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LESSON -1

INDUSTRIAL RELATIONS

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

1.2 MEANING OF INDUSTRIAL RELATIONS: The term 'industrial relations' refers to relationships between management and labour or among employees and their organisations that characterise or grow out of employment. Theoretically speaking, there are two parties in the employment relationship labour and management. Both

parties need to work in a spirit of cooperation, adjustment and accommodation. In their own mutual interest certain rules for co-existence are formed and adhered to. Over the years, State has also come to play a major role in industrial relations -one, as an initiator of policies and the other, as an employer by setting up an extremely large public sector.

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

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

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

The foregoing definitions reveal the following points about industrial relations:

- Industrial relations are the outcome of the employment relationship in industry. These relations cannot exist without the two parties-employer and employees. it is the industry which provides the setting for industrial relations.

- Industrial relations include both individual relations as well as collective relations. These relations cannot exist without the two parties-employer and employees. It is the industry which provides the setting for industrial relations.
- The concept of industrial relations is complex and multi-dimensional. The concept is not limited to relations between trade unions and employer but also extends to the general web of relationships between employers, employees and the Government. It covers regulated as well as unregulated, institutionalised as well as individual relation. These multi-pronged relationships may be in organised or unorganised sector.
- Industrial relations is a dynamic and developing concept. It undergoes change with changing structure and environment of industry. It is not a static concept. It flourishes or stagnates or decays along with the economic and social institutions that exist in a society. The institutional forces give content and shape to industrial relations in a country.
- Strictly speaking a distinction can be made between personnel management and industrial relations. Personnel management deals mainly with executive policies and activities regarding the personnel aspects of the enterprise while industrial relations is mainly concerned with employer-employee relationship. Personnel management refers to that part of employment relations, which is concerned with employees as individuals, collective or group relationships of employees and employers constitute the subject matter of industrial relations.
- Industrial relations do not function in a vacuum. These are rather the composite result of the attitudes and approaches of employers and employees towards each other. Industrial relations are an integral part of social relations. The industrial relations system in a country is conditioned by economic and

institutional factors. Economic factors include economic organisations (capitalist, socialist, individual ownership, company ownership, Government ownership), capital structure and technology, nature and composition of labour force, demand and supply of labour. Institutional factors refer to state, policy, labour legislation, employers organisations, trade unions, social institutions (community, caste, joint family, religion, attitudes to work, power and status systems, motivation and influence, etc.

- Several parties are involved in the industrial relations system. The main parties are employers and their associations, employees and their unions, and the Government. These three groups interact within the economic and social environment to shape the industrial relations system.
- The main purpose of industrial relations is to maintain harmonious relationships between management and labour. The focus in these relationships is on accommodation. The parties involved develop skills and methods of adjusting or cooperating with each other. They also attempt to solve their problems through collective bargaining every industrial relations system creates a complex set of rules, regulations and procedures to govern the workplace.
- Three main parties or outlets are directly involved in industrial relations:
 - (a) Employers: Employers possess certain rights vis-a-vis labour. They have the right to hire and fire workers and thereby control the economic destiny of employers. Management can also affect workers interests by exercising their right to relocate, close or merge a factory and to introduce technological changes. Many employers use dubious tactics to break unions and their strikes. Employers try to gain loyalty of workers in various ways. They are concerned mainly with

imposing motivation, commitment and efficiency of labour. Employers negotiate individually as well as through their associations with employees' representatives to settle terms and conditions of employment. Some employers share decision making power with workers.

- (b) Employees: Workers seek to improve the terms and conditions of their employment. They exchange views with management and voice their grievances. They also want to share decision making powers of management. In their struggle, workers get support from trade unions and labour legislation. Trade unions exert power both at plant level and industry level.
- (c) Government: Government has come to play an increasing role in industrial relations to protect the interests of both employers and employees.
 - The Central and State Governments evolve, influence and regulate industrial relations through laws, rules, agreements, awards of courts, executive and financial machinery. The Government has played an increasing role in industrial relations in part by becoming the biggest employer and partly by regulating working conditions in the private sector. The Government of India has enacted procedural as well substantive laws to regulate industrial relations in the country. In addition, the Government has set up wage boards, labour courts, tribunals and other bipartite and tripartite bodies to maintain healthy relations between employers and employees. The requirements of the Welfare State envisaged in the Constitution of India is the major reason for State intervention in industrial relations.
 - The scope of industrial relations is quite wide. The main Issues involved here are:
 - (a) Grievances and their redressal

- (b) Workers participation in management
- (c) Ethical code and discipline
- (d) Collective bargaining
- (e) Standing orders
- (f) Machinery for settlement of industrial disputes.

1.3 FACTORS INFLUENCING INDUSTRIAL RELATIONS:

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

Institutional factors: These factors include government policy, labour legislation, voluntary courts, collective agreements, employee courts, employer's federations, social institutions like community, caste, joint family, creed, system of beliefs, attitudes of works, system of power, status, etc.

Economic factors: These factors include economic organisations, like capitalist, communist, mixed, etc the structure of labour force, demand for and supply of labour force, etc

Technological factors: These factors include mechanisation, automation, rationalisation, computerisation, etc.

1.4 OBJECTIVES OF INDUSTRIAL RELATIONS: The main objectives of industrial relations are as follows:

- To develop and maintain harmonious relations between management and labour so essential for higher productivity of labour and industrial progress in the country.
- To safeguard the interests of labour as well as management by securing the highest level of mutual understanding and goodwill between all sections in industry.
- To establish and maintain industrial democracy based on the participation of labour in the management and gains of

personality of every individual is fully recognised and developed.

- To avoid all forms of industrial conflict so as to ensure industrial peace by providing better working and living standards to workers.
- To raise productivity in an era of full employment by reducing the tendency of higher, labour turnover and absenteeism.
- To bring about government control over such industrial units which are running at losses for protecting employment or where production needs to be regulated in public interest
- To ensure a healthy and balanced social order through recognition of human rights in industry and adaptation of complex social relationships to the advancements in technology.

1.5 CAUSES OF POOR INDUSTRIAL RELATIONS: Industrial relations scene is not satisfactory and it is visible from frequent strikes, gherao, lockout and other forms of industrial disputes. Several economic, social, psychological, technological and political factors are responsible for poor industrial relations:

- Poor wages and poor working conditions are the main reason for unhealthy relations among management and labour. Unauthorised deductions from wages, lack of fringe benefits, absence of promotional opportunities, dis-satisfaction with job evaluation and performance appraisal methods, faulty incentive schemes are other economic causes. When employers deny equitable and fair remuneration and good working and living conditions to the working class, trade unions agitate and industrial peace is disturbed. Inadequate infrastructural facilities, wornout plant and machinery, poor layout, unsatisfactory maintenance and other physical and technical causes also contribute to industrial conflict.

- Faulty communication system, dilution of supervision and command, non recognition of trade unions, unfair practices, violation of collective agreements and standing orders and labour laws are the organisational causes of poor relations in industry.
- Uninteresting nature of work is the main social cause. Factory system and specialisation have made worker a subordinate to the machine. Worker has lost sense of pride and satisfaction in the job. Tensions and conflicts in society, break up of joint family system, growing intolerance have also led to poor industrial relations. Dissatisfaction with job and personal life culminates into industrial conflicts.
- Lack of job security, poor organisational culture, non recognition of merit and performance, authoritative administration and poor inter-personal relations are the psychological reasons for unsatisfactory employer-employee relations.
- Political nature of trade unions, multiple unions and inter-union rivalry weaken trade union movement. In the absence of strong and responsible trade unions, collective bargaining becomes ineffective. The union's status is reduced to a mere strike committee. The outsiders who become union leaders by making wild promises to workers make excessive demands on employers. When employers do not accept their demands conflicts arise spoiling the industrial relations climate in the country.

Poor industrial relations are harmful for all. Industrial conflicts reduce productivity of labour. Quantity and quality of work suffer and costs rise. Industrial discipline breaks down and labours turnover and absenteeism increase. Working class suffers due to industrial decline. They find it very difficult to get improved wages and working conditions. Many of them loose jobs and promotions.

They get frustrated and demoralised. Employers face resistance to changes in technology and organisational structure. Industry, economy and society are interdependent. Therefore, industrial strife has multiple, effect on the economy and society. Social tensions and law and order problems, drinking and gambling and other social evils tend to rise in an atmosphere of poor industrial relations.

1.6 SUGGESTIONS TO IMPROVE INDUSTRIAL RELATIONS: The fundamental principles or requirements for sound industrial relations are given below:

Sound Personnel Policies: Policies and procedures concerning the compensation, transfer, promotion, etc. of employees should be fair and transparent. All policies and rules relating to industrial relations should be clear to everybody in the enterprise and to the union leaders. Top management must support them and set an example for other managers. Practices and procedures, should be developed to put personnel policies into practice. Sound policies and rules are of little help unless they are executed objectively and equitably.

Constructive Attitudes: Both management and trade unions should adopt positive attitudes towards each other. Management must recognise union as the spokesmen of workers grievances and as custodian of their interests. The employer should accept workers as equal partner in a joint endeavour. Unions and workers, on their part, must recognise and accept the rights of employers.

Collective Bargaining: Employers organisations as well as unions should be able and willing to deal with mutual problems freely and responsibly. Both should accept collective bargaining as the cornerstone of good industrial relations. A genuine desire on the part of employers to bargain with employees on the basis of equality is necessary. Governmental agencies should assist the two sides in public interest. Problem centred negotiations rather than a legalistic

approach is desired. Widespread union management consultations and information sharing are helpful.

Participative Management: Employers should associate workers and unions in the formulation and implementation of personnel policies and practices. Management should convince workers of the integrity and sincerity of the company. Management should not interfere in the internal affairs of the unions. Instead of trying to win workers' loyalty away from unions, management should encourage right type of union leadership. A strong union is an asset to the employer.

Responsible Unions: Unions should adopt a responsible rather than political approach to industrial relations. Unions should accept private ownership and operations of industry. They must recognise that the welfare of workers depends on the successful operation of industry. A strong, democratic and responsible union alone can ensure that workers honour the agreement with their employers.

Employer Welfare: Employers should recognise the need for the welfare of workers. They must ensure reasonable wages, satisfactory working conditions, opportunities for training and development, and other necessary facilities for labour. A genuine concern for the welfare and betterment of working class is necessary.

Grievance Procedure: A well-established and properly administered system for the timely and satisfactory redressal of employees' grievances can be very helpful in improving industrial relations. It provides an outlet for tensions and frustrations of workers. Similarly, a suggestion scheme will help to satisfy the creative urge of workers. A code of discipline if properly adhered to by both the parties will help to avoid unilateral and violent actions on either side.

1.7 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 the industry. Moreover, career patterns have also changed widely by providing change for wide varieties of jobs to the working communities. This has been possible only through fast industrial development which, in its turn, depends on industrial peace. There has been an acute necessity in India especially during the post independence period, to industrialise the economy in order to tackle the multifarious socio-economic problems. In the words of Pandit Jawaharlal Nehru, The alternative to industrialisation is to remain in a backward, under-developed, poverty-stricken and in a weak country. We can't even retain our freedom without industrial growth. Hence, one of the main goals of the Five Year Plans in India has been rapid industrialisation and more employment in secondary and tertiary industries. It is also viewed that one of the essential steps for building up an economically free and self-sustaining India is large-scale industrialisation at a rapid and steady growth.

With the attainment of independence and with the launching of the planning era, serious and earnest efforts have been made towards rapid economic development of India. India has been in the midst of an ambitious and critically important effort to raise the living standards of the people by an integrated industrial and economic development plan. The size of industrial labour in India has increased remarkably due to rapid and planned industrial development. The increase in industrial labour led to the formation and development of trade unions and various social groups. It has also been recognised that management without labour would be sterile and labour without management would be disorganised, ill equipped and ineffective. It is realised that the concrete co-operation between labour and the management is highly essential to fulfil the individual, organisation and national goals. The First Five Year Plan

has clearly demonstrated the fact that an economy organised for planned production and distribution, aiming at the realisation of social justice and the welfare of masses can function effectively only in an atmosphere of industrial peace.

1.8 NEED FOR INDUSTRIAL PEACE: The objectives of maintenance of industrial peace is not only to find out ways and means to solve conflicts or to settle differences, but also to secure the unreserved cooperation of and goodwill among different groups in the industry with a view to drive their energies and 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 closer to each other for removing misunderstandings, redressing grievances, if any, in a peaceful atmosphere and with an 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.

1.9 FUNCTIONS OF INDUSTRIAL RELATIONS: Functions of Industrial Relations include:

- Communication is to be established between workers and the management in order to bridge the traditional gulf between the two.
- To establish a rapport between managers and the managed.
- To ensure creative contribution of trade unions to avoid industrial conflicts, to safeguard the interests of workers on the one hand and the management on the other hand, to avoid unhealthy, unethical atmosphere in an industry.
- To lay down such considerations which may promote understanding, creativity and co-operativeness to raise

industrial productivity and to ensure better workers participation.

1.10 CODE OF INDUSTRIAL RELATIONS: Management and trade unions formulate a code of industrial relations in a number of Indian industries. Management and trade unions employees follow the code of industrial relations. The code of industrial relations include:

- The attitude of management towards trade unions and employees should be positive
- The attitude of employees and union towards management should be positive

1.11 CONDITIONS FOR CONGENIAL INDUSTRIAL RELATIONS: It is very difficult to promote and maintain sound industrial relations. Certain conditions should exist for the maintenance of harmonious industrial relations. They are:

Existence of Strong, Well Organised and Democratic Employees' Unions: Industrial relations will be sound only when the bargaining power of the employees' unions is equal to that of the management. A strong trade union can protect the employees interest relating to wages, benefits, job security, etc.

Existence of Sound and Organised Employers' Unions: These associations are helpful for the promotion and maintenance of uniform personnel policies among various organisations and to protect the interest of weak employers.

Spirit of Collective Bargaining and Willingness to Resort to Voluntary Arbitration: The relationship between employee and the employer will be congenial only when the differences between them are settled through mutual negotiation and consultation rather than through the intervention of the third party. Collective bargaining is a process through which

employee issues are settled through mutual discussions and negotiations through the give and take approach. If the issues are not settled through collective bargaining, they should be referred to voluntary arbitration but not to adjudication in order to maintain congenial relations.

Maintenance of Industrial Peace: Permanent industrial peace in an organisation is most essential which can be ensured through the following measures:

- (a) Machinery for prevention and settlement of industrial disputes. It included legislative and non-legislative measures. Preventive measures include works committees, standing orders, welfare officers, shop councils, joint councils and joint management councils. Settlement methods include voluntary arbitration, conciliation and adjudication.
- (b) Government should be provided with the authority of settling the industrial disputes when they are settled between the two parties and also by voluntary arbitration.
- (c) Provision for the bipartite and tripartite committees in order to evolve personnel policies, code of conduct, code of discipline etc.
- (d) Provision for the various committees to implement and evaluate the collective bargaining agreements, court orders and judgements, awards of the voluntary arbitration, etc.

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1.13 Assignments

Q. 1. Define Industrial Relations. Highlight its characteristics.

Q. 2. What are the factors which influence Industrial Relations?

Q. 3. Describe the objectives of Industrial Relations.

Q. 4. What are the various causes of poor Industrial Relations?

Q. 5. How will you improve Industrial Relations as a HRD Manager?

Q. 6. Explain the importance of Harmonious Industrial Relations.

Q. 7. Discuss the various functions of Industrial Relations.

Q. 8. Why there is need for Industrial Peace?

Q. 9. Discuss the concept of Industrial Relations.

Q. 10. Discuss the important conditions for congenial Industrial Relations.

LESSON-II

DETERMINANTS AND APPROACHES TO INDUSTRIAL RELATION

Industrial relations are a set of functional, inter-dependent complexities involving historical, economic, social, psychological, demographic, technological, occupational, political, legal and other variables, and call for an inter-disciplinary approach to their study. As V.B. Singh point-out, a study of the conditions of work, mainly of the levels of wages and security of employment, comes under the purview of economics; their origin and development under history; the resultant social conflicts under sociology; the attitudes of the combatants, the government and the press under social psychology; their cultural interactions under cultural anthropology; state policies bearing on the issues involved in the conflict under political science; the legal aspects of disputes under law; the issues arising out of international aid (to combatants) under international relations; the technological aspects (for example, control of temperature and the introduction of rationalisation) of disputes under technology; and the quantitative assessment of losses incurred by the parties and the country's economy under mathematics.

2.1 DETERMINANTS OF INDUSTRIAL RELATIONS: Dr. Singh observes : "A country's system of industrial relations is not the result of caprice or prejudice. It rests on the society that produces it. It is a product not only of industrial changes, but of the preceding total social changes out of which an industrial society is built and an industrial organisation emerges. It develops and moulds itself according to the institutions that exist in a given society, both pre-industrial and modern. It grows and flourishes or stagnates and decays along with these institutions. The process of industrial relations is intimately connected with the institutional forces, which give a shape and a content to socio-economic policies at a given time. Following are two set of determinants of industrial relations :

Institutional factors: Under it are included such matters as state policy; labour legislation; labourers' and employers' organisations and social institutions (community, caste and joint family, religions); attitudes to work; systems of power and status; motivation and influence; the system of industrial relations, etc.

Economic factors: Under it are included economic organisations (socialist capitalist, individual ownership, company ownership, government ownership) capital structure, including technology; the nature and composition of the labour force, and the sources of supply and demand in the labour market

2. GROWTH OF INDUSTRIAL RELATIONS: Development of industrial relations has been determined by the conditions existing on the eve of the Industrial Revolution in Western Europe, and the social, economic and political situations obtaining in different countries. Succinctly summarising these events Dr. Baljit Singh says, "From the earliest phase of industrialisation, when workers, formerly working with their own tools, entered power-driven factories to the breakdowns arising out of the industrial conflicts of a later day and then to industrial peace, and thence to the human relations approach to raise productivity in an era of full employment in which the threat of a sack was no longer real, and finally to industrial democracy based on labour partnership not only for a share in profits but also in managerial decisions this has been a long journey indeed."

