective bargaining cater to the needs of the many and disregard the few. The terms in the agreement could negatively affect employees who have special circumstances or simply do not agree. In this case, these employees have no say.

### **2. A Loss of Authority**

When employees know exactly how much power management has, and has a say in the things that they can and cannot do, their role as the authority figure is greatly diminished. Respect suffers immensely when collective bargaining is used.



### **3. Bureaucracy Takes Forever**

Collective bargaining involves the use of bureaucratic systems. This extends the time that it takes to make decisions and implement any new policies into the work place, causing time and money for the company.

### **4. Reduces Managements Hand In Business**

Constructive development is hugely hindered when collective bargaining is use. If a policy or term of the agreement truly needs to be revised or removed, it is nearly impossible to do so. The contract are generally multi year, which means that this time has to be waited before the changes can be made.

### **5. Equalized Pay Causes Problems**

When you make benefits and pay the same across the board you are begging for issues. Workers who have worked at the company longer or who are much more skilled than other workers, will feel taken advantages of with equalized pay that collective bargaining results in.

#### **Methods of collective bargaining:**

1. Conjunctive / distributive bargaining
2. Co-operative/ integrative bargaining
3. Productivity bargaining
4. Composite bargaining
5. Concessionary bargaining

#### **Collective bargaining agreements at different levels**

.On the basis of the level (in which collective bargaining takes place) it can be classified as:

1. Plant level bargaining
2. Industry level bargaining
3. National level bargaining

#### **1. Plant level bargaining**

- It is the micro level bargaining. It takes place in the particular unit between the management and the trade unions of that unit.

#### **2. Industry level bargaining**





- Several unions of the same industry form and association and negotiate with the employers.

### **3. National level bargaining**

- In this, the representatives of trade unions and employers at the national level will negotiate.

#### **Process of collective bargaining:**

The collective bargaining process involves five core steps:

1. **Preparation** – Choosing a negotiation team and representatives of both the union and employer. Both parties should be skilled in negotiation and labor laws, and both examine available information to determine whether they have a strong standing for negotiation.
2. **Discussion** – Both parties meet to set ground rules for the collective bargaining negotiation process.
3. **Proposal** – Both representatives make opening statements, outlining options and possible solutions to the issue at hand.
4. **Bargaining** – Following proposals, the parties discuss potential compromises, bargaining to create an agreement that is acceptable to both parties. This becomes a “draft” agreement, which is not legally binding, but a stepping stone to coming to a final collective bargaining agreement.
5. **Final Agreement** – Once an agreement is made between the parties, it must be put in writing, signed by the parties, and put into effect.

#### **Process of negotiation during Bargaining**

The process of collective bargaining consists of two stages,

- (i) The negotiation state, and
- (ii) The contract administration.

#### **i. Negotiation Stage**



At the negotiation stage certain proposals are put forward for mutual agreement after careful consideration. The negotiation stage consists of three steps.

- Preparation for negotiation
- Negotiation procedure
- Follow up action

#### **a) Preparation for negotiation**



- ❖ First the union will submit their fresh contract to the management before the expiry of existing contract (usually 30 to 60 days before the expiry). Both the management and unions will take considerable time to the preparation and negotiation.
- ❖ They collect the required data relating to large number of issues such as wage, salary, seniority, overtime allowance, the cost of living, the policies of trade unions and management, nature of agreement in other companies etc.
- ❖ The company will collect such information its internal sources – such as balance sheet, contract agreements, market research reports, Govt. reports etc. The trade union also collects such data from their own central organisation, research staff from various Department etc.

**b) Negotiation technique or procedure**

- ❖ In this step, a negotiation committee is to be formed by both the parties. From the management side the representative include the chief executives. The unions is represented by the leaders and centrals leaders. The committee consists of three to six members.
- ❖ The demands are classified as demands which need bargaining and demands which may be rejected. During negotiations, normally the easier demands are taken up first. Both parties should have a “bargaining cushion”, and make counter proposals. For example, a demand for wage increase by the union, may be accompanied by a counter proposal for increase in production by the management. Such negotiations go on till the “point of no return” is being reached. A rigid or irrevocable stance should always be avoided.

**c) Follow-up action**

At this stage, the agreement is printed and circulated among all the employees. The supervisors will be enlightened about the agreements for their effective implementation.

**ii. Contract Administration**

Agreement will be useful if they are executed properly. As observed by Profs. Williamson and Harries,

“if anything is more important to industrial relations than the contract itself, it is the administration of the contract”.

Prof. Campo has laid down the following general principles for administering the contact effectively;



- Cooperation between both the parties is essential. Both the parties should have a tolerant attitude towards each other and have a spirit of accommodation and goodwill.
- Proper procedure should be adopted for the redressed of grievances by providing opportunity to exchange views.
- When a conference over the redressal of grievance reaches an impasse, the grievance should be referred to arbitration.
- Both the parties should honor the commitment.