2.3 VARIABLES IN INDUSTRIAL RELATIONS: Yoder observes : "Industrial relationship is the designation of a whole field of relationships which exist because of the necessary collaboration of men and women in the employment process of an industry." Dunlop says : "Industrial societies necessarily create in strikes and gheraos and in protest of this, employers often resort to lockouts. In case, when the parties fail to iron out their differences, the Government intervenes in their relations by referring the matter to

adjudication. The result of this is likely to adversely affect the interest of the other party. Otherwise also the Government regulates the relationship through variety of rules and regulations. Moreover, when either of the parties are not happy with the action of other, it tries to seek further changes through intense lobbying etc. and which further adds fuel to the fire.

It is interesting to note that with the adoption of liberalisation and globalisation process, increasing awareness of workers and growing complexities of business, the relations of the three actors in the system would become increasingly complex.

2.4 FACTORS AFFECTING INDUSTRIAL RELATIONS: The industrial relations system of an Organization influenced by a variety of factors. A few important are:

These inter-related and interdependent factors determine the texture of industrial relations in any setting. In fact, they act, interact, and reinforce one another in the course of developing the industrial relations.

Institutional factors: Under institutional factors are included items like State policy, labour laws, voluntary codes, collective bargaining agreements, labour unions, employers organisations/federations etc.

Economic factors: Under economic factors are included economic organisations, (socialist, communist, capitalist) type of ownership, individual, company - whether domestic or MNC, Government, co-operative ownership) nature and composition of workforce, the source of labour supply, labour market, relative status, disparity of wages between groups, level of unemployment, economic cycle. These variables influence industrial relations in myriad ways.

Social factors: Under social factors items like social group (like caste or joint family) creed, social values, norms, social

status (high or low) influences industrial relations in the early stages of industrialisation. They give rise to relationship as master and servant, have and have-nots, high caste and low caste etc. But with the acceleration of industrialisation, these factors gradually lose their entity but one cannot overlook their importance.

Technological factors: Under technological factors fall items like work methods, type of technology used, rate of technological change, R&D activities, ability to cope up with emerging trends etc. These factors considerably influence the patterns of Industrial relations, as they are known to have direct influence on employment status, wage level, collective bargaining process in an organisation.

Psychological factors: Under psychological factors falls items pertaining to industrial relations like owners attitude, perception of workforce, workers attitude towards work, their motivation, morale, interest, alienation, dissatisfaction and boredom resulting from man-machine interface. The various psychological problems resulting from work has a far reaching impact on workers job and personal life, that directly or indirectly influences industrial relation system of an enterprise.

Political factors: The political factors such as political institutions, system of government, political Philosophy, attitude of government, ruling elite and opposition towards labour problems. For instance, the various communist countries prior to the adoption of new political philosophy, the industrial relations environment was very much controlled by the Government ever since change has altered, considerably like other capitalist economics. There too, unions are now at the helm of labour activities, the industrial relations and is marked by labour unrest. Most of trade unions are controlled

by political parties, so here the industrial relations are largely shaped by the gravity of involvement of political parties in trade union activities.

Enterprise related factors: Under enterprise related factors, fall issues like style of management prevailing in the enterprise, its philosophy and value system, organisational climate, organisational health, extent of competition, adaptability to change and the various human resources management policies

Global factors: Under global factors, the various issues included are international relations, global conflicts, dominant economic political ideologies, global cultural milieu, economic and trading policies of power blocks, international trade agreements and relations, international labour agreements, etc. Thus, the industrial relations can be viewed as a complex system formed by the interaction of the industry, the government and the labour which are monitored by the existing and emerging social economic, institutional and technological factor. In this context, the observation of Singh are noteworthy. He opined that “A country’s system of industrial relations is not the result of caprice or prejudice. It rests on the society which produces it. It is a product only of the industrial changes, but of the preceding total social changes out of which industrial society is built (and industrial organisation emerges). It develops and moulds itself according to the institutions that prevail in a given society (both the pre industrial and the modern). It grows and flourishes, or stagnates and decays, along with these institutions. The process of industrial relations is intimately related to the institutional forces, which give shape and content to the socio-economic policies at a given time.” The outward and invisible signs of the country’s industrial relations are generally the

reflexes of the nation's history and its political, historical and social philosophy and attitudes.

The development of industrial relations is not due to any one single factor but has rather been largely determined by the conditions prevailing at the eve of the industrial revolution in Western Europe along with the social, economic and political situations existing in the different countries. The changes which took place during this revolution did not follow a uniform pattern in different countries, but reflected such economic and social forces as had for a long time shaped the principles and practices of industrial relations in these countries. Baljit Singh has succinctly summarized these: "From the earliest phases of industrialisation, when workers, formerly working with their own tools, entered into power driven factories owned by others to the minimisation of breakdown due to industrial conflicts of later days and further to industrial peace, and hence to the human relations approach to raise productivity in an era of full employment when the threat of a sack would no longer be real and, finally, to industrial democracy based on labour partnership not only for the sharing of profits, but of managerial decisions themselves. It has been a long journey indeed."

2.5 APPROACHES TO INDUSTRIAL RELATIONS: The industrial relations can be viewed from the various angles which may range from the economic and social, political to the legal, psychological and managerial. But none of these give a perfect view of industrial relations but certainly adds to our intellectual dimension in this context. For instance, an economist tries to interpret the problem of industrial relations in terms of interpersonal forces of the laws of demand and supply. To a politician, the dynamics of industrial conflict revolves round the problem of class war, for a psychologist, industrial relations can be best studied in terms of work behaviour and attitude of labour and management and the like. In fact, industrial relations cannot be understood by

using any of the prospective as they are not susceptible to any objective enquiry. In fact, it is an eclectic system composed of group of people and organisations working with varying viewpoints. A few approaches to industrial relations are discussed here in somewhat greater detail.

Psychological approach to Industrial Relations: The psychologists are of the view that the problem of industrial relations are deeply rooted in the perception and the attitude of focal participants. The influence of individual's perception on his behaviour has been nicely studied by Mason Harie. He studied the behaviour of two different groups, namely, Union leaders and the Executives through T.A.T. For the test a photograph of an ordinary middle aged person served as input, which both the groups were expected to rate. It is interesting to note that both the groups rated the photograph in different manner, i.e. the Union leaders referred the person in the photograph as Manager where the group of Executive saw Union leader in the photograph. The result of study led Harie to conclude that:

- The general impression about a person is radically different when he is seen as a representative of management from that of the person as a representative of labour.
- The management and labour see each other as less appreciately of other's position than of oneself.
- The management and labour see each other as less dependable.
- The management and labour see each other as deficient in thinking regarding emotional characteristics and inter-personal relations.

This variance in perception of parties is largely because of their individual perception. It is for this reason that almost invariably some aspect of the situations are glorified, some suppressed or totally distorted by the individual making a judgement

in the issue. The conflict between labour and management occurs because every group negatively views perceives the behaviour of other i.e. even the honest intention of a party is looked with suspicion. In most of industrial conflicts, not only the interest but also the personalities of actors in the system are at stake. The problem is further aggravated by the unfulfilled needs of power, prestige, recognition, economic motives, etc. Also strained inter personal and inter group relations breeds disharmony in the system.

Sociological approach to Industrial Relations: The industry is a social world in miniature and the workshop is in reality a community made up of various individuals and groups with differing personalities, educational background, family breeding, emotions, likes and dislikes, and a host of other personal factors, such as attitudes and behaviour. These differences in individual attitudes and behaviour create problems of conflict and competition among the members of an industrial society. Since ages, the problems of industrial relations have been looked upon as one basically concerned with wages, employment, conditions, and labour welfare. But in fact sociological aspects of the problem are more important than other one. This largely includes various sociological factors like value system, customs, norms, symbols, attitude and perception of both labour and management that affect the industrial relations in varied ways. Though the workers carry out their jobs in given industrial environment, their work behaviour is largely monitored by aforecited social factors. Further, the social consequences of industrialisation like organisation, social mobility, migration generates many social evils like family disintegration, stress and strain, delinquency, personal and social disorganisation (leading to growing incidence of gambling, drinking, prostitution, drug abuse etc.) do influence workers efficiency and productivity that in turn influence industrial relations system of an industry. In fact, as industrialisation gets momentum, a set of new industrial cum social patterns emerges and in its wake, new relationships, institution,

behavioural patterns and techniques of handling human resources develops. These influences shape the industrial relations in one or other ways. In analysing industrial relations, the role of social change cannot be overlooked. As it equally influences both labour and management, which is obvious from the fact that today's management has increasingly become professional, there is a greater thrust on the use of behaviour techniques in dealing with human side of enterprise. Decision-making has now been increasingly democratized, ideas about authority, power and control have undergone a sea change. The profile of industrial worker has also changed instead of being migrant, he has now been stabilised in the industrial centres. In this context, National Commission on Labour has rightly remarked that the worker has become more urban in taste and outlook than his predecessor. He is no longer unskilled or neglected by society. He has a new personality and shares in the benefits offered by a welfare society. He is secure in his employment once he enters it. A process of the industrial culturisation of the working class has set in social mobility today accounts for the emergence of a mixed industrial workforce.

The role of state and political parties have been redefined in the light of these changes. All these complex changes have had a profound impact on industrial relations which have now been lifted from an ideological plane to the business plane, from an "idealistic and philosophical" base to a more pragmatic and the 'matter of fact' base, from a relationship, which was indirect and rather passive to a relationship, which is direct, involved and perhaps more meaningful in terms of aspirations and achievements by both the groups. Further, with the changes in social order, the concept of haves and have-nots are fast waning and the industrial relations are now primarily determined by power. The conflict and collaboration are now looked upon as inter-related phenomena. Sociologically speaking, in the process of change, industrial relations are becoming more complex that would further complicate with the passage of

time. Hence, it calls for scanning of such factors both at macro and micro level to deal with the dynamics of the system.

Human Relations Approach to Industrial Relations: Among all the areas of management, perhaps one of the most delicate and tricky ones is concerned with human resources management. Their handling is radically different from that of physical, material and financial resources because these are not inanimate or passive, but composed of pulsating human beings having their own emotions, perception attitude, personality, etc. These characteristics make them complex individuals and when they interact with others, either individually or in groups, their complexity farther multiplies.

So when such resources are not properly managed, the problem of industrial relations surfaces which can be only managed by deciphering and managing the dynamics of human behaviour both at the individual and group level.

As the management of people at work is an exclusive prerogative of Human Resources specialists, the various Human Resources Management policies including those relating to leadership and motivation has profound influence on their work behaviour. Certainly, every style of leadership elicits peculiar response from the people.

For instance, a manager using autocratic style designs, a close supervision system and feels that display of authority would drive people to work. But this style leads to dissatisfaction and hatred among people, whereas in democratic style, held that desired organisational behaviour can be cultivated if employers needs and wants are properly satisfied. The manager working with such a style positively motivates people. In fact, no style as good or bad as every situation demands a specific leadership behaviour on the part of H.R. specialist.

Another important factor that like a common denominator in all conflicts is the dissatisfied needs of the individual. Hence, for maintaining good human relations in general and industrial relations in particular, the study of human needs is of paramount importance. Broadly speaking, there are four types of basic needs, namely, physiological, safety, social and egoistic needs. The physiological needs are the ones in-born needs that include need for food, water, clothing, shelter etc. These needs are vital for the very preservation of human beings and maintenance of his efficiency at particular level.

The safety and security needs refer to the avoidance of any danger which comes in one's life include need of physical security, financial security and job security. The social needs are largely acquired one's and are result of one's socialisation. These needs are of companionship belonging, affection. The egoistic needs are higher order needs, and relate to one's desire for self-esteem and esteem from others. Generally, it is believed that the needs are inter-dependent and overlapping. Each higher order need emerges only after the lower level needs are satisfied. But in all the cases, the needs do not necessarily follow a fixed pattern, as the human behaviour is multivariant and multidimensional. So it is necessary for management to design a suitable motivational strategy to provide environment for their optimum need satisfaction, required for maintaining good human relations in the organisation.

As every organisation has its problems, limitations and also employees have their own preconceived notions, needs, problems etc. so no specific diagnosis can be made for maintaining good industrial relations in the industry.

It has now been increasingly recognised that much can be gained by the manager and the worker if they understand and apply the techniques of human relations to industrial relations. The workers are likely to achieve greater job satisfaction, develop

greater involvement in their work and achieve a measure of identification of their objectives with the objectives of the organisation. The manager, on his part, would develop a greater insight and effectiveness in his work. It has been rightly said that the industrial progress of the future will ultimately depend upon how far industry is willing to go in for establishing a community of mutual responsibility between the highest paid executive and the lowest paid production worker. One of the principal objectives of this human relations movement must be this much-needed integration.

Socio Ethical Approach to Industrial Relations: Though not much widely accepted but one of the often academically discussed approach to industrial relations is the socio-ethical approach. This approach holds that industrial relation besides having a sociological base does have same ethical ramifications. As good industrial relations can be only maintained when both the labour and management realize, their moral responsibility in contributing to the said task through mutual co- operation and greatest understanding of each other's problems.

In India, in this context, a tripartite study group at the behest of the National Commission on Labour studied the sociological aspect of labour management relations. This group observed that the labour management relations exists within the social, economic and political structures of society. They, therefore, need to be examined in relation to the overall institutional and ideological goals, namely, democratic socialism and economic growth. The study group observed that “The goal of labour management relations may be stated as maximum productivity, leading to rapid economic development, adequate understanding among employers, workers and government of each other’s role in industry, commitment to industry and to the industrial way of life on the part of labour as well as management, sound unionism, efficient institutionalised mechanisms

for handling industrial disputes, and willingness among parties to co-operate as partners in the industrial system.”

The other important observations of the Study Group are:

- An important aspect of labour relations in industry is the extent to which labour and management accept the way of life and value system of modern technology. The director of industrial relations should develop for his company a code of ethics and a management philosophy for industrial relations in general and for labour relations in particular which will meet the test of being firm but fair, tough but tender, and hard but human.
- A better appreciation of management problems by labour can lead to employee acceptance of management's proposed solutions. This can be only brought about when programmes of communication and education are developed in industry and utilised with an awareness of their necessary limitations.
- Where workers and their employers belong to the same cultural area, state or region, there is much greater mutual understanding and agreement with goals and means in contrast to situation when they are recruited from different cultural groups or areas. The Study Group is of the opinion that when modern management techniques of labour recruitment are applied by employers, the narrow cultural differences between labour and management have little significance.
- The Works Committees, designed to promote measures for securing and preserving amity and harmonious relations between workman and employer, have not met with success, for they have not played any useful role. The mushroom growth of rival and multiple unions, the frequent nominations of members of the committee by a trade union and the deviation of the Works Committee from its required activities

have adversely affected the stability of these Works Committees.

- Though the joint management council or the system of joint consultation has been developed, its functions often overlap with those of the committees on production, safety and welfare. In the view of the Study Group, experiments in consultative or participate management have had little success wherever they have been made. Any experiment in industrial democracy pre-suppose stable management-labour relations and strong trade unionism.
- The Study Group is of the opinion that the implementation of the ideals of workers participation in management is fraught with danger. The management and workers should feel the urge for joint consultation in their mutual interest. The parties are likely to resent any direct or indirect compulsion from outside agencies, such as the government. The Group stresses the point that the disappointing progress made by joint consultation bears ample testimony to its failure.

In its report to the National Commission on Labour, the Study Group on Labour Problems in public sector enterprises said: It is of the utmost urgency that the status of the workers in public sector industrial units vis-a-vis the employees in the government is clearly defined so that both the management and the workers are on a clear ground in negotiations. The Group suggested that the government should limit its intervention in the management-labour negotiations in public sector enterprises by laying down the broad principles within which the management can negotiate with the labour force on its own. For this purpose, the following guidelines have been suggested in respect of:

- The extent to which the capacity to pay should be subordinated to the payment of need-based wages,

- The extent to which the retained earnings for ploughing back into business can be sacrificed,
- The extent to which dividends can be lowered or losses enhanced to meet the wage demands of labour and
- The extent to which such extra costs can be passed on to the consumers by way of increased prices of products.

The Study Group added that Care should be exercised to ensure that the incentives granted to monopoly public sector enterprises do not tend to do the work of more wages. In the opinion of the Study Group, the incentive earnings should result only from increased productivity. It further declared that there is a need for framing uniform Statutory Standing Orders for all Central Government undertakings. It also suggested that the standard rules governing the conduct and discipline of employees in public sector undertakings be framed. It laid emphasis on the need for minimum government intervention in industrial relations.

Gandhian Approach to Industrial Relations: Gandhiji's views on industrial relations are based on his fundamental principles of truth and non-violence, and non-possession or aparigraha. Out of these principles evolved the concepts of non co-operation and trusteeship on which his philosophy of industrial relations rests. This philosophy presumes the peaceful co-existence of capital and labour, which calls for the resolution of conflict by non-violent, non co-operation (i.e. Satyagraha), which actually amounts to peaceful strikes in ordinary parlance. Gandhiji has accepted the workers right to strike, but remarked that this right is to be exercised in a just cause, and in a peaceful and non-violent manner and it should be resorted to only after employers fail to respond to their moral appeals.

The principle of trusteeship held that the present capitalist order can be transformed into an egalitarian one. It does not

recognise, the right to property except permitted by society for its own welfare; the individual does not have any right to hold or use wealth in disregard of the interest of society; and the character of production is to be determined by social necessity rather than by personal whims or greed. The capitalist is expected to hold industry in trust for the community and it is envisaged that, as individual workers in collaboration with employers, they, too, are expected to be co-trustees with the latter.

The trusteeship theory implies that there is no room for conflict of interests between the capitalist and the labourers. Though, wealth legally belongs to its owners, morally it belongs to society. If capitalists fail to pay minimum living wages to workers, workers should appeal to the employers conscience. If this does not work, they should resort to non-violent non co operation. As a pre condition to this, two things are expected from workers: One is an awakening and other is the unity among them. By awakening among workers, Gandhiji meant developing and nurturing faith in their moral strength and their awareness of its existence which means that the workers should realise the fact that without their co-operation capitalists cannot work and the workers resort to non co-operation, their exploitation by capital would stop. Gandhiji advocated that for resolving disputes the following rules to be observed:

- (a) The workers should seek redressal of reasonable demands only through collective action;
- If they have to organise a strike, trade unions should seek by ballot authority from all workers to do so, remain peaceful and use non-violent methods;
- The workers should avoid strikes as far as possible in industries or essential services;
- The workers should avoid formation of unions in philanthropic organisations;

- The strikes should be resorted to only as a last resort after all other legitimate measures have failed and;
- As far as possible, workers should take, recourse to voluntary arbitration where efforts at direct settlement have not succeeded.