**5. To discharge or dismiss workmen-**

- (a) by way of victimisation;
- (b) not in good faith, but in the colourable exercise of the employer's rights;
- (c) by falsely i by falsely implicating a workman in a criminal case on false evidence or on concocted connected evidence;
- (d) for patently false reasons;
- (e) on untrue or trumped up allegations of absence without leave;
- (f) in utter dii in utter disregard of the principles of natural justice in the conduct of domestic enquiry or with undue haste;
- (g) for misconduct of a minor or technical character, without having any regard to the nature of the particular misconduct or the past record or service of the workman, thereby leading to a disproportionate punishment.

**6. To abolish the work of a regular nature being done by workmen, and to give such work to contractors as a' measure of breaking a strike.**

7. To transfer a workman mala fide from one place to another, under the guise of following management policy.
8. To insist upon individual workmen, who are on a legal strike to sign a good conduct bond, as a pre-condition to allowing them to resume work.
9. To show favouritism or partiality to one set of workers regardless of merit.



10. To employ workmen as "badlis", casuals or temporaries and to continue them as such for years, with the object of depriving them of the status and privileges of permanent workmen.
11. To discharge or discriminate against any workman for filing charges or testifying against an employer in any enquiry or proceeding relating to any industrial dispute.
12. To recruit workmen during a strike which is not an illegal strike.
13. Failure to implement award, settlement or agreement.
14. To indulge in acts of force or violence.
15. To refuse to bargain collectively, in good faith with the recognised trade unions.
16. Proposing or continuing a lock-out deemed to be illegal under this Act.

**II.- On the part of workmen and trade unions of workmen**

1. To advise or actively support or instigate any strike deemed to be illegal under this Act.
2. To coerce workmen in the exercise of their right to self-organisation or to join a trade union or refrain from joining any trade union, that is to say:-
  - (a) for a trade union or its members to picketing in such a manner that non-striking workmen are physically debarred from entering the work places;
  - (b) to indulge in acts of force or violence or to hold out threats of intimidation in connection with a strike against non-striking work- men or against managerial staff.
3. For a recognised union to refuse to bargain collectively in good faith with the employer.
4. To indulge in coercive activities against certification of a bargaining representative.
5. To stage, encourage or instigate such forms of coercive actions as wilful " go slow", squatting on the work premises after working hours or "gherao" of any of the members of the managerial or



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other staff.

6. To stage demonstrations at the residences of the employers or the managerial staff members.
7. To incite or indulge in wilful damage to employer's property connected with the industry.
8. To indulge in acts of force or violence or to hold out threats of intimidation against any workman with a view to prevent him from attending work.]

### **Tripartite machinery**

Tripartite machinery consists of various bodies like Indian Labour Conference, the Standing Labour Committee, the International Committees, the Central Implementation and Evaluation Committee and the Committee on conventions. Generally, these committees include representatives from centre and the states, and the same number of workers' and employers' organisations. These various committees are basically of advisory nature, yet they carry considerable weight among the government, workers and employers.

### **Purpose of tripartite bodies:**

1. Bring the aggravated parties together for mutual settlement of differences, and encourage a spirit of cooperation and goodwill.
2. Promote uniformity in labor laws and legislation.
3. Discuss all matters of All india importance as between employers and employees.
4. Determine a plan for settlement for all disputes.

### **Evolution of tripartite bodies:**

1. Indian labour conference(ILC)
2. Standing labour conference(SLC)
3. Committee on conventions
4. Industrial committees
5. Other tripartite committees

### **International Labour Organisation (ILO)**

The International Labour Organisation (ILO) was set up in 1919 by the Versailles Peace Conference as an autonomous body associated with the League of Nations. The ILO was the only international organisation that survived the Second World War even after the dissolution of its parent body. It became the first specialized agency of the United Nations in 1946 in accordance with an agreement entered into between the



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two organizations. India has been a member of the ILO since its inception. A unique feature of the ILO, as distinct from other international institutions, is its tripartite character.

The aim and objectives of ILO are set out in the preamble to its Constitution and in the Declaration of Philadelphia (1944) which was formally annexed to the Constitution in 1946.

The preamble affirms that universal and lasting peace can be established only if it is based upon social justice, draws attention to the existence of conditions of labour involving injustice, hardship and privation of a large number of people, and declares that improvement of these conditions is urgently required through such means as the regulation of hours of work, prevention of unemployment, provision of an adequate living wage, protection of workers against sickness, disease, and injury arising out of employment, protection of children, young persons and women, protection of the interests of migrant workers, recognition of the principle of freedom of association, and organisation of vocational and technical education.

### **Function Of ILO:**

**Following are the main functions of the International Labour Organization:**

- The ILO sets international labor standards and conventions and offers recommendations. The aim is to provide basic rights, such as banning forced labor, equality at the workplace with regard to gender and race, right of collective bargain and the right to organize.
- It offers technical assistance to member nations in the form of vocational training facilities. The ILO sends experts to its member counties to provide consultation on technical matters.
- The International Labour Office holds three meetings per year (in March, June and November). This governing body of the ILO.
- Regulates the efficacy of the organization's policy.
- Adopts budget and draft programs to be submitted to the conference.

### **ROLES OF ILO:**

- Full employment & raising standard of living
- Ensure employment, in which workers are in should get satisfaction
- Facilities for training & transfer of labour-migration for employment & settlement
- Policies with wages, hours & condition of work
- Effective recognition of the right of collective bargaining



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- Protection of life & health of workers
- Provision for child welfare & maternity protection
- Provision for adequate nutrition, housing
- Assurance of equality of education & vocational opportunity.

### Industrial Health

The greatest activity over the past few decades, in so far as employees benefits are concerned, has occurred in the areas of health and social security. Industrial health is comparatively a new system of public health and preventive medicine practiced among industrial groups with the specific object of improving their health and preventing the occurrence of disease as well as injury to them.

Obviously employees in the modern industrial setting are subject to various types of health hazards and occupational diseases.

According to one view, the normal health hazards may be caused by-

- **Chemical substances** at the work place such as carbon monoxide, carbon dioxide, sulphur dioxide, sulphuric acid, acetic acid etc. When they are inhaled or absorbed by the skin which may result in acute or chronic sickness including respiratory or heart diseases, cancer and neurological disorders they may shorten life expectancy;
- **Biological factors** including sickness caused by bacteria, fungi, viruses, dietary deficiencies, allergies, emotional strains due to fear, anxiety etc. and
- **Environmental factors** including illness due to radiation, noise, vibrations and shocks or atmospheric conditions such as inadequate ventilation, lighting arrangement or very high or low temperature at the work place.

While exposure of workers to radiation may cause cataract, vibration and shocks may cause nerve injury and inflammation of tissues of the joints of the operative's hands and improper lighting may impair the employee's vision, it has been pointed out that many manufacturing processes are accompanied by such noise as is capable of not only impairing the hearing of a worker but also of making it difficult for him to hear any warning of an impending danger.

Besides such health hazards, various occupational diseases may also be caused as a result of the physical conditions and the presence of poisonous and non-poisonous dust and toxic substances in the





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atmosphere during the process of manufacturing or extraction. Such diseases are usually slow to develop and generally cumulative in their effects.

### **Employee Safety Programme**

A safe hygienic work environment is the basic and common requirement of every employee irrespective of his position or status in the organization. And it is the moral as well as legal responsibility of every employer to provide a workplace to its employees which is not hazardous to their physical or mental health. Human engineering or ergonomics which the study of work and of work methods can help the organizations in protecting their employees against the dangers of accidents and industrial diseases. Very minor accidents may create major industrial disputes. Therefore, designing and operations of man, machine environment scientifically will ensure mental and physical rest to the human beings. Scientific management, therefore, is a necessity for the organizations as it will strengthen industrial relations and will enhance job satisfaction.

### **Elimination of hazards**

Although complete elimination of all hazards is virtually impossibility but following steps can be taken to help reduce them:

- **Job safety analysis:** All job procedures and practices should be analyzed by an expert to discover hazards. He should then suggest changes in their motion patterns, sequence and the like. For example, he may discover that a particular reach over a machine could easily result in a loss of balance and injury or he may discover that a corner of a fixture is sharp enough to cut the hands of the worker. On the basis of job safety analysis the expert should also determine any special qualifications needed by an individual to perform the job. These qualifications may be later incorporate in the job specifications.
- **Placement:** a poorly placed employee is more apt to incur injury than a properly placed employee. Employees should be placed on jobs only after carefully estimating and considering the job requirements with those which the individual apparently possesses.
- **Personal protective equipment:** Endless variety of personal safety equipment is available nowadays which can be used to prevent injury.
- **Safeguarding Machinery:** Guards must be securely fixed to all power driven machinery.
- **Material handling:** Though often ignored, the careless handling of heavy and inflammable materials is an important source of several injuries and fire.



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- **Hand tools:** Minor injuries often result from improperly using a good tool or using a poorly designed tool. Therefore, close supervision and instruction should be given to the employees on the proper tool to use and the proper use of the tool.
- **Maintenance:** Worn-out machinery, machinery guards and attachments, old and out-of-date fire fighting equipment also contribute to serious hazards. They often give employee a false sense of security and protection.
- **Layout and design:** A good plant layout and design can go long way in preventing accidents, construction of fireproof walls, adequate fire escapes, aisles, and storage space, doorways and passageways, location of hazardous items above employee reach, provision for non-skid floor, protection of radiators by grills can do much to reduce accidents.
- **Housekeeping:** Good housekeeping does not include only tidy and clean floors and machines; other items such as dirty windows, dusty lights and dirty reflectors which reduce the effectiveness of lighting can also result in employee injury.
- **Falls:** Another major source of industrial injury is tripping over subjects, slipping on floors and falling on to another level. Many dangers lurk in stacking and storing. Piles may not be properly constructed and may subsequently collapse. Periodic inspection can help prevent many accidents stemming directly from these causes.

### **Industrial legislations and regulations:**

1. Fair work legislations, regulations and rules
2. Registered organisations legislation and regulations
3. Related legislations and regulations
4. Small business fair dismissal code
5. Transitional and amending legislations and regulations
6. Fair work (state declarations) endorsements.