System Approach to Industrial Relations: John Dunlop has developed a system approach to industrial relations. This approach is quite helpful in studying the industrial relations in the sense that it focuses on participants in the process, environmental forces and the output. Further, it studies inter-relations among different facets of industrial relations system. The basic elements of the system approach are:

Participants in the system: There are three major participants (workers and their organisations, management and their representatives, Specialised government agencies like labour courts), which interact within the social and economic framework. The interaction involves three significant strata, which Dunlop referred as the sub-systems of the industrial relation system.

An ideological linking to a considerable extent, regulates the relations among the parties: In the words of Dunlop, an ideology is a set of ideas and beliefs commonly held by the actors that helps to build or integrate the system together as an entity.

The context or environment is the ground in which participants interact: Dunlop has identified three types of environment that are relevant to industrial relations.

(a) Technological Characteristics: Industrial relations would be very different in a labour intensive industry from those in a capital intensive one; in an industry planning significant, technical changes from one clinging to less productive primitive technology. Changes

in technology enhance the employer's expectations about the skills of workers. The work processes and methods with modern techniques reduce the rigours of manual work and workers acquire greater control over their work and higher production can be achieved.

(b) Market or economic constraints also influence industrial relations, because the need for labour is closely associated with the demand for the products. As the competition heats up, the market share of an enterprise becomes uncertain which influences the industrial relations of a unit both in short and long run.

(c) The locus and balance of power in a society in the form of power centres-the workers' organisations, the employers and the government-also influences the relationship between labour and management. In the initial stages, workers and employers demonstrate their strength to further their interests. The regulatory role of the government is, therefore, an important part in shaping the pattern of industrial relations. A conflict emerges strongly when the parties are less mature, are power conscious and, therefore, aggressive. Contrarily, the conflict tends to recede from the scene when the parties become more mature, responsible and discreet in the use of power and learn to accommodate themselves with each other.

2.6 References:

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2. Singh V.B., Industrial Labour in India.
3. Lester R.A., Economics of Labour.
4. Mecheal V.P., Industrial Relations and Involvement in Management in India.

2.7 Assignments

- Q. 1. Discuss the various determinants of Industrial Relations.
- Q. 2. Describe the growth of Industrial Relations in India.
- Q. 3. Discuss the different variables involved in the Industrial Relations.

- Q. 4. Highlight the various factors which affect the Industrial Relations.
- Q. 5. Discuss the Psychological Approach to Industrial Relations.
- Q. 6. Discuss the impact of sociological approach to Industrial Relations.
- Q. 7. Explain the utilities of Human Relations Approach to Industrial Relations.
- Q. 8. How Socio-Ethical Approach is different from Sociological Approach to Industrial Relations?
- Q. 9. How Industrial Dispute can be resolved by applying Gandhian Approach to Industrial Relations?
- Q. 10. Discuss the system approach to Industrial Relations.

LESSON-III

TRADE UNIONISM

The need of safeguarding the interests of the employees has everywhere led to the formation of trade unions, which organise the employees and bargain for better working conditions on their behalf.

3.1. DEFINITION OF TRADE UNION:

1. R.A. Lester : Trade union is an association of employees designed primarily to maintain or improve the conditions of employment of its members.

2. G.D.H. Cole : In common parlance a trade union means an association of workers in one or more occupation, carried on mainly for the purpose of protecting and advancing the member's economic interests in connection with their daily work.

3. Webb : Trade Union is a continuous association of wage earners for the purpose of maintaining and improving the conditions of their working lives.

Thus, a labour union or trade union is an organisation of workers to promote, protect and improve, through collective action the social, economic and political interests of its member. The workers form an association in order to protect and safeguard their economic interests and put up a united resistance against exploitation by the industrialists. The most outstanding feature of the trade unions is their own accord. Generally, all workers in a particular occupation are the members of the trade union representing their occupation. But there is no element of compulsion in membership. If a worker desires he can stay away from the trade union.

3.2. CHARACTERISTICS OF TRADE UNIONS: An analysis of the above definitions on trade unions reveal the following characteristics of trade unions:

- The trade union may be an association either of the employers or employees or of independent workers.

- Trade unions are relatively permanent combination of workers and are not temporary or casual.
- Trade union is an association of workers who are engaged in securing economic benefits for their members.
- The character of trade unions has been constantly changing.
- The origin and growth of trade unions has been influenced by a number of ideologies.

3.3. ESSENTIALS OF STRONG TRADE UNION

Compulsory Membership: In order to make trade unions forceful instruments of labour welfare, it is essential that the workers should compulsorily become its members. It must be borne in mind in this connexion that a nominal membership is not enough. In order to render a trade union useful all workers should be actively associated with the work of the trade union. Every worker should consider the trade union as his or her own organisation and work relentlessly for its success.

Strong economic base: The trade unions need large funds to support their members in emergency and during protracted strikes and lock-outs. The trade unions have to support their members in the event of accident, disablement or in the event of suspension of workers by the employers. The trade unions have no special means of collecting funds. It is necessary therefore that each member must make his contribution regularly.

Freedom from external pressure: The trade unions must function as independent organizations they should not be under any external pressure or control. The various political parties try to bring trade unions under their domain by extending various baits.

Spirit of unity and sacrifice: The true basis of a trade union is the spirit of unity and sacrifice in its members. It is on the strength of unity that trade unions are able to function. Besides general problems, the members of a trade union also have personal problems.

For the redress of personal problems, unity among workers is most essential. Besides unity, the spirit of sacrifice is also needed.

Capable leadership: It is very necessary that the leadership of trade unions should be in the hands of selfless workers and persons genially interested in the welfare of workers. Besides that, it is also very necessary that the leadership of workers should be in the hands of workers and not professionals. Only a worker is capable of understanding fully the problems of workers; a professional has not first hand knowledge of their difficulties. Above all, a labour leader should be fully conversant with labour laws and bye laws.

Practical outlook: The main task of trade unions is to defend the interest of labour and to promote their economic and social welfare. But while trying to achieve these laudable aims it should also be borne in mind that these aims can be achieved only in the context of overall industrial prosperity. Therefore, the economic and monetary conditions prevailing in the industry have to be taken into account while trying to achieve economic propriety and the social well being of workers. Thus, a trade union should adopt a practical and pragmatic attitude to all problems.

Democratic outlook: The success of trade union requires democratic structure. By democratic structure what is meant is that in all crucial matters the opinion of each and every member of the trade union should be taken into account This has another purpose. The worker in a vast industrial complex comes to look upon himself as a non-entity and feels sense of humiliation, whereas by exercising the privilege of vote in trade union affairs etc, he develops a sense of dignity and feels his importance.

Constructive outlook: The trade union try to have the demands of workers fulfilled and this is their real aim. But it is essential that the trade unions should adopt constructive outlook for achieving this goal. Indeed the workers need not deem their industrialist bosses to

be enemies but should try to settle their problems by mutual consultation in an amicable way.

Freedom from politics: The utility of trade unions is greatly undermined by outside political interference. At times trade union leaders forget their true aims and indulge in politics. Such leaders deliver no benefit to workers, indeed they harm their interest. Thus, trade unions have limited resources and these should not be frittered away in politicking.

Aim of welfare: The welfare of workers should be the primary aim of trade unions. They should refrain from all such activities as are detrimental to the welfare of workers. The trade unions should spend their money on projects which are likely to contribute to the workers welfare and help to raise their standard of living.

3.4. OBJECTIVES OF TRADE UNIONS :

To increase the cooperative feeling: The first and foremost task of the trade unions is to promote friendliness among workers and bind them in the thread of fellowship and brotherhood. The trade unions provide a forum for the workers to come together and know each other. All common problems are discussed in one form. Besides discussing problems connected with jobs, the trade unions also provide opportunity for play, relaxation and entertainment to workers. Thus, trade unions promote intimacy of relations among workers make them sweet, personal and informal.

To secure facilities for workers: The majority of industrialists are indifferent to the comforts and needs of the workers. They pay no attention to making the working conditions healthy and hygienic to mental and physical relaxation of the workers. They are interested only in getting maximum work from the workers. Under these circumstances trade unions agitate for the provision of various facilities and see to it that these are provided for.

To establish contact among workers and employers: The industrial complexes today have grown into giants. A single unit may employ hundreds of workers. Under these circumstances the line between employers, high managerial cadre and employees gets broken down. Many a time workers may not have seen even the face of their employer. Under these conditions the workers are not in a position to express their grievances before their employers nor do the employers have any means to know the difficulties being faced by their employees. The trade unions play the important role of bringing to the notice of employers the grievances and difficulties of the employees

To work for the progress of employees: The trade unions try to improve the economic conditions of workers and remove their hardships and handicaps. For increase in their wages, the unions represent their case before the employers and also try to get adequate bonus for the workers. The unions also try to get overtime wages to the workers.

To safeguard the interests of workers: Under ordinary conditions the employers tend to exploit the workers to the maximum. They care nothing for the employees; they do not give them any paid leaves and if a worker goes on leave the wages for the period of leave are deducted from the monthly wage bill of the workers. Besides, workers are denied all chances of promotion. The trade unions see to it that the workers under their aegis are not shunted out summarily and that they receive all the benefits due to them.

To provide for labour welfare: It is the task of trade unions to promote the social and economic welfare of the labourers. The trade unions try to get them housing facilities and also try to arrange for the education of the children of workers. The trade unions also try to protect workers from evil habits.

3.5. NEED OF TRADE UNIONS: Workers join trade unions to achieve their objectives, which they could not achieve individually. Specifically, workers join trade unions due to the following reasons:

- To attain economic security. In other words, securing permanent employment with higher salary and benefits.
- To improve their bargaining power and balance it with that of the management. Workers would like to restrain or resist the management's irrational, illogical and discriminatory actions. Workers can resist the management by improving their bargaining power which in turn requires joining in trade unions. Management's decisions regarding promotions, transfers, work assignment, grievance redressal and disciplinary issues can be challenged by a group of workers rather than any individual worker.
- To ventilate the workers' grievances to the management.
- To inform workers' views, aims, ideas and dissatisfaction/frustrations to the management.
- To secure protection from unexpected economic needs like illness, accidents, injury etc..
- To satisfy their social needs.
- To satisfy their psychological needs.
- To satisfy their needs for belongingness and
- To secure power.

3.6. FUNCTIONS AND ROLE OF TRADE UNIONS : The basic functions of unions is to protect and promote the interest of the workers and conditions of their employment. The other factors are:

- Achieving higher wages and better working and living conditions for the members;
- Acquiring the control of industry by workers;

- Minimising the helplessness of the individual workers by making them stand collectively and increasing their resistance power through collective bargaining; protecting the members against victimization and injustice of the employers;
- Raising the status of the workers as partners of the industry and citizens of society by demanding increasing share for the workers in the management of industrial enterprises;
- Providing a worker self-confidence and a feeling that he is not simply a clog in the machine;
- Imbibing sincerity and discipline in workers;
- Taking up welfare measures for improving the morale of the workers and;
- To protect the right of to be consulted on all the matters affecting the worker s interest.

The National Commission on Labour has pointed out the following basic functions on which the trade unions have to pay greater attention:

- To secure for workers fair wages;
- To safeguard security of tenure and improve conditions of service;
- To enlarge opportunities for promotion and training;
- To improve working and living conditions.

3.7. ADVANTAGES AND DISADVANTAGES OF TRADE UNIONS:

Advantages: In view of the above functions of the trade unions, it is thus, obvious that trade unions are very beneficial to the working classes. A strong trade union gives a guarantee of industrial peace and brings stability in the industry. Any decision agreed upon collectively by workers is bound to command obedience and respect

among the general body of workers and it cannot be ignored by employers totally. They bring about improvement in the conditions of work, employment and wages of workers and lead to greater efficiency among labourers. They also inculcate a feeling of self respect and confidence among them. The significance of trade unions to the workers can well be imagined by the fact that in the absence of such an organisation, the workers had been ruthlessly exploited by the employers.

Disadvantages: But, inspite of these advantages, the trade unions activities have been criticised on the ground that they create misunderstandings between the workers and employers and disturb industrial peace and bring instability in the industry. They generally adopt a hostile attitude towards rationalisation or improved methods of production, which may reduce the quality of industrial production, and retards technical progress. Sometimes, intoxicated with their strength or misled by others, they launched strikes on flimsy grounds and done incalculable harm to themselves, to the producers, and to the community in general as this ultimately leads to reduce national dividend. They also create artificial scarcity of labour by demanding that their members alone should be employed. However, it should be noted that this sort of criticism is due to the defective or improper policies and working of the trade unions, rather than the basic objectives of the trade unionism itself. It is now a generally agreed fact that trade unionism is beneficial not only to the working class but also to the industry and the economy as a whole. Thus, trade unions have to play an increasingly important role in the economic development of the country and they must be prepared to undertake that role. Hence, the trade unions can help the process of economic development in the following ways

- They may help in recruiting and disciplining the work force.
- The work force becomes committed to the industrial life.

- It becomes possible to settle the industrial disputes in a rational rather than erratic chaotic manner.
- The trade union is a part of the modern as opposed to the traditional society and as such helps social adjustments.

3.8. LABOUR MOVEMENT AND THE TRADE UNIONS: The labour movement is a much broader term than labour unions. Such a movement presupposes some solidarity between workers in different trades or industries. Thus, labour movement is composed of many forms of organisations based upon the sense of common status and a common need of mutual help. Hence, it emerges from a common need to serve a common interest of the workers. Its objective is, to develop amongst the workers a spirit of combination, class consciousness and solidarity of interest and arouse a consciousness for self respect, right and duties.

It is thus, obvious, that, a trade union is an integral part of labour movement and, therefore, a labour movement is imperfect without trade unions. In this context G.D.H. Cole rightly said that the labour movement cannot exist without them (trade unions), because they are the principal schools in which the workers learn the lesson of self reliance and solidarity.

The significance of a labour movement cannot, of course, be measured simply in terms of the total number of supporters or members. A strong minority that can exert considerable influence upon non-members and sympathisers may be more powerful than a less vigorous majority. In spite of such qualifications, however, total membership is perhaps the best available measure of significance of labour organisations in any area or branch of industry. It should, however, be noted that it is the labour movement that can bring substantial and permanent gains to the workers. Individual efforts of the employers such as of Robert Owen and Others who were

interested in improving the conditions of their workers were not of much use for improving the lot of working class as a whole. Likewise, a labour organisation in a particular firm cannot be successful in improving conditions of working class.

3.9. RISE AND GROWTH OF TRADE UNIONISM: In the pre-industrial society, the worker producer owned his tools, provided his own raw materials worked in his own how, owned the final product mostly for own consumption and occasionally for the sale in the market. In this situation, the worker was his own master, his own capitalist, and his own seller. But, under the new economic system, demanding a large accumulation of capital and congregation of a large number of workmen at one place, capital and labour came to be supplied by two different sets of persons.

A class of people came to the labour market to sell its labour power. The only source of its livelihood, and became the seller of labour. The other class, with large aggregates of capital at its disposal, came to the labour market to buy labour power and put it to productive use. As buyers, they were interested in paying the lowest possible price and, as suppliers of labour, the labourers were interested in securing the highest possible price. Thus, the two classes with divergent and conflicting interests came together giving rise to a conflicting relationship. This was the main cause of industrial disputes.

The owners of capital and the entrepreneurs are motivated by the goals of profit maximisation, which resulted in excessive hours of work, insanitary working and living conditions, over crowding, the employment of young children, inflicting of corporal punishment for the maintenance of industrial discipline, competitive debasement of wages and unemployment were the main features of industrialisation under early capitalism. This led workers to organise themselves and protect their economic interests.

The main elements in the development of trade unions of workers in every country have been more or less the same. The setting of large-scale industrial units created conditions of wide spread of machinery, establishment of new lines of production. Changes in working and living environments of workers, and concentration of industries in large towns, all of which introduced a new class of workers who were dependent on wages for their livelihood. They were placed at a disadvantage in an age when a doctrine of laissez-faire held the field. Thus, in the absence of collective action, they had to be satisfied with the wages, which each one of them could separately negotiate with his employer from a position of disadvantage. Protests by individual workers could have no effect in such circumstances, because of plentiful supply of labour and their weak bargaining power.

Therefore, the workers had to join together, atleast to maintain if not improve, their bargaining power against the employer. Where joint action was inadequate, the sanction which workers evolved was joint withdrawal from work, i.e. strike. Recognition by the community of this right to combine, organise for collective action and withhold labour, was a long and painful process everywhere, but perhaps less so in India.

Unions have now come to symbolise (1) worker s right to organise, and (2) their right to press their demand collectively and go on strike if claims are not accepted.

It is, thus, obvious that the growth to trade unionism is a response to the challenge thrown by modern factory system. The development of modern industry from the eighteenth century onwards created conditions in which trade union become necessary. Hence workers organised themselves to improve their bargaining power so that they may settle their terms with the employers on equal footing.

With the growth of the modern factory system the personal contact between the employers and workers was lost and there was need for an organisation to determine the relations between the two. Hence, the trade unions came into existence.

3.10. RIGHTS OF A REGISTERED TRADE UNION

- A registered trade union is a body corporate having a perpetual succession and a common seal. It acquires a legal personality separate from its members. It can acquire and hold property and can enter into contracts in its own name. It can also sue and be sued in its own name.
- A registered trade union has a right to maintain general funds and spend them for certain specified purposes.
- A registered trade union can constitute a separate fund for political purposes.
- The Act provides immunity to office bearers and members of a registered trade union from liability to punishment in respect of any agreement made between the members for the purpose of furthering its objects as specified in Section 15 unless the agreement is an agreement to commit an offence.
- A registered trade union enjoys immunity from civil action in respect of any act done in contemplation or furtherance of a trade dispute to which a member of the trade union is a party on the ground only that such act induces some other person to break a contract of employment, or that it is interference with the trade, business or employment of some other person to dispose of his capital or his labour as he wills.
- A registered trade union can represent workmen to the Works Committee.

A registered trade union has the following liabilities

- To appoint only those persons as office bearers who do not suffer, from the disqualification prescribed under the Act.
- To maintains books of accounts and the list of members,
- To keep books and the list open for inspection by members.
- To submit annually to the Registrar of Trade Unions duly audited statements of receipts and expenditure and assets and liabilities.
- To furnish correct information to persons intending to become members.

3.11. TRADE UNIONS AND WAGES: Let us now discuss the influence of trade unions upon the rate of wages in a particular trade as well as their influence on general wages. This is a question, which has led to a great difference of opinion and much theoretical discussion in the history of economic thought.

Classical View: The classical economists thought that unions could not raise wages permanently, because wages could not be raised only at the expense of profits, and a fall in profits, by reducing industrial activity, would reduce demand for labour. Thus, either wages must be reduced or unemployment must be faced. Besides, it has also been pointed out that wages are determined by the marginal productivity and hence, the unions cannot influence wages.

Modern View: However, the modern economists agree that trade unions can have a great influence on wages. The power of trade unions to raise general wages by direct means may not be very great, but trade unions, by co-operating with general economic forces, which make for an increase of wages, may raise wages permanently. This can be done in two ways.

In the first place, trade unions can ensure that labour is paid to the full value of its marginal productivity. Under perfect competition, no doubt, wages tend to equal the marginal productivity of labour. But competition in actual world is not perfect but

imperfect. If the bargaining power of labour is weak, it is exploited and wages do not come upto the marginal productivity level. Hence, by improving the bargaining power, trade unions can raise wages upto the marginal productivity level.

Secondly, trade unions can improve the marginal productivity itself and raise wages permanently. Trade unions can increase the marginal productivity by increasing the efficiency of the workers, and the efficiency of the workers can be raised, if trade unions make effort in educating the workers and undertaking welfare activities. Besides, trade unions can force the employers to provide better machinery and organisation for the workers, which influence the efficiency of labour.

Then the trade unions can also increase the wages in a particular trade by restricting the supply of workers in that trade. This, however, depends upon certain conditions, e.g. (a) that there is no easy alternative method of obtaining the commodity which the workers produce, (b) that the commodity has got an inelastic demand and its price can be raised, (c) that the Wages of the labourers form only a small proportion of the total expenses of production of the commodity, so that the price may not increase much with the increase in wages, and (d) that other classes of workers and other factors are easily available and do not also limit their supply. If these conditions are present, then the workers, in any particular trade, can get their wages raised by restricting, their supply with the help of the trade unions.

It should also be pointed out that in practice, it is found that trade unions not only increase nominal wages by improving the marginal productivity or by restricting the supply of labour, but they also bring about a rise in the real wages of the workers, by improving the conditions of work and employment, and also by forcing the employers to pay a share in the profits in the form of bonus, dearness allowance, etc, from time to time.

3.12. TRADE UNIONS AND WAGES IN INDIA: The trade unions control wages and the determination of dearness allowance according to the changes in the purchasing power of the workers has been pronounced, though it is far from its true form. The state assistance and legislative safeguards to provide a defence to the unions in their fight for an illegal discharge and reinstatement with compensation. It cannot be denied that unionisation with its impact upon wages has tended towards preventing the rate from being lowered, if not raised. The labour protests in the cotton textile industry and railways proved helpful in the establishment of the institution of dearness allowance to provide for a fluctuating cost of living and for the maintenance of morale and physical efficiency. The demand for higher wages or higher dearness allowance necessitated the establishment of conciliation and adjudication machinery. History lends support to this impact of unionisation on dearness allowance. For instance, in the cotton industry in Bombay, dearness allowance was first granted on the recommendation of the Board of conciliation in December 1939, and it was the result of the demand and protest of the labour unions. The pay-scale was revised in 1941 and linked with the cost of living index. Thus, as the index rose the dearness allowance increased correspondingly. In Coimbatore an allowance as the index registered a rise. In Kanpur, the U.P. Government revised the scale in 1948. An amenity allowance was given to jute workers in Bengal in 1941 and grain concession were allowed in 1944. In Punjab the tendency was to consolidate the basic pay with dearness allowance. The workers in the lowest rate were given a chance of full neutralisation while the higher got a lower scale of dearness allowance.

However, it has been noted that there has been a steady or regular rise in the earnings of the workers from the year 1939-1973. The gradual increase in the dearness allowance so much so that the dearness allowance got institutionalised and became a fixed element in the total earnings. Hence, the impact of unions on wages is

testimony of capable leadership, though collective bargaining could not have its full play on account of the rivalry prevailing among unions. Negotiations are held between the two groups but bargaining is getting popular only seemingly because such negotiations have promoted a sense of responsibility and real partnership. Adjudication also had its own impact upon wages. The workers of the lowest category gained higher wages of higher total earnings due to the awards of tribunals. On the other hand, it can be argued that the absence of adjudication and state intervention would have jeopardised peace in industry. The strong unions would have secured a much higher level of wages at the expense of the weaker sections of the working class.

3.13. TRADE UNIONS AND ECONOMIC GROWTH: There exists and intimate relationship between trade unions and economic growth. The critics who under estimate trade unions role in an underdeveloped economy on the ground that trade unions benefit only a small minority of the total population in the under developed countries and that they exert an upward pressure over price through their demand for wage increases. The first criticism refers to the small proportion of the industrial workers in the total population of the under developed countries. Trade unions stand for redistribution of income in favour of the industrial workers. But since they constitute a small minority of the total population, the society is little benefitted by such redistribution. However, it does not demean the social significance of trade unionism as a means of better distribution of social wealth, but points out the necessity of extending trade unionism to agricultural workers.

The second criticism is based on the assumption that there is a positive correlation between the wage rise and price rise. But this assumption is not correct. Wage costs constitute only a minor percentage of the total cost of production (in 1952, wages costs were 16.1% of the total manufacturing cost), and hence a moderate rise in

wages need not result in a rise in the total costs. Moreover, the long run effect of trade unionism in raising up the level of wages is really beneficial to the under developed economy. Considering the low propensity to consume of the rich, a redistribution of income in favour of the labourers in an under developed economy increases the size of the home market for consumer goods. Since the small size, of the home market for consumer goods is responsible for the low level of private investments, the expansion of the size of the home market will have a beneficial influence over the whole economy. It has, further, been argued that low productivity of workers in India and other underdeveloped countries is largely due to the poverty and low standard of living which, in turn, is due to the low wages. Higher wages will improve the efficiency of workers through a rise in their standard of living. But, the necessity of higher wages, however, does not justify the pursuit of an irrational wage policy in the part of the trade unions which may come in conflict with the national economic growth. In other words, in a planned economy, the trade union wage policy should be consistent with the national economic policy.

A developing economy requires increasing supply of knowledge and skill of all types. In developing country like India a significant portion of the total population is illiterate, and illiteracy and ignorance affect the mobility of labour which is important for industrial development. Workers education programmes may go a long way to remove illiteracy and ignorance amongst workers and thereby facilitate economic development. The active interest of trade unions will make the programme more successful. Hence, the trade unions may be very helpful in the economic development of the country.

Today the role of small savings in capital formation cannot be ignored. In fact small savers have contributed a good deal for economic development of India. Apart from the importance of mobilising funds for investments, savings by labourers are essential

for keeping the danger of inflation under control. Thus, trade unions can facilitate capital formation by promoting and assisting in the small saving schemes and by persuading the workers to accept some scheme of compulsory savings like the payment of a part of the bonus in government bonds instead of each.

The trade unions can also be a very effective instrument for the economic development by helping the workers to adjust themselves with new industrial environment. Most of the industrial workers in underdeveloped countries are still rural in their origin and the whole working environment is new to them. The lack of adjustment is new set up on the part of workers is reflected in its turn in the high rate of labour turn over, absenteeism and lack of interest in the job. The trade union may be one of the most powerful instruments for creating a new industrial society and for helping the new recruit from the rural community to adjust with the conditions of the industrial life.

3.14. REFERENCES

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3.15. ASSIGNMENTS

- Q. 1. Define the term “Trade Unionism”. Discuss its characteristics.
- Q. 2. Discuss the objectives of Trade Union.
- Q. 3. What should be the requisite of a strong Trade Union?
- Q. 4. What are the necessities of Trade Unions?
- Q. 5. Discuss the different roles of Trade Unions.
- Q. 6. What are the advantages and disadvantages of Trade Unions?
- Q. 7. Differentiate between Labour Movement and Trade Unions.
- Q. 8. Describe the rise and growth of Trade Unionism in India.

- Q. 9. Discuss the influence of Trade Unions upon the Wages.
- Q. 10. Describe the relationship between Trade Unions and Economic Growth.

LESSON IV

TRADE UNION MOVEMENT IN INDIA

4.1 TRADE UNION MOVEMENT IN INDIA: Trade Union Movement in India started quite late. Bombay Millhands association found in 1890 by Shri N.M. Lokhanday, a factory worker, is said to be the first trade union in India. In subsequent years a number of unions were formed such as the Amalgamated Society of Railway Servants of India and Burma (1897). The Printers' Union (1905), The Bombay Postal Union (1907), the Kamgar Hitwardhak Sabha (1909), and the Social Service League (1910).

These unions, were loose and, sectarian organisations set up by social reformers rather than by workers. They were friendly societies or welfare bodies ∴ There was a, remarkable growth in labour movement between 1904 and 1917 and several strikes were organised. But trade unions remained confined by and large to the upper ranks and educated sections of the working class. Political developments like the partition of Bengal and the Swadeshi movement helped the trade union movement. However, the unions were largely local and loose dependent on external philanthropy.

At the end of World War I, growing economic hardships the Russian Revolution, the establishment of the ILO and other factors gave Philip to trade union movement. As a result, many unions were formed. The Textile Labour Association (1920), the All India Trade Union Congress (AITUC) (1920). Indian Seaman's Union, Railway Workers Union, the Indian Colliery Employees' Association, the Madras Textile Union were some of these unions. The All India Trade Union Congress a loose federation was given authority for selecting delegates to represent Indian labour at the ILO Conference. Workers' Unions sprang up in jute, cotton, textiles, railways and port industries all over the country. The Trade Unions Act 1926 gave legal status to registered trade unions and conferred on them special

privileges. Therefore, this law was an important landmark in the history of trade union movement in India. The Great Economic Depression, failure of the Bombay Textile Strike of 1929 and one Royal Commission on Labour (1929) brought a lull in trade union activity. Communists acquired a hold in the working class movement and the AITUC emerged as the sole representative of the working class in India. Several major strikes were organised. A section of the leaders separated and formed the Red Trade Union Congress (RTUC). The All Indian Railwayman's Federation emerged another major body of workers. The labour movement remained divided.

Thirties was a period of unity in trade union movement. The National Federation of Labour was formed in 1933 to facilitate unity. The AITUC and the railway unions amalgamated to form the National Trade Union Federation (NTUF). The RTUC merged into the AITUC. In 1940 the NTUF merged with the AITUC. In 1941 radicals in the AITUC formed a new central federation called Indian Federation of Labour.

After independence, there was speedy growth in trade unions due to support from both the Government and the society at large. However, several splits occurred in central organisations of labour. In 1947, moderates in the AITUC separated and formed the Indian National Trade Union Congress (INTUC). Hindustan Mazdoor Sevak Sangh (HMSS) and Ahmedabad Textile Labour Association (ATLA) became very active. Socialists broke away from INTUC and formed the Hindustan Mazdoor Panchayat (HMP). HMP and Indian Federation of Labour came together and formed the Hind Mazdoor Sabha (HMS). A section of HMS later on formed the United Trade Union Congress (UTUC) in 1949. A few unions seceded from the HMS in 1959 and established the Hind Mazdoor Panchayat. In 1962, a new organisation called the Confederation of Free Trade Unions (CFTU) was formed. A section of the communists (CPM) formed in 1970 The Centre Indian Trade Unions (CITU). Old Congressmen

severed themselves from the INTUC and formed the National Labour Organisation (NLO).

Representatives of the AITUC, INTUC and HMS established a National Council of Central Trade Unions (NCCTU) to provide a common platform for trade union activities. The basic aim was to isolate the CITU which retaliated by setting up a United Council of Trade Unions (UCTU).

At present there are about 48000 registered trade unions and ten central labour organisations in India. Some important features of these unions are given below:

- (i) Workers in India are unionised mainly on the basis of plants (industrial unions) rather than on the basis of crafts (craft unions). Craft unions are formed among non-industrial and professional workers e.g. taxi drivers, journalists, teachers, bank employees, etc. On the basis of hierarchy there are three types of unions: (a) primary unions which operate at the plant level (b) regional federations which work at the regional level, and (c) central labour organisations which function at the national level.
- (ii) The extent of unionisation is not uniform in all industries. Workers in some industries are better unionised than in others. For instance, about 70% of the workers in textile industry are unionised whereas only 21% of the workers in chemicals are unionised. Similarly, there is heavy concentration of unions in some States but in others there exist only a few unions.
- (iii) Most of the unions in India are small in size as they are of the 'one shop' type. Due to small size, the financial condition of unions is weak.
- (iv) Unionisation is not limited to blue collar employees. White collar workers are also unionised.

- (v) The primary unions are affiliated to a number of central unions.
- (vi) There is very close link between trade unions and political parties. Most of the central labour organisations are under the control of one political party or the other.

Traditionally, trade unions in India have been playing the role of bargainers and agitators. But in future they will have to play new roles to meet the changing aspirations of the working class. These new activities are: (a) counselling (b) education and training (c) communication (d) employee welfare (e) family and vocational guidance (f) research and publications (g) human resource development, and (h) employee ownership.

4.2 ORGANISATION STRUCTURE OF UNIONS: Labour organisations in our country are of the following types:

Craft Union: It is an organisation of workers employed in a particular craft, trade or occupation. Therefore, such unions tend to be well knit and cohesive. Due to their identical training and skills, members of a craft union tend to develop similar outlook and unity among them is easier. Members are generally craft conscious rather than class conscious. A craft union has strong bargaining power because its workers possess a specialised skill, which cannot be easily replaced in a strike. But a craft union lacks a clear perspective of the working class as a whole. Due to different agreements in different crafts, joint action by workers belonging to different crafts is not easy. Craft unions tend to oppose technological advancements which destroy distinction between crafts and thereby the very basis of a craft union. Craft unions are horizontal in character because their members belong to a single process or group of process. In India, craft unions are found largely among White collar workers and professionals such as Government employees, bank employees, doctors, lawyers, teachers, etc. There are very few craft unions of industrial workers.

Industrial Unions: An industrial union is organised upon an industry-wise rather than a craft-wise basis. Its members belong to different crafts within the same industry. Ahmedabad Textile Labour Association, the Rashtriya Mill Mazdoor Sangh and the Gini Kamgar Union, Bombay are examples of industrial unions in India. These unions are vertical in nature because they consist of all types of workers in an industry. Industrial unions are more powerful because they consist of both skilled and unskilled workers. Such a union cuts across skill and craft distinctions of workers. It is easier for the employer to bargain with one union to cover all workers of a particular industry. He is saved of the trouble of bargaining with a number of unions established on a craft basis. However, skilled workers may feel swamped by unskilled workers and their specific demands may not be met. In these days, technology and mass production have obliterated the craft distinctions and therefore, industrial unions are the need of the hour.

General Union: This type of union consists of workers employed in different industries and crafts within a particular city or region. The Jamshedpur Labour Union is one example. In India there are several industry cum region unions due to the concentration of some industries in particular regions.

Federations: These are national level bodies to which plant level unions, crafts unions, industrial unions, and general unions are affiliated. Federations are the apex organisations of workers. They act as coordinating agencies. These are also called central trade unions.

4.3. TRADE UNION IN INDIA COMPARED WITH ENGLAND, U.S.A., GERMANY AND RUSSIA: A comparative study of trade union movement in England and India gives the following points of comparison and contrast. It should, however, be mentioned that the trade unions developed in India and England in different economic and social conditions.

- In England, U.S.A, Germany and Russia there is, however, no problem of unemployment and hence, it can be said that there is no surplus labour, while in India, there has always been a problem of large scale unemployment and surplus labour.
- Secondly, in India the wages are much lower than in countries like U.S.A. and England.
- Thirdly, working, living and service conditions are better in these countries than in India.
- For the welfare of the workers, a comprehensive scheme of social insurance covers the entire industrial working class, however, in India a beginning has been made in this direction but the Indian scheme of social insurance does not cover all the working classes and is not so comprehensive as that of England.
- The workers in the U.S.A, Russia, Germany and England are far more literate and enlightened than that of India.
- In England and U.S.A. permanent industrial population has been established which is properly committed to industry, however, a beginning has been made in this direction and migratory character of Indian labour has been loosened, but the Indian labour is not so much committed to industry as that of these countries.
- In these countries, trade unions grew out of craft guilds and are organised mostly on the basis of crafts. in India, the trade unions have been mostly industry wise while in England, USA, Germany and Russia, they have been organised on national basis.
- In India, the trade unions are financially weak, while they are financially strong in those countries. the unions in England, USA, Germany and Russia have huge funds and often possess their own buildings with an efficient secretariat and well

organised office, are publishing labour journals and daily newspapers, while such are not the conditions in India.

- In India, the unions adopted an agitational attitude and have not developed the constructive side, while in these countries, the trade unions have developed the constructive side alongwith there agitational approach. For instance, in USA a union is seen running an insurance company of its own and some unions have got their own country houses where members can go and stay.
- In these countries, the political functions of the trade unions have been developed and are very significant. Trade union provide a common platform for one party viz. the labour party in England. While in India, different unions are dominated by different political ideologies. for instance, INTUC believes in negotiations and conciliation, while the AITUC has always insisted on strikes. Therefore, trade union rivalry is a serious problem in India whereas it is not in U.K., U.S.A., Germany and Russia.

Hence, it is suggested that suitable measures should be taken to strengthen the trade union movement in India so that it may justify its role in the economy.

4.5. MEASURES FOR STRENGTHENING TRADE UNIONS IN INDIA: Some of the steps that can be taken to make trade unions successful are given below:

Strong Base: In order to develop a strong trade union movement, it is essential to widen the unionism to unorganised sector and small towns. Workers in household, small scale and domestic sectors should form trade unions. The membership of unions should also be increased. For this purpose, a rigorous membership campaign should be launched.

Financial Stability: To improve the financial condition of the unions, the minimum subscription should be raised from 25 paise to Re 1 per month. National Commission on Labour suggested the check off system under which each worker would individually authorize the employer to deduct membership fee from his wage/salary and the employer pay the collections to the union. This will reduce the chances of defaults in payments by members and thereby improve the financial position of unions.

One Union in One Industry: The principle of one union in one industry should be adopted to avoid multiple unions and inter union rivalry. A provision may be made in the Trade Unions Act that where more than one set of persons claims to be the office bearers of the same union, the matter should be decided by the Central Organisation to which the union is affiliated or by Labour Courts.

Internal Leadership: Leaders of union should be developed from within the rank and file of the workers. This will help to eliminate party politics and outsiders. There should be no ban on non-members holding executive positions in a union but the limit of outsiders in the executives of the unions should not exceed 25 per cent. Ex employees should be treated as insiders. Arrangement should be made for education and training of workers and penalties should be imposed for victimisation of union leaders. A convention that no union office bearer will concurrently hold an office in a political party should be established and adopted. Unions should throw away the control of political parties and politicians.

Recognition of Unions: It should be made obligatory for employers to recognise the union in all undertakings employing 100 or more workers. A trade union seeking recognition as a bargaining agent should have a membership of at least 30 per cent of workers in the establishment. The minimum membership should be 25 per cent if recognition is sought for an industry in a local area. The representative character of a union maybe, decided through secret

ballot and/or examination of membership records. The recognised union should be statutorily given certain exclusive rights and facilities. The minority union should be given only the right to represent workers only in cases of dismissal or discharge.

Paid Officials: Full time paid officials should be appointed to manage the affairs of trade unions. These officials should be competent and sincere. They should be men of integrity, able to evaluate workers' aspiration and strong enough to negotiate with employers on equal basis. They should be paid well.

4.6 PROBLEMS OF TRADE UNION MOVEMENT IN INDIA:

Though Trade Unions developed in India, they face several problems. Infact, Indian Trade Unions face several problems.

Outside Political Leadership: The leadership of most of the Trade Unions in India has been outside leadership mainly drawn from political parties. As the labour movement in India is deeply involved in the policies and politician, most of the political leaders are also drawn from Trade Unions. For example, Lok Nayak Jayprakash Narain, former President of India, V.V. Giri, Former Governor of A.P., Khandubhai Desai, Former Union Minister, A.P. Sharma, George Femandes, all worked as Trade Union Leaders. Infact, political parties invented Trade Unions in India.

Reasons for Outside Political Leadership: Outside political leadership is prevalent in Unions due to the following reasons:

- (i) The rank and the file are largely illiterate as such they cannot effectively communicate with the management;
- (ii) Men in managerial positions are generally members of castes, which are higher in hierarchy than those of the rank and file unionist. Therefore, in any dealings with the management, particularly of the face to face variety, the psychological advantage lies with the management;

- (iii) The union's lack of formal power tends to put a premium on the charismatic types of the leader, usually a politician, who can play the role of the defender of the worker against his enemies;
- (iv) For ensuring a measure of equation of power in collective bargaining where the workers are generally uneducated and have a low status;
- (v) For avoiding victimisation of worker office bearers of the trade unions and;
- (vi) At times for lack of financial resources to appoint whole time office bearers.

The evil effects of the outside leadership analysed by National Commission on Labour are as follows

- Outside leadership undermined the purpose of Trade Union and weakened their authority. Personal benefits and prejudice sometimes weigh more than unions.
- Outside leadership has been responsible for the slow growth of Trade Unions.
- Internal leadership has not been developed fully.
- Most of the leaders cannot understand the workers problems as they do not live the life of a worker.

4.7 MEASURES TO MINIMISE THE EVIL EFFECTS OF OUTSIDE LEADERSHIP: In view of the limitations of outside leadership, it is desirable to replace the outside leaders progressively by the internal leaders. The National Commission on Labour, 1969, also stated that outsiders in the Trade Unions should be made redundant by forces from within rather than by legal ban. Both the management and Trade Unions should take steps in this direction. These steps may be

- Management should assure the workers that the victimisation will be at the zero level, even if the Trade Unions are led by the insiders.
- Extensive training facilities in the areas of leadership skills, management techniques and programmes should be provided to the workers and
- Special leave should be sanctioned to the office bearers.

4.8. UNION RIVALRY: The formal basis for Trade Union Organisation is provided by the Indian Trade Union Act, 1926. The relevant article reads as follows :

Any seven or more members of the Trade Unions may be subscribing their names to the roles of the Trade Union and by otherwise complying with the provisions of this Act with respect to the registration, apply for registration of the Trade Union under this Act." This provision in law has led to the formation of multiplicity of unions and resulted in Inter union rivalry in different industries. But inter union rivalry breaks the very purpose of Trade Unions by weakening the strength of collective bargaining. On the other hand, the existence of a single, strong union not only protects the employee interests more effectively but also halts the various unproductive activities of the unions and forces the leaders to concentrate on the strategic issues. Further, it helps to bring about congenial industrial relations by bringing about system of orderliness in dealing with the employees and by facilitating expeditious settlement of disputes.

Union rivalry has been the result of

- The desire of political parties to have their basis among the industrial workers;
- Personal cum factional politics of the local union leaders;
- Domination of Union by outside leaders;

- Attitude and policy of the management, i.e. divide and rule policy;
- The legal framework of the Trade Unions and the nature of industry and workers.

4.9. AFFECTS OF UNION RIVALRY ON UNION STRENGTH:

Union rivalry affects the union strength in the following ways

- (i) Because of the multiplication of trade unions at the plant level, each union commands only a negligible proportion of workers of an establishment and does not enjoy the confidence of most of the employees.
- (ii) These splinter unions have assumed only a limited range of functions. Instead of diverting members energies to constructive and co operative channels, they have encouraged strife, disloyalty and non co operation.
- (iii) Most of the trade unions have failed to realise the importance of mutual help and welfare activities. Catlin rightly observes, "the greater the number of phases of the workers life which the unions serve, the more secure, presumably, will be its hold on his allegiance and the more effective its control of the trade."

4.10. MEASURES TO MINIMISE UNION RIVALRY: In view of the evil effects of Inter union rivalry and the problem of formation of one union in one industry, it may be necessary to consider the recommendations of National Commission on Labour (NCL) 1969. The recommendations of NCL to minimise union rivalry are:

- Elimination of party politics and outsiders through building up of internal leaders;
- Promotion of collective bargaining through recognition of sole bargaining agents;
- Improving the system of union recognition;

- Encouraging union security, and;
- Empowering labour courts to settle inter union disputes if they are not settled within the organisation.

Small Size of Union Membership

Size of membership of trade unions determines their strength and financial soundness which in turn determines the activities undertaken by them and their ability to protect employees interest. The size of membership and successful functioning of trade unions are interrelated and interdependent. The size of membership of trade unions in India over the years has been declining and consequently the unions face the problems of small size. The small size of the unions is due to the following causes:

- (i) The fact that any seven workers can form a union under the Trade Union Act of 1926, and get it registered, as a result, large number of small unions have grown.
- (ii) The structure of the trade union organisation in the country, which is in most cases the factory or the unit of employment so whenever employees in a particular factory or mine are organised, a new union is formed.
- (iii) Unionisation in India started with the big employers and gradually spread to smaller employers. This process is still continuing and has pulled down the average membership. Though the number of unions and union membership are increasing, average membership is declining,
- (iv) Rivalry among the leaders and central organisations has resulted in multiplicity of unions, thereby reducing the average membership.

Financial Position

Sound financial position is an essential ingredient for the effective functioning of trade unions, because in the process of

rendering services or fulfilling their goals, trade unions have to perform a variety of functions and organise programmes which require enormous financial commitments. Hence, it is imperative on the part of a trade union to strengthen its financial solvency. Most of the trade unions in India suffer from excess of expenditure over income. This unsound financial position is mostly due to low membership and low rate of membership fee. Trade Union Act, 1926, prescribed the membership fee at 25 paise per member per month. But the National Commission on Labour recommended for the increase of rate of membership subscription from 25 paise to Re. 1/- in the year 1990. But the Government did not accept this recommendation.

Reasons for the Financial Weakness of Trade Unions

Some of the reasons for the financial weakness of trade unions are

- One reason for this state of affairs may be that the workers are apathetic towards the trade unions and do not want to contribute out of their hard earned money. The National Commission on Labour observed that, union organisers generally do not claim anything higher nor do workers feel like contributing more because the services rendered by the unions do not deserve a higher fee.
- The members instead of making regular payment to the union, make ad hoc payment if a dispute arises which shows a lack of commitment to the union.
- Under conditions of multiplicity of union, a union interested in increasing its membership figures, usually keeps the subscription rate unduly low and does not collect even that subscription regularly.

Measures to Improve the Financial Position: The financial position of trade unions can be improved through:

- Increase in rate of membership subscription;

- Rise in size of membership;
- Regular collection of subscriptions, and;
- Collection of donations.

Category-wise Unions: Certain categories of employees particularly the skilled, view that their interests are not protected by the industrial unions. They argue that increasing complexity of the modern industry makes category wise unions essential to protect their interests. Hence, many categories of employees formed category-wise unions like Drivers Association in Indian Railways. But category-wise unions narrow down the trade union functions and weaken the bargaining power by disrupting the unity. Hence, National Commission on Labour recommended that the formation of Centre cum industry Unions and industry-wise national unions should be encouraged and tripartite, they should be developed into national federation.

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3. Pigou A.C., Economics of Welfare.
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4.12 ASSIGNMENTS

- Q. 1. Describe the Trade Union Movement in India.
- Q. 2. Discuss the Growth of Trade Unions in India after Independence.
- Q. 3. Discuss the organisational structure of Trade Unions.
- Q. 4. What do you mean by registration of Trade Unions? What are the advantages of their registration?
- Q. 5. Make comparison between Trade Unions in India and Trade Unions in England and U.S.A.
- Q. 6. What measures should be taken to strengthen Trade Unions in India?
- Q. 7. Discuss the problems of Trade Union Movement in India.

- Q. 8. What is Union Rivalry? How it affects Union's strength?
- Q. 9. Discuss the various reasons for the financial weakness of Trade Unions.
- Q. 10. Give suggestions to minimize Trade Union Rivalry.

LESSON-V

INDUSTRIAL DISPUTES

The industrial dispute is unrest in labour which expresses itself in many ways and forms. The most striking feature of the labour unrest expressed itself in the form of strikes or stoppage of work. As a result of strike the factories are closed down and this proves harmful both to employees and employers. In order to prevent such colossal waste the government tries to prevent or minimize the strikes. A strike by workers is followed by lock out by the industrialists. Both strike and lock out are manifestations of industrial conflict and tension between the employer and employees. Besides strikes, the unrest among labour may manifest itself in demonstrations taking out processions, enlisting support of politicians etc. Many political parties today are vying with each other to gain domination over labour movement and capture the control of trade unions.

5.1 MEANING OF INDUSTRIAL DISPUTE: The Industrial Disputes Act, 1947, defines an industrial dispute as any dispute or difference between employers and employers or between employees and employees, or between employers and employees, which is connected with the employment, or non-employment, or the terms of employment or with the conditions of work of any person" (Section 2-K).

5.2 FORMS OF INDUSTRIAL DISPUTES: The various forms of industrial disputes may be stated thus

Strikes:

A strike is a spontaneous and concerted withdrawal of labour from production temporarily. It is a collective stoppage of work by a group of workers for pressuring their employers to accept certain demands. Strikes are of several types.

a. Sympathetic strike: When a strike is undertaken to show sympathy with workers in other industries, it is called a sympathetic strike.

b. General Strike: It is a strike by all or most of the unions in a industry or a region.

c. Unofficial strike: It is a strike undertaken without the consent of the unions.

d. Sectional strike: It is the refusal of a section of a given class of workers to perform their normal duties.

e. Bumper strike: It is a strike when the unions plan to paralyse the industry, firm by firm, the order being chosen by the union. Such strikes are supported by the contribution of those who are still in work.

f. Sit down strike (also called stay-in, tool down, pen down strike): It is a strike in which workers cease to perform their duties but do not leave the place of work.

g. Slow down strike: Known as a go-slow tactic, the workers do not stop working but put breaks to the normal way of doing things.

h. Lightning strike: Out of provocation, workers may go on strike without notice or at very short notice. There is an element of surprise in such cat call strikes.

i. Hunger strike: To gain sympathy from the public and get noticed by the employer, workers may decide to forego food for a specified period. Small batches of workers may also go on a relay hunger strike in a sequential order. Such non-violent protests generally bring moral pressure on employers to iron out the differences with labour quickly.

Lock-outs: Lock-out is the counterpart of strike. It is the weapon available to the employer to close down the factory till the workers agree to resume work on the conditions laid down by the employer.

The Industrial Disputes Act of 1947 defined it as the closing of a place of an employment, or the suspension of work or the refusal of an employer to employ any number of persons employed by him. If it is impossible to meet the demands of the workers, employers may decide to go for lock out. He may also draw the shutters down so as to bring psychological pressure on the workers to agree to his conditions or face closure of the unit.

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

Picketing and Boycott: In picketing workers carry display signs, banners and play cards (in connection with the dispute) and prevent others from entering the place of work and persuade others to join the strike. Boycott aims at disrupting the normal functioning of an enterprise. Through forceful appeals and negative behavioural acts, striking workers prevent others from entering the place of work and persuade them not to cooperate with the employer.

5.3 CAUSES OF INDUSTRIAL DISPUTE : Some of the prominent causes of industrial disputes may be listed thus:

Employment: The list here includes disputes over wages, allowances, bonus, benefits, working conditions, unjust dismissals, retrenchment of workers, methods of job evaluation, changes in methods of production, non implementation of awards of tribunals, etc. The National Commission on Labour remarked though on a majority of occasions industrial disputes were based on claims

pertaining to the terms and conditions of employment, sometimes economic issues of a general character dominated and on occasions purely political motives .

Nationalisation: Workers protested against the introduction of rationalisation, automation, computerisation (e.g Bank unions oppose this move even now) on various occasions, fearing large-scale retrenchment.

Administration-related causes: These pertain to ill treatment, undeserved punishment, verbal abuse, physical assaults, etc.

Recognition: Disputes arose when employers failed to recognise a union as a bargaining agent.

Sympathetic strikes: Workers struck work in one plant/industry when they wanted to exhibit their solidarity with striking workers from another plant or industry

Psychological/social causes: On occasions, family, friends, community, environmental pressures and concerns also instigated the workers to take matters to the street.

Institutional causes: Disputes arose on account of institutional factors such as recognition of unions, membership of unions, scope of collective bargaining, unfair practices.

Political causes: Political leaders have used unions as powerful weapons to build tensions inside a plant industry with a view to satisfy their own private ends on a number of occasions, especially in unionised places like Mumbai, Ahmedabad, Kanpur, Calcutta, etc.

5.4. EFFECTS OF INDUSTRIAL DISPUTES ON PRODUCTION AND ECONOMIC DEVELOPMENT: Prof. Pigou has pointed out that when labour and equipment in the whole or any part of any industry are rendered idle by a strike or lock out, the national dividend must suffer in a way that it injures the economic welfare. The loss of output for which these disputes are responsible often extends much beyond the industry directly affected. The reason for

this is that a stoppage of work in an important industry, checks activity in other industries in two ways. On the other hand, by impoverishing the people actually involved in the stoppage, it lessens the demand for the goods, the other industries make, on the other hand if the industry in which the our Economics and Social Welfare stoppage has occurred is one that furnishes a commodity or service largely used in the conduct of other industries it lessens supply to them of raw material or equipment for their work. This effect will depend upon the nature of the commodity produced, but in some degree, all stop ages of work inflict an indirect injury upon the national dividend by the reactions they set up in other industries in addition to the direct injury that they carry in themselves. It is true that the net contraction of output consequent upon industrial disputes is generally smaller than the immediate contraction for a stoppage of work at one place may lead both to more work at the same time in rival establishments and to more work at latter time (in fulfilling delayed orders) in the establishment where the stoppage has occurred. It must be admitted also that on some occasions, the direct damage caused by strikes and lock outs is partly compensated by the stimulus indirectly given to improvements in machinery and in the organisations of work. On a broad view, however, this hypothetical gain is altogether outweighed by the certain loss of production in the industries directly affected and in related industries the raw material of which is cut off, or the product of which cannot be worked up into its final stage. Moreover, there may be lasting injury to the work people, industrial carriers interrupted, a load of debt contracted to meet the temporary emergency and permanent damage to their children s health through the enforced period of insufficient nourishment. The extent of these evils varies, of course, partly with the degree to which the commodity, whose production is stopped, is consumed by the poorer classes and partly with its importance's for life, health security and order. But in any event, the aggregate damage with which industrial disputes threaten

the national dividend is very grave. Hence, the eagerness of the social reformers to build up and fortify the machinery of industrial peace.

5.5 PREVENTION OF DISPUTES: Prevention is always better than cure and, therefore, we first discuss those methods, which are helpful in the prevention of disputes and the promotion of good labour management relations. These measures can be classified under the following heads.

JOINT CONSULTATIONS

As stated above joint consultation has assumed two forms in India (a) work committees, and (b) joint management councils.

a) Works Committees: The Royal Commission on Labour suggested three ways to stabilise the industrial relationship. The first was to encourage the development of stable trade unions with access to those responsible for management. The second was the appointment of labour officers in undertakings to look after the welfare of the workers. The third was the organisation of work committees in industrial establishments. The Commission insisted upon the importance of works committees as an internal machinery for the prevention and settlement of industrial disputes. The usefulness of works committees as a channel of joint consultation and the need for promoting and strengthening this institution was stressed in the labour policy statements in the successive plans. Section 3(1) and (2) of the Industrial Disputes Act, 1947, also provides for the setting up of a works committee consisting of representatives of management and employees, in every undertaking employing 100 or more workmen, to promote measures for securing and preserving amity and good relations between the employer and workmen and that end, to comment upon matters of their common interest or concern and endeavour to compose any material difference of opinion in respect of such matters. Thus, their main purpose is to discuss day to day affairs in a cordial atmosphere of mutual goodwill

and friendship in the premises of the factories, not as two contesting parties before a conciliator but as two friends meeting and discussing things with a view to settle and compose their differences amicably and quickly. The representatives of the workmen, whose number shall not be less than the number of representatives of the employer, are to be chosen from among the workmen engaged in the establishment and in consultation with their registered trade union, if any.

b) Joint Committees or Joint Management Councils: The origin of the Joint Management Councils is found in the Government's Industrial Policy Resolution, April 1956, which states, "In a socialist democracy, labour is a partner in the common task of development and should participate in it with enthusiasm. There should be joint consultation, and workers and technicians should, wherever possible, be associated progressively in management. Enterprises in the public sector have to set an example in this respect." When the Second Plan was published, the working of arrangements similar to the Joint Management Councils (JMCs) within the country was almost unknown. International experience, which could be relied upon was also inadequate. Hence, "a Study Team was appointed to study the working of Workers Participation in Management" in some European countries. The team recommended a non statutory approach, and that too, on experimental basis. The 15th Session on Indian Labour Conference (ILC), accepted the recommendation of the team and appointed tripartite committee to work details of the suggested experimental scheme. The present scheme of Joint Management Councils (JMCs) is based on the draft prepared by this committee, as subsequently modified by two tripartite national seminars on the subject held in 1958 and 1960.

Objectives: The main objectives of the Joint Management Councils are as follows

- To promote cordial relations between management and worker.

- To affect substantial increase in productivity.
- To secure better welfare and other facilities for workers and train them to understand and share the responsibilities of management.

Code of Discipline: Discipline may be defined as a method of regulating principles and practice. It is an attitude of mind and requires, apart from legislative sanctions, persuasion on a moral plane. Several events before the Second Five Year Plan, such as inadequacy of Governmental machinery for the implementation of awards in the factories, instances of non observance of awards on the side of employers and in-discipline among workers, all contributed to the following statement in the Second five Year Plan. While the observance of stricter discipline, both on the part of the labour and management, is a matter which cannot be imposed by legislation, it has to be achieved by organisations of employers and workers by evolving suitable sanctions on their own—some steps, legislative or otherwise in case of rank indiscipline require to be thought of.

The Government which was formed in 1957 shifted the emphasis from legislation to voluntary arrangements. There was clearly a need for bringing home to the parties-Government, employers and workers an awareness of their obligations under labour laws, as also to create in them an attitude of willing, acceptance of their responsibilities and readiness to discharge them. It was in this context that the question of discipline in industry was discussed in the Indian Labour Conferences and the Code of Discipline, the code laying down the rights and obligations on all sides came to formally announced in June 1958.

Working of Code of Discipline: The working of the code of discipline came up for discussion in every tripartite forum as also in the Annual Report of the Ministry of Labour and Employment. In this context, the National Commission on Labour observed that, the code has had a limited success as also a limited use. The code began

acquiring rust and the partners were none too eager to take it off they developed an attitude of indifference. It is, thus, obvious that the code has not made a very significant progress in establishing industrial peace. But, here it should also be stated that the fact parties got together and openly accepted the need for the stricter adherence to certain basic propositions was itself an achievement. Thus, to measure the success or otherwise of the code merely with reference to industrial peace, as has been attempted in certain circles appear to be inappropriate. Peace and conflict is a complex of various factors. As for example, the inflationary price tends, the state of unemployment and other irritation's in economic system, as indeed the unfavourable attitude of some employers' and workers' organisations may adversely affect the industrial harmony.

Recommendations of National Commission on Labour: The Commission recommended that the important provisions regarding recognition of unions, grievance procedure and unfair labour practices and the like should be given legal form. These are as follows:

- Recognition of a union as bargaining agents;
- Setting up of grievance machinery in an undertaking;
- Prohibitions of strike, lock out without notices;
- Penalties for unfair labour practices;
- Provisions of voluntary arbitration.

GRIEVANCE PROCEDURE:

Necessity of Grievance Procedure: It is an undoubted fact that prompt redressal of individual grievances is essential for sustaining good relations between labour and management, and promoting efficiency at the plant level. Absence of machinery for the redressal of such grievances leads to small grievances developing into collective disputes. Such grievances, for example, may relate to the working condition of one of more individual workers. It should,

however, be noted that the enactment of the Industrial Employment (Standing Orders) Act, 1946, did not receive much attention in the legislative framework for the settlement of industrial disputes. The Act has, however, limited applicability, it applies only to those establishments employing hundred or more workers and does not provide for bipartite discussion or for prompt redressal grievances. Welfare officers appointed under the Factories Act, 1948 are generally given the task of dealing with individual complaints of workers. However, individual disputes relating to discharge, dismissal and retrenchment can now be taken up for relief under the Industrial Disputes Act, 1947, after the amendment to it in 1965. Thus, standing orders (Industrial Employment Act, 1946), and labour welfare officers appointed under the Factories Act of 1948, provide provision for the bipartite arrangements for redressal of grievances of workers. Thus, the National Commission on Labour said that whatever be the legal provision, bipartite arrangements for redressal of grievances do exist over wide area of organised employment. But the Commission further pointed out that in some cases where Industrial Employment (Standing Orders) Act, 1946 was applicable, its implementation is reported to be defective. Similarly, under the Factories Act of 1948, the State Governments have framed rules requiring labour welfare officers to ensure settlement of grievances, but this provision has not been helpful because of the dual role of these officers. Hence, it was realised that there should be a well-defined procedure for the prompt redressal of the grievances of workers. The need of such a procedure has also been emphasised in one of the clauses of Code of Discipline. Realising the shortcomings of the existing machinery for the redressal of workers grievances, the Ministry of Labour and Employment placed the subject on the agenda of the 15th Session of Indian Labour Conference, held in July 1957. The conference decided that this matter may be considered by a sub-committee. The meeting of the sub committee

was held in March 1958, in which the Model Grievance Procedure for the adoption by the parties was settled.

Disciplinary Procedure: The right to hire and fire has been urged by employers as remedy for improving industrial discipline. The right to hire belongs to them, but the other right has, in recent years, been circumscribed. The employer's view is that, they should not be forced to take back a dismissed worker, but instead of it, they should have the option to pay compensation. On the other hand, workers have urged that in a labour surplus economy, they should not be placed in a position where their right to work can be brought off by the employer through compensation. They also apprehend that the claim will be used by the employer to get rid of active union workers.

Recommendations of National Commission on Labour: The National Commission on Labour recommended that the bill as it stands should be enacted without delay. To make the procedure more effective, the following provisions should be made

- In the domestic inquiry, the aggrieved worker should have the right to be represented by an executive of the recognised union or workman of his choice.
- Record of the domestic inquiry should be made in a language understood by the aggrieved employee or his union. A copy of the record should be supplied to him.
- The domestic inquiry should be completed within a prescribed period which should be necessarily short.
- Appeal against the employer's order of dismissal should be filed within a prescribed period, and
- The workers should be entitled to a subsistence allowance during the period of suspension, as per agreement in the tripartite.

Disciplinary procedure for misconduct leading to discharge dismissal causes dissatisfaction among workers in country where employment opportunities are considered by the employers as undue interference in the

5.5 IMPROVEMENT IN THE ECONOMIC CONDITIONS OF WORKERS: It has already been pointed out that generally the economic causes and especially the question of wages, retrenchment and victimisation are responsible for industrial disputes. Therefore, it has been argued that best way to prevent disputes is to remove the very cause which gives rise to these disputes. Hence, it is suggested that wages of the workers should increase with the increase in price, a minimum wage should be fixed, scheme of profit sharing should be introduced. Besides, improvement in the conditions of service and employment, reduction in the hours of work, provision of social insurance, protecting the workers against the hardships of unemployment, sickness, old age, accident and other contingencies of life are also needed. Provision for the welfare activities for their children, provision of educational facilities for their children, provision of good housing conditions would definitely be helpful in the prevention of industrial disputes.

It is however, a controversial issue, the socialists and communists believe that under the capitalistic economy, conflicts between labour and capital cannot be avoided. It is because of this reason that the Industrial Disputes in U.S.A. and U.K. occur even now, when the economic conditions of these workers is better than most of the countries of the world. On the other hand, it has also been argued that, why there is discontentment among the workers in countries like U.S.S.R and China where there is no capitalistic economy. We, however, believe that industrial disputes are the product of large-scale industries, and firmly believe that improvement in economic conditions of the workers will also be helpful in preventing the industrial disputes.

5.6. SETTLEMENT OF INDUSTRIAL DISPUTE: The following approaches and measures are used for the settlement of disputes in industry.

Conciliation: Conciliation is the process by which representatives of workers and employers are brought together before a third party with a view to persuade them to arrive at an agreement through mutual discussion between them. It involves friendly intervention of a neutral person or group of persons to help the parties to settle their dispute peacefully. According to the ILO, conciliation is the practice by which the services of a neutral third party are used in a dispute as a means of helping the disputing parties to reduce the extent of their differences and to arrive at an amicable settlement or agreed solution. It is a process of rational and orderly discussion of differences between the parties to a dispute under the guidance of a conciliator . Conciliation is in a way the extension of collective bargaining with third party assistance.

Arbitration : Arbitration is a process in which a neutral third party listens to the disputing parties, gathers information and then takes a decision which is binding on both the parties. In comparison with conciliation which involves compromise, arbitration is a quasi judicial process. The conciliator simply assists the parties to come to a settlement whereas an arbitrator listens both the parties and then gives his judgement. Arbitration has many advantages (a) it is established by the parties themselves and, therefore, they have a greater faith in it (b) the process is relatively expeditious and results in prompt settlement of differences (c) it is informal and flexible in nature (d) it is not very expensive because parties can directly present their case without a lawyer; and (e) it is based on mutual consent of the parties and, therefore, helps in building healthy industrial relations.

Adjudication: Adjudication is the ultimate legal remedy for the settlement of industrial disputes. Adjudication means intervention of

a legal authority appointed by the Government to make a settlement which is binding on the parties.

Courts of Inquiry: The appropriate Government may, by notification in the Official gazette, constitute a Court of Inquiry for inquiring into any matter appearing to be connected with or relevant to an industrial dispute. A Court of Inquiry may consist of one independent person or of such number of independent persons as the appropriate Government may think fit. A Court of Inquiry has the same powers as are vested in civil Court. Every inquiry or investigation by a Court shall be deemed to be a judicial proceeding. It is the duty of the Court of Inquiry to inquire into the matters referred to it and submit its report to the appropriate Government within six months from the commencement of the inquiry.

The Industrial Disputes Act provides for a three-tier system of adjudication

Labour Courts: The appropriate Government may, by notification in the Official Gazette, constitute one or more Labour Court for adjudication of industrial disputes relating to the following matters

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

Industrial Tribunal: The appropriate Government may, by notification in the Official Gazette constitute one or more Industrial Tribunals for the adjudication of industrial disputes relating to the following matters

- Wages, including the period and mode of payment
- Compensatory and other allowances
- Hours of work and rest intervals
- Leave with wages and holidays
- Bonus, profit sharing, provident fund and gratuity
- Shift working otherwise than in accordance with standing orders
- Classification by grades,
- Rules of discipline
- Rationalisation
- Retrenchment of workmen and closure of establishment
- Any other matter that may be prescribed.

National Tribunal: The Central Government may by notification in the Official Gazette, constitute one or more National Industrial Tribunals for the adjudication of industrial disputes:

- involving questions of national importance; or
- which are of such a nature that industries in more than one State are likely to be interested in, or affected by, such disputes.

5.7. INDUSTRIAL DISPUTES LEGISLATION IN INDIA:

Trade Disputes Act, 1929: State intervention in the settlement of disputes started with the Trade Disputes Act, 1929. The Act vested in Government with powers, which could be used when it considered fit to intervene in Industrial Disputes. It provided for only adhoc conciliation boards and court of inquiry. The Act was amended in 1938, which authorised the Central Government and Provincial Government to appoint conciliation officers of mediating in or promoting the settlement of disputes. The Act, however, was not

used extensively, as the Government policy at that time continued to be one of laissez-faire and selective intervention at the most. Where the Government intervened, the procedure consisted of appointing an authority which would investigate into the disputes and make suggestion to the parties for settlement or allow the public to reach on its merits, on the basis of independent assessment.

Provincial Legislation: While this was the position in the country as a whole, a more purposeful intervention in industrial disputes was attempted in one of the industrial advanced provinces -The Bombay Presidency.

The Bombay Trade Dispute (Conciliation) Act, 1934, introduced for the first time a standing machinery enable the State to promote industrial peace. The provision was made for a permanent Carder of conciliators for settling matters, which fell within the jurisdiction of the Act. The scope of the Act was, however, limited to selected industries. The experience of the working of the Act, though limited in selected sphere, led to the enactment of the Bombay Industrial Disputes Act, 1938 (BID Act). The important provisions of this Act have been given as follows

- Compulsory recognition of the unions by the employers.
- Giving the right to workers to get their case represented either through a representative union.
- Certification of standing orders which would define the conditions of employment and make them known to the workers.
- The setting up of an industrial court with original as well as appellate jurisdiction to which parties could go for arbitration in case they fail to settle their disputes through conciliation.
- Prohibition of strike/lock-out under certain conditions.

The Industrial Disputes Act, 1947 : In March 1947, the Industrial Disputes Act providing machinery for the settlement of disputes

through conciliation and adjudication was passed. Under this Act, as strike or lock out undertaken in public utility service without fourteen days notice or six weeks after such notice strike, and during the pendency of conciliation proceedings before a conciliation officer and seven days after the conciliation proceedings was declared illegal.

This Act made provisions to introduce industrial tribunals, which were to be appointed by the Central and State Governments. But no bases for co-ordination or guiding principles were laid down. The result was that different state appointed tribunals, the awards of which ran counter to each other. Sometimes, various tribunals gave varying decisions. To ride over the muddles or confusions created by lack of uniformity in different States, the Government of India passed the industrial Disputes (Appellate Tribunal) Act of 1950. In this way the Central Government thought of a way out by creating a Central Appellate Tribunal. The Government tried to bring uniformity in awards throughout the country, and to curb the over zealous spirit of the original industrial courts.

It was then replaced by the Industrial (Amendment and Miscellaneous Provision) Act, 1956, in spite of the fact that Appellate Tribunal did bring about a good deal of uniformity.

Under the Act of 1956, the Appellate Tribunal was abolished, and in place of it, a three-tier system of tribunals has been substituted which consists of labour courts, industrial tribunals and national tribunals. If the dispute is of minor importance, labour courts adjudicate upon them. If the dispute relates to major issues, for example wages, allowances, hours of work, leave, holidays and bonus, it falls within the jurisdiction of industrial tribunals. For disputes involving questions of national importance of affecting establishments situated in more than one State, the Central Government can constitute the national tribunals. Beside, the adjudication machinery, the Act provides for voluntary reference of

disputes to arbitration by the employer and the workmen by a written agreement.

5.8. Labour co-partnership: Under this scheme, workers are represented on the board of management and they also receive a share of the profits of the concern. Thus, it implies control sharing and profit sharing. Under this scheme, the workers by investing the amounts he has received through the bonus scheme or profit sharing scheme into shares of the concern, becomes proprietor as well as shares in the profits. It is believed that the employee on becoming a shareholder is encouraged to consider the view point of company better. The arguments against this system are that it is dangerous for a worker to invest all his savings in one concern in which he is working. If the company fails, he loses both his job as well as his savings. It is also stated that the worker can not have an effective voice in the management as his investment in shares and his voting power are very minor.

Advantages of Co-partnership

- Worker's income is supplemented by dividends. In the beginning, it may not be very alluring but when some more shares are owned by a worker his interest goes on increasing.
- It promotes mutuality of interest between employees and the employer. The employer is encouraged to consider the view point of a share holder. He is also led to read company literature sent to him as a part of owner, which he would probably ignore as an employee.
- It also promotes thrift, efficiency and security on the part of employees since the employees feel that they are not merely servants but master also, the stake in company profit and loss is a great motivating force towards increased efficiency.
- The management also gains because of better co operation, lesser supervision, reduced labour turnover, improved

industrial relations, better understanding on the part of workers, elimination of waste and better efficiency, as well as due to easier and cheaper financing of the company. Thus, the whole economic, psychological and social atmosphere of the company is more congenial for progress and prosperity of the company.

- They get an opportunity to participate in company meetings and sometimes, in company management and control. This improves co-operation, co-ordination and control and raises the status of the employees in the mind of management. ,

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5.10 ASSIGNMENTS

- Q. 1. Define Industrial Dispute. Give its salient features.
- Q. 2. What are the various forms of Industrial Dispute? Explain.
- Q. 3. Discuss the various causes of Industrial Dispute.
- Q. 4. Discuss the different measures for the prevention of Industrial Dispute.
- Q. 5. What is Grievance Procedure? How Grievance Procedure can be made effective?
- Q. 6. What is Disciplinary Procedure? Mention the recommendation of National Commission on Labour in this regard.
- Q. 7. How Industrial Dispute will be settled? Describe the various measures to settle Industrial Dispute.
- Q. 8. Differentiate between Arbitration and Adjudication.
- Q. 9. Describe the three-tier system of Adjudication.
- Q. 10. Discuss in detail the Industrial Dispute Act, 1947.

LESSON – VI

PREVENTION AND SETTLEMENTS OF INDUSTRIAL DISPUTE IN INDIA

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

1918-1920

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

1921-1928

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

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

1929-1939

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

1939-1945

- Sep 1939, war broke out inflation and rising prices, high cost of living, low purchasing power of workers.
- Disputes rose from 322 in 1940 to 694 in 1942. Between 1939-1945,4000 strikes led to a loss of 315 million man days.
- A large number of strikes revolved around the issue of dearness allowance.
- In 1940,1,75,000 Bombay textile workers struck work for over 40 days.
- Defence of India Rules framed, paving the way for compulsory adjudication on disputes and prohibiting strikes during the

court proceedings. 1942-1946 was relatively free from large-scale strikes/lockouts.

1940-1947

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

Post Independence 1947-1974 :

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

Post Emergency 1975-1990: During the Emergency period (1975-1977) the number of disputes fell sharply. However, during this period lock-outs affected the industrial relations scene badly. The suppressed feelings of helplessness and frustration found outlet after the emergency was lifted. Datta Samant emerged as a strong trade union leader in Bombay. In Jan 1982, largest textile strike involving 2.5 lakh workers from over 60 mills was organised causing a loss of over Rs 500 crores to workers and mill owners. Production loss was

estimated over Rs 2,000 crores. Several mills were closed. The strike had sad end. .

Post liberalisation 1990-1995

- After liberalisation (1990 onwards) the clout of unions reduced drastically. Strikes organised by Rajan Nair, Chand Bibi, Dhunji Neterwala did not yield major benefits to workers. Dutta samant led agitation in Premier Automobiles Ltd. failed miserably.
- A steady reduction in the number of strikes is discernible. From 1810 strikes recorded in 1991 the figure came down to 1393 in 1993. Just 252 strikes have been recorded in the first half of 1996. In 1991, 12.42 million man days were lost due to strikes and 14.00 million due to lockouts. In 1993 the numbers between the two stood at 5.61 million and 14.68 million days.

6.2. INDUSTRIAL DISPUTES AND PREVENTIVE MACHINERY: The methods for prevention of industrial disputes are explained below:

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

Joint Consultations: To prevent industrial disputes two ways of joint consultations are adopted-Works committees and Joint management councils.

Works Committees: As per the provisions of the Industrial Disputes Act, 1947, works committees have to be set up in all those industrial units which employ 100 or more persons and are composed

of an equal number of employers and employees representatives. The committees are given the responsibility of removing the causes of friction between labour and management in the day to day functioning of a unit. A works committee is a purely consultative body and not a negotiating body. The committee offers:

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

A number of issues come under the purview of works committees like wages, benefits, bonus, hours of work, terms and conditions of employment, welfare measures, training, transfers, etc. The Tata Iron and Steel Company (TISCO, Jamshedpur) was the first to create a works committee way back in 1920. Till the end of Second World War, employers have not realised the importance of works committees and as a result, very few works committees came into existence. The Industrial Disputes Act, 1947, legalised the establishment of works committees at the plant level. Though a large number of committees were established in the central sphere, only 530 committees were operational at the end of 1987 (in 1952, 2075 works committees were in existence) and brokers exploit the workers against the employees to grind their own axe. The best means of resolving this problem is to establish direct contact between the employees and employers.

Conciliation Boards: A modern method of reducing industrial tension and conflicts is the establishment of Conciliation Boards. Such Boards are constituted by persons nominated by workers, employers and Government. Whenever there is some point of dispute between workers and employers the matter is referred to these Boards. They try to resolve the dispute and the finding common ground between the points of view of workers and employers. Such Boards have already been established all over India. In India the Chief Labour Commissioner and in the states the Labour Commissioners head such Boards.

Joint Committees: Another method usually employed to resolve disputes among employers and workers is to set up Joint Committees consisting of the representatives of employers, workers and public. These committees meet from time to time and try to remove misunderstandings between the workers and employers. Such Joint Committees were established in 1957 and now their number is above 145.

Tripartite Committees: As the word tripartite implies, these committees are composed of labour experts besides the nominees of the employers and workers. These persons try to sort out amicably the various misunderstandings and disputes which crop up from time to time.

Labour Courts. Sometimes, the disputes between workers and employers cannot be amicably resolved by any of the above mentioned committees or the Conciliation Board. In order to decide such complex issues, government has set up labour courts which decide the issues according to law. In India the Chief Labour Court is in Dhanbad. In Delhi, Dhanbad and Mumbai there is one Industrial Tribunal each.

Industrial truce. Under emergency conditions governments can declare industrial truce for a specified period. During this period

there can be no strike or lock-outs or any other form of agitation. By the above-mentioned means an attempt is made to settle industrial disputes. However, the conditions are still not very satisfactory. The government of India has enacted many laws to improve the condition of workers. In 1881, 1891, 1911, 1922, 1934 and 1943 government made factory laws and in 1923 and 1952 it enacted laws regarding workers in the mining industry. In 1951, a law was passed governing the conditions of work of workers working in orchards. In 1923, Shipping law was enacted; this was modified in 1942 and 1951. In 1948, an Act was passed to improve the working conditions of P & T workers. Besides the above central legislations, the States have also passed many laws protecting the interests of workers in shop establishments etc.

In spite of the above measures, the condition of workers is not satisfactory, because by money and prestige the employers are able to exploit workers in numerous ways without attracting the provisions of law. In spite of Compensation Act 1923, the workers do not receive adequate compensation. There are apparently many improvements made by employers but in fact, conditions remain more or less as before.

6.3. METHODS FOR THE SETTLEMENT OF INDUSTRIAL DISPUTES IN INDIA

1. Negotiation : Negotiation, conciliation, mediation and arbitration are the four methods used for settlement of industrial disputes in India. While the last three are based upon the participation by outsiders, negotiation presupposes the existence of two parties to a dispute eager to negotiate and settle mutually. There is no scope for third party intervention. It relies only bipartite dialogue. Thus, through negotiation both parties (representatives of labour and employer) may arrive at mutually settled agreement. An agreement arrived at through negotiation or discussion between the

representatives of both and a party that is through collective bargaining may be a treaty, a code, and, in some respects a contract. As a treaty, it aims at reduction of disputes. It states conditions under which work is offered and accepted, and it is supported by detailed codes for performance of that task. However, problems arise only when the negotiating machinery breaks down in practice and the issue continue to be unresolved.

Nature and Purposes: The agreement has more flexibility than laying down contract. It imposes no obligation upon an employer to offer work or upon a workingmen to accept it. It may cover a single shop and a handful of employers in it, or it may take in entire industries and apply directly to scores of thousands of workers. But whatever form it takes, no matter, what is its length or completeness of coverage, the purpose of a collective bargaining agreement is, "to establish and maintain wages, hours, and working conditions for the work covered by this agreement to prevent; to ensure the peaceful adjustment and settlement of any and all grievances, disputes or differences that may arise". An agreement, usually establishes wage rates, hours of work, working conditions and service conditions. It lays down the grievance procedure and whether dispute arising out of it may be submitted to arbitration, it specifies its own duration and the ways and means of renegotiation. Some agreements are standardised documents prepared by the international union which establishes more or less uniform conditions throughout an industry. But most agreements are as individual as finger prints almost every item is a product of give and take negotiation, reflective of union pressure and employer's resistance.

Negotiations in India: Collective agreements are the results of negotiations between the representatives of the employer's association and trade unions. These agreements can be made on matters like rate wages, hours of work, holidays with pay and the

disciplinary procedure etc. In short, they may relate to working and service conditions.

In India, collective agreements were not common in the past. The Royal Commission on Labour found that the only attempt made to set up machinery for regulating the relations between a group of employers and their work-people was at Ahmedabad. However, the situation has changed since independence, the trade unions have been growing and agreements with employers have become more common. A sample study made by Employers Federation of India for the years 1956-60 reveals that the number of disputes settled by collective agreements during the period in question varied between 32 per cent and 49 per cent in the unions studied. Broadly, the agreements are of the following types .

- (i) Agreements which have been drawn-up after direct negotiations between the parties are purely voluntary in character for the purpose of their implementation;
- (ii) Agreements which combine the elements of voluntariness and compulsion i.e. those negotiated by the parties but registered before a conciliator as settlements and
- (iii) Agreements which acquire legal status because of successful discussion between the parties when the matters in dispute were under reference to industrial tribunals/courts and could be considered subjudice, the agreements reached being recorded by the tribunals courts as award.

In this respect, it may be mentioned here that, this is the most welcoming trend and provides a healthy climate for industrial piece. The changing attitude of the employers and the emergence of a new generation of employers and workers have also helped. Legal measures, inspite of their limitations, have lent as much support to collective agreements as joint consultations in bipartite and tripartite

meetings at the national and industrial levels. Most of the collective agreements have been at the plant level, though in important textile centres like Bombay and Ahmedabad, industry level agreement have been common. These have a legal sanction under the state Act and have to be distinguished from others where no statutory sanction prevails, such agreements are also to be found in the plantation industry and in the coal industry. Apart from these, in new industries like chemicals, petroleum, oil refining and distribution, aluminum, manufacture of electrical and other equipment and automobile repairing arrangements for settlement of disputes through voluntary agreements have become common in recent years. In ports and docks collective agreements have been the rule at individual centres. On certain matters affecting all parts, all India agreements have been reached.

6.4. CONCILIATION AND MEDIATION

Necessity: The absence of permanently constituted organs of negotiations and its creation when a conflict is threatened does not solve the dispute effectively in the world of industry. Moreover, a temporary phase only provides hostility to bargaining. It deprives the employers and the employees of a feeling of partnership in a joint venture. The values of organisation and work get jeopardised due to the inability of the parties in conflict to avoid extreme action. To avoid the shock in adjustment and working jointly in a cordial atmosphere necessitate the help of outsiders in negotiation. Thus, conciliation and mediation are the methods of setting industrial disputes with the help of an outsider. It is considered necessary when mutual negotiations breaks down and issues remain unresolved.

Meaning of Conciliation and Mediation : Agreements are arrived at mutually by an intermediary who either mediates or conciliates. Conciliation is a method or a process which brings together the representatives of workers and employers before a conciliator (a

third person or group of persons). The main objectives is to help mutual discussion and persuasion in order to come to an agreement, thus, conciliation is usually employed when management and labour are in dead-lock in negotiating a trade agreement. In conciliation both parties look towards the conciliators with the intention that he should help us to agree. The conciliator's aim is to reconcile the parties by bringing them to an agreement which is very much similar to that of the mediator. He offers his advice and suggests ways of resolving the controversy. The parties may or may not accept his recommendations but once they accept them, they become legally bound by them. Again, the aim of the conciliator is to break the dead-lock, if any, explain the stand and view points of one party to the other, convey messages and generally keep the negotiation going. Suggestions may come from the conciliator or the mediator, but the parties are free to accept or reject them. It is the parties who ultimately decide the issues. They may come to an agreement or they may not. These are the methods, which are primarily based on the principles of collective bargaining. Mediator helps the parties at their initiation or at least with the consent of both parties, but it is not necessary in conciliation. It is a passive act of intervention by a third party, i.e. the mediator. A mediator does not impose his will or judgement upon the disputants but helps the parties to agree and reach a final decision of their own making. Thus, mediation by an outsider helps the parties towards positive settlement of a dispute without imposing any personal will or judgement. A compromise formula is suggested by the mediator with a view to bring about voluntary agreement between the parties. But the parties may or may not accept it. Thus, a mediator plays a more positive role by assessing the views and interest of the parties in dispute and by advancing suggestion for compromise for their consideration. Conciliation and mediation are similar in that neither is compulsory nor judicial. The mediator has been described as a confidential adviser and an industrial diplomat. His chief function is to help the

two sides to come to an agreement of their own accord, he does not impose his will or judgement but helps the parties to reach to an agreement. Thus, it is very much similar to conciliation. Hence, the term conciliation is often used for the method which would be more properly described as mediation. Obviously, the objective of conciliation and mediation is the same that is to avert an impending rupture between the disputants or if the rupture has already taken place, to bring them disputants as soon as possible without resorting to arbitration. It should, however, be noted that conciliation is based on mutual negotiation while mediation is based on negotiation through the third party. There is intervention of third party both in conciliation and mediation but the conciliator is more active and more intervening than the mediator.

Compulsory Conciliation: Conciliation or mediation may be compulsory or voluntary. Under compulsory conciliation, before a strike or lock out is declared, the dispute must be compulsorily to the conciliation or mediation boards. It denotes the settlements of dispute between parties by an outsider who makes an estimate of the feelings of the parties and persuades them to come to an agreement. He may also give his advice and suggest ways to come to an agreement. However, it is not essential that an award be made or the recommendation of the award be binding. Thus, state imposes an obligation on the parties to submit their dispute to the conciliation board and makes it a duty of the latter to seek to conciliate dispute. The state requires the parties to refrain from causing and work stoppage so long as the conciliation proceeding is going on . Generally, time limit is fixed to complete the conciliating proceedings. There are three main reasons for prohibiting the parties from causing work stoppage and imposing time limit. In the first place, it is felt that during the period of conciliation the emotional tension may subside and a settlement can be arrived at, secondly, the parties concerned should not be deprived of the privilege of settling

their disputes for a long period even by causing work stoppages. Thirdly, it is argued that, if conciliation does not achieve an early breakthrough, it is not very likely to succeed later. If the parties fail to settle their dispute, they are free to go on a strike or lock out, but the state may further persuade the parties and use other methods for bringing about a peaceful settlement of disputes.

Voluntary Conciliation: Under this method, the states set up a conciliation machinery consisting of persons in the art of conciliation. The service of the machinery is always available to the disputants. Voluntary conciliation is grounded upon the free-will of the parties agreeing of their own accord to find a way out. This system means bringing of the parties together to enable them to discuss mutually and agree with or without state aid having no sense of compulsion provided by law or otherwise.

6.5. CONCILIATION IN INDIA: The possibilities of conciliation, as a method of settlement of industrial disputes, were examined by the committees appointed by the Governments of Bengal and Bombay as early as 1921. The statutory provision, for the appointment of courts of enquiry and Boards of conciliation to affect amicable settlement of industrial disputes, was first made in the Trade Disputes Act of 1929. In 1934, the Bombay Trade Disputes Conciliation Act was enacted and in 1938, it was replaced by a more comprehensive Act, the Bombay Industrial Disputes Act, 1938. This Act provided for compulsory conciliation of disputes. In 1942, the Central Government, passed certain ordinances to prohibit strikes and lock outs and to refer any dispute of conciliation or adjudication.

Then in 1947, the Government of India passed the Industrial Disputes Act, subsequently, the States also took legislation in this respect.

6.6. ARBITRATION: Arbitration is the means of securing a definite judgement or award for any controversial issue by referring it to a third party. It may imply the existence of an authority set apart to adjudicate on industrial disputes under recognised conditions. Arbitration is by mutual consent of the parties. When the Government decides to refer a case to a Labour Court of Industrial Tribunal, it is called adjudication. Thus, compulsory arbitration is referred to be as adjudication. Arbitration involves the exercise of authority to bring about an Agreement or to help the process of settlement by adjudicating on industrial disputes. The, arbitrator has powers to probe and in the process becomes acquainted with the facts of the industrial situation. Arbitration in industry shares several common features with conciliation and mediation. Just like conciliation and mediation, there is also intervention of third party. It can either be voluntary or compulsory like conciliation and mediation. The noted distinction between arbitration and conciliation is that in the former the decision is binding on the parties while in the case of later the parties may or may not accept the decision. Arbitration is characterised by a different approach than conciliation and mediation. Arbitration procedure is more of judicial nature and the award has the resemblance of a court's judgement. The arbitrator has his own decision and does not care for the recommendations of the parties. The procedure of conciliation is not of judicial nature and the conciliator persuades the parties towards positive settlement of dispute without imposing any personal will or judgement.

METHODS OF ARBITRATION:

Voluntary Arbitration: The arbitration can either be voluntary or compulsory, Arbitration is voluntary, if the parties, having failed to settle their differences by negotiation agree to submit their cases to arbitrator whose decision they agree to accept. Arbitration is voluntary in the sense that the disputants are free to give their

consent or to refuse to submit their differences to the decision of the arbitrator. Hence, the fundamental character of voluntary arbitration is the voluntary submission of cases to an arbitrator, and, therefore, it, does not necessitate the subsequent attendance, of witness, investigation and enforcement of awards may not be necessary, because, there is no compulsion. Under voluntary arbitration, it is not necessary that there may be an arbitration agreement or arbitration clause. The former refers to the arrangement for submission of certain types of disputes while the later is concerned with the disputes to occur in future.

Compulsory arbitration or adjudication means, when the Government decides to refer the dispute to arbitration and for the parties to abide by the award of the arbitrator and at the same time prohibit the parties from causing work stoppages. The main idea behind the imposition of compulsory arbitration is to maintain industrial peace by requiring the parties to refrain from causing work stoppages and providing a way for settling the dispute.

Compulsory Arbitration: Where parties fail to arrive at a settlement by the voluntary method, recourse is taken to compulsory arbitration. Arbitration is compulsory when parties to the dispute are compelled to submit their cases to an outside person, board or court and the decision of such agencies is binding upon them. Thus, arbitration when compulsory follows statutory action and necessitates the submission of case by parties to an arbitrator. Generally, when the parties fail to arrive at a settlement by voluntary methods, the Government under statutory provisions refer the case to an authority for adjudication and enforces its award on the parties. Hence, adjudication is a form of arbitration, which implies compulsory arbitration. The rules and procedures of arbitration are similar to those commonly followed in courts of law. Thus, compulsory arbitration implies compulsory attendance of

witnesses, compulsory powers of investigation and compulsory enforcement of awards, with penalties for breaches of these awards.

6.7. ARBITRATION IN INDIA: It has already been stated that arbitration is provided by those countries which have provided for conciliation. The procedure is used after the failure of conciliation. Arbitration is the means of securing a definite award on any controversial issue by referring it to a third party. Arbitration may be either voluntary or compulsory. Voluntary arbitration implies that the two parties, unable to settle their differences between themselves, agree to submit their cases to an arbitrator whose decision they agree to accept. Compulsory arbitration on the other hand, implies that parties must submit their cases to an arbitrator for the settlement of their differences and are bound to accept the award. The history of arbitration in this country may be traced back to the early part of the twentieth century. There was no possibility of negotiations between the employers and the workers in regard to the strikes and other industrial disputes due to lack of trade union organisations, sound leadership and absence of reliance on organised strength. These factors were equally responsible for the retarded growth of arbitration. The World War of 1914, was an eye opener to the working class and the government. The workers came to realise that collective action was essential for gaining and preserving strength and for finding out ways of settlement. The government also found an answer to the questions of industrial peace in arbitration by establishing joint committees of representatives of employees and employers. The two big textile strikes of 1918 and 1920 in Bombay were settled through the intervention of the Government of Bombay. This helped the workers in gaining as much as 80 per cent increase in their wages.

Gandhiji's leadership of the working class movement in Ahmedabad gave a further trial by demanding reference of the dispute to arbitration in the big textile strike on behalf of the

workers. But, this demand then had no legal support and therefore, the mill owners resisted. At last they yielded because Gandhiji undertook a fast until his demand was conceded and the result was an agreement between the mill owners and the Ahmedabad Textile Labour Association settling that all future disputes should be referred to arbitration. This agreement was an outcome of voluntary arbitration. The recurrence of strikes and the consequential loss to the industrial labour had been engaging the attention of the Government to meet the situation. Thus, the Indian Trade Disputes Act was passed in 1929, which envisaged both investigation and arbitration on a voluntary basis. The third party investigation was held important as an essential step towards refraining from strikes or lock outs. These provisions had the backing of public opinion, the pressure of which prevailed upon both employers and workers. In 1939, the Bombay Industrial Disputes Act was passed. There was a provision for conciliation under the government conciliator. If the conciliation failed, both sides were free to go on strike or declare a lock out. There was also provision for arbitration but not on compulsory basis. The arbitrator was to be appointed by the Government provided both sides agreed.

The policies recommended in the plans specifically mention voluntary arbitration. The Industrial Disputes Act was amended in 1956 to make a provision for joint reference or industrial disputes to voluntary arbitration. The Indian Labour Conference in August, 1962 reiterated the need for a wider acceptance of voluntary arbitration. But, as against the emphasis in the Third Plan which considered that voluntary arbitration should be the normal practice in preference to recourse to adjudication, the conference felt whenever conciliation fails arbitration will be the next normal step except in cases where the employer feels that for some reason he would prefer adjudication. Adjudication is only a form of compulsory arbitration and implies that Government submits the case to an authority for

adjudication and enforces its award on the parties. The ultimate legal remedy for the settlement of an unresolved dispute is its reference to adjudication by appropriate Government. In March 1947, the Industrial Disputes Act providing machinery for the settlement of disputes through conciliation and adjudication was passed. Under the Act, a strike or a lock out undertaken in public utility service without fourteen days notice or six weeks after such notice of strike, and during the pendency of conciliation proceedings before conciliation officer and seven days after the conclusion of the proceedings was declared illegal. The Act was amended in 1950 and 1956. In this context, the National Commission on Labour observed that, we are of the view that, while there are certain procedural deficiencies in the present system which need to be remedied, there is some substance also in each of the fundamental objections mentioned above against the system. At the same time, we can not help feeling that disadvantages are overstated. Adjudication was not conceived to prevent all work stoppages; the fact that Government may not refer a dispute to adjudication means that it should be settled, if need be, by direct action. It means that the system of adjudication as prevailing in India is not discriminatory and does not cause delay in the settlement of industrial disputes. The Commission further observed that, Trade Unions have certainly been growing during the period.

6.8. CONCLUSION AND FUTURE PROSPECTS: The main point is whether adjudication inhibits collective bargaining and is antithetical to it. It certainly represents the availability of a third party to settle disputes. But the system of adjudication, as it has been applicable in our country, did not exclude bipartite agreements. The place of collective bargaining as a method of settlement of industrial disputes has been debated in India since long, almost since the days of Royal Commission. The best justification for collective bargaining is that it is a system based on bipartite agreements, as

such, it is superior to any arrangement involving third party intervention in matters which essentially concern employers and workers. This is recognised even in our system in principle, but in practice, there seems to be a preference for adjudication. However, the present trend favours the increasing adoption of collective bargaining to settle disputes and a gradual replacement of adjudication. There is general preference for collective bargaining with a built in provision for arbitration in the event of failure of collective bargaining. The idea of leaving a certain area of disputes i.e. public utility services and cases where national interests are involved where adjudication should be permitted enjoys a larger measure of support. The majority view appears to favour the introduction of collective bargaining subject to above safeguards in the organised sector, while third intervention in other sectors and where workers are not organised and conditions of work and wages have yet to reach a satisfactory level.

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6.10. ASSIGNMENTS

- Q. 1. Describe the history of Industrial Dispute in India.
- Q. 2. Discuss the various methods for the prevention of Industrial Dispute in India.
- Q. 3. Distinguish between Labour Court and Industrial Truce.
- Q. 4. Describe the various methods for the settlement of Industrial Dispute in India.
- Q. 5. What is Negotiation? Describe its nature and purpose.

- Q. 6. Discuss the working of Collective Agreements in India.
- Q. 7. What is conciliation? Differentiate between conciliation and Mediation.
- Q. 8. Differentiate between compulsory and voluntary conciliation. Discuss role of the conciliation in India.
- Q. 9. What is Arbitration? Discuss the various methods of Arbitration.
- Q. 10. Discuss the role of Arbitration in India.

LESSON-VII

COLLECTIVE BARGAINING

In political life democratic countries have established systems of discussion through representative assemblies for determining the laws by which they shall be governed. In International relationships we have gone only some way along this road. Meanwhile in the world of industry and commerce a process has been evolving in the past century for the negotiation between management and employees of terms and conditions of service and the establishment of peaceful orderly relations at the place of work through mutual settlement of differences and the cooperation of all those engaged in the enterprise. The process is known as Collective Bargaining.

Thus the process of negotiation between management and employees regarding terms & conditions of service and the establishment of peaceful, orderly relations at the place of work through mutual settlement of differences and the cooperation of all those engaged in the enterprise may be called as collective bargaining.

The development of collective bargaining has been closely associated with the growth of trade unions in all countries and sometimes with the growth of employers association also. However, the Webbs did not consider that the collective bargaining depended on or necessarily had origin in trade unions. In fact they pointed out that it could and did take place in British industry through committees set up to settle specific issues, but they added that, it was the Trade Union alone which can provide the machinery for any but its most casual and limited application. Thus, trade unions could provide machinery for the settlement of any dispute through collective bargaining i.e. through negotiation and mutual settlement.

It generally began with craft unions of skilled workers organized to protect their skill by preventing employers from undercutting jobs rates. The craft unions discovered that it was only

by strengthening their organization and forcing the issues at district and national level that genuine standards could be achieved. It was only at the end of nineteenth century that general unions began to develop in Britain and to bargain at all levels of employees.

7.1 Definition of Collective Bargaining:

Michael J. Jucious: "Collective bargaining refers to a process by which employers on the one hand and representatives of employees on the other, attempt to arrive at agreements covering the conditions under which employees will contribute and be compensated for their services."

Encyclopaedia of Social Services: "A process of discussion and negotiation between two parties one or both of whom is a group of persons acting in concert. The resulting bargain is an undertaking as to terms and conditions under a continuing service is to be performed."

Edwin B. Flippo : "Collective bargaining is a process in which the representatives of labour organisation and the representatives of business organisation meet and attempt to negotiate a contract or agreement which specifies the nature of the employee-employer union relationship."

7.2 Characteristics of Collective Bargaining: The main characteristics of collective bargaining are:

- It is a group action as opposed to individual action and is initiated through the representatives of workers: On the management side are its delegates at the bargaining table and on the side of the workers is their trade union, which may represent the local plant, the city membership or nation wide membership.
- It is flexible and mobile, and not fixed or static: It has fluidity and scope for compromise, for a mutual give and take before the final agreement is reached or the final settlement is arrived

at. Bakke and Kerr observe: Essentially, a successful collective bargaining is an exercise in graceful retreat-retreat without seeming to retreat. The parties normally ask for more or offer less than they ultimately accept or give. The “take it or leave it” proposition is not viewed as being within the rules of the game. One of the most damaging criticisms that a party is adamant in holding to its original position. Before retreating with as much elegance as circumstances permit, each party seeks to withdraw as little as possible. This involves ascertaining the maximum concession of the opposing negotiator without disclosing one's own ultimate concession. In this sense, all negotiations are exploratory until the agreement is consummated.

- It is a two party process: It is a mutual give and take rather than a take it or leave it method of arriving at the settlement of a dispute. Both parties are involved in it. In this connection, Clark Kerr observes Collective bargaining can work only with the acceptance by labour and management of their appropriate responsibilities. It can succeed only when both labour and management want it to succeed. It can flourish only in an atmosphere which is free from animosity and reprisal. There must be a mutual eagerness to develop the collective bargaining procedure and there must be attitudes which will result in harmony and progress.
- It is a continuous process: It provides a mechanism for continuing and organised relationships between the management and trade unions. The heart of collective bargaining is the process for a continuing joint consideration and adjustment of plant problems. It does not end with negotiation, but as Glen Gardiner puts it, “it begins and ends with the writing of a contract. Actually, it is only the beginning of collective bargaining. It goes on 365 days of the

year. The most important part of collective bargaining is the bargaining that goes on from day to day under the rules established by labour agreements.”

- It is dynamic and not static: It is a relatively new concept, and is growing, expanding, and changing. In the past, it used to be emotional, turbulent and sentimental but now it is scientific, factual and systematic. Its coverage and style have changed. In this connection, J.M. Clark has this to say “Collective bargaining has become, with surprising swiftness, one to the greatest forces in our society. In anything like its present scale and power, it is a new thing. It is a process which transforms pleading into negotiation which permits employees dignity as they participate in the formulation of their terms and conditions of employment which embraces the democratic ideal and applies it correctly and effectively at the place of work.”
- It is industrial democracy at work: Industrial democracy is the government of labour with the consent of the governed the workers. The principle of arbitrary unilateralism has given way to that of self government in the industry. Collective bargaining is not a mere signing of an agreement granting seniority, vacations and wage increases. It is not a mere sitting around a table, discussing grievances. Basically, it is democratic and it is a joint formulation of company policy on all matters which directly affect the workers in a plant. It is self government in action. It is the projection of a management policy which gives the workers the right to be heard. It is the establishment of factory law based on common interest.
- Collective bargaining is not a competitive process but it is essentially a complementary process: Each party needs something that the other party has, namely, labour can make a greater productive effort and management has the capacity to

pay for that effort and to organise and guide it for achieving its objectives. The behavioural scientists have made a distinction between “distributive bargaining” and “integrative bargaining”. The former is the process of dividing the ‘cake’ which represents the whole which has been produced by the joint efforts of the management and labour. In this process, if one party wins something, the other party, to continue the metaphor of the cake, has a relatively smaller size of it. So it is a win lose relationship. In other words, distributive bargaining deals with issues or an issue in which two or more parties have conflicting or adversary interests. Integrative bargaining is a process where both the parties can win, each contributing something for the benefits of the other party. Such a process develops common objectives, a better understanding of each others needs and capabilities, a better respect for each other, and a greater involvement of commitment to the well being and growth of the enterprise as a whole.

- “It is an art, an advanced form of human relations: To substantiate this, one need only witness the bluffing, the oratory, dramatics and coyness mixed in an inexplicable fashion which may characterise a bargaining session.

7.3 ROLE OF COLLECTIVE BARGAINING:

From the management viewpoint the main object of an organisation is to get the work done by the employees at minimum cost and thus earn a high rate of profits. Maximum utilization of workers is the objective of effective management. This cooperation from the side of the employees required collective bargaining as a device to get and promote co-operation. The labour disputes are mostly due to certain direct or indirect causes based on rumours and misconceptions. Collective bargaining is the best remedial

measure for maintaining cordial relations between the employer and employees. Strikes and go-slow tactics are avoided resulting in increase of production. It promotes industrial democracy.

From labour point of view, labour has poor bargaining power. Individually a worker has no existence. As labour is perishable, the employers succeed in exploiting the labourers. In united form the working class becomes a power to protect its interests against the exploitation of the employers through the process of collective bargaining. The collective bargaining imposes certain restrictions upon the employer. It prevents unilateral action. All employees treated on equal footings. The conditions of employment and rates of wages are changed only after negotiations with labour. Employer is not free to make and enforce decisions arbitrarily.

From trade union point of view, collective bargaining can be made only through the trade unions, who are the bargaining agents for the workers. Trade unions protect the interests of workers through constructive programmes. Collective bargaining is one of the devices to attain this objective through negotiations with the employers. Trade unions negotiate with employer for better employment opportunities and job security through collective bargaining.

From Government point of view, Government is also concerned with the process of collective bargaining. It passes and implements labour legislation to be implemented in its true sense. It enforces the rules and laws, by force. Collective bargaining deters the Government from using the force because an amicable agreement can be reached between employer and employees for implementing the legislative provision. Labour problems are minimised through collective

bargaining and industrial peace is promoted without any use of force.

7.4 Essential Prerequisites for Collective Bargaining:

- Existence of a strong representative trade union in the industry that believes in constitutional means for settling the disputes.
- Existence of a strong and enlightened management which may integrate the different parties, i.e., employees, owners, consumers and society or Government.
- Agreement on basic objectives of the organisation between the employer and the employees and on mutual rights and liabilities.
- Existence of a fact finding approach and willingness to use new methods and roles for the solution of industrial problems. The negotiation should be based on facts and figures and both the parties should adopt constructive approach.
- Proper records for the problem should be maintained.
- Collective bargaining should be best at plant level. If there are more than one plant of the firm, the local management should be delegated proper authority to negotiate with the local trade union.
- In order that collective bargaining functions properly, unfair labour practices must be avoided by both the parties.
- The contract must include arbitration clause in case there is a dispute. The institution of collective bargaining represents a fair and democratic attempt at resolving mutual disputes. Wherever it becomes the normal mode of settling outstanding issues, industrial unrest with all its unpleasant consequences is minimised.

7.5 IMPORTANCE OF COLLECTIVE BARGAINING:

Collective bargaining plays a vital role in setting and preventing

industrial disputes. Specifically, its importance is evident from the following:

- Increase the economic strength of unions and management;
- Establish uniform conditions of employment with a view to avoiding industrial disputes and maintaining stable peace in the industry;
- Secure a prompt and fair redressal of grievances;
- Avoid interruptions in work which follow strikes, go slow tactics and similar coercive activities;
- Lay down fair rates of wages and norms of working conditions;
- Achieve an efficient operation of the plant;
- Promote the stability and prosperity of the industry;
- It provides a method for the regulation of the conditions of employment of those who are directly concerned about them and
- It provides a solution to the problem of sickness in the industry, and ensure old age pension benefits and other fringe benefits.

7.6 FUNCTIONS OF COLLECTIVE BARGAINING: Collective bargaining plays an important role in preventing industrial disputes, settling these disputes and maintaining industrial peace by performing the following functions:

- Increase the economic strength of employees and management.
- Establish uniform conditions of employment;
- Secure a prompt and fair redressal of grievances;
- Lay down fair rates of wages and other norms of working conditions;

- Achieve an efficient functioning of the organisation;
- Promote the stability and prosperity of the company;
- It provides a method of the regulation of the conditions of employment of those who are directly concerned about them;
- It provides a solution to the problem of sickness in the industry and ensures old age pension benefits and other fringe benefits;
- As a vehicle of industrial peace, collective bargaining is the most important and significant aspect of labour management relations, and extends the democratic principle from the political to the industrial field and
- It builds up a system of industrial jurisprudence by introducing civil rights in the industry. In other words, it ensures that the management is conducted by rules rather than by arbitrary decisions.

7.7 COLLECTIVE BARGAINING PROCESS: There are two stages in collective bargaining, viz., (i) the negotiation stage and (ii) the stage of contract administration.

Negotiation Stage:

(a) Identification of Problem: The nature of the problem influences the whole process whether the problem is very important that is to be discussed immediately or it can be postponed for some other convenient time, whether the problem is minor that it can be solved with the other party's acceptance on its presentation and does not need to involve the long process of collective bargaining process etc.

(b) Preparing for Negotiations: When it becomes necessary to solve the problem through collective bargaining process, both the parties prepare themselves for negotiations.

(c) Negotiations of Agreement: Usually there will be a chief negotiator who is from the management side. He directs and presides over the process. The chief negotiator presents the problem, its intensity and nature and the views of both the parties. When a solution is reached at, it is put on the paper, taking concerned legislations into consideration. Both the parties concerned sign the agreement which in turn, becomes a binding contract for both the parties

Contract Administration: Implementation of the contract is as important as making a contract. Management usually distributes the printed contract, its terms and conditions throughout the organisation. The Union takes steps to see that all the workers understand the contract and implement it. From time to time depending upon changing circumstances, both the parties can make mutually acceptable amendments.

7.8 OBJECTIVES OF COLLECTIVE BARGAINING: The main objectives of collective bargaining are as follows:

- To maintain cordial relations between the employer and the employees.
- To protect the interests of workers through collective action and by preventing unilateral action on the part of the employer. All employees are treated on equal footings.
- To ensure the participation of trade unions in industry.
- To avoid the need for Government intervention as collective bargaining is a voluntary process.
- To promote industrial democracy.

7.9 CONDITIONS ESSENTIAL FOR SUCCESSFUL COLLECTIVE BARGAINING: In order to make collective bargaining effective the following conditions must be satisfied:

A Favourable Political Climate: The Government and the public opinion must be convinced that collective bargaining is the best method of regulating employment conditions. The Government should remove all legislative restrictions which hamper collective bargaining. It can also confer a right to bargain collectively, lay down the form and content of collective agreement, register these agreements and assist in their enforcement.

Freedom of Association: Collective bargaining is not possible if employees are not free to form trade unions, as they please. A strong and representative trade union is required to bargain with the employer on equal basis. In some countries, governments have made illegal any attempt by employers to interfere with the right of workers, to form their unions. Trade unions must be stable and strong enough to honour the collective bargaining agreement. The union should have enough members to justify entering into collective bargaining. Inter-union rivalry often creates instability in unions.

Recognition of Unions: Employers should be required by law to give recognition to representative trade unions. It is in the interest of an employer to recognize a strong union to avoid strikes and to safeguard against under-cutting labour standards.

Willingness to give and take: Both employers and union leaders should bargain in a spirit of compromise and reciprocity. If either party adopts a adamant attitude, bargaining will not be possible. Willingness to give and take does not mean that concessions made by one side must be marked by equal concessions by the other side. One party may win concessions for the other depending upon their relative strength. But exaggerated demands must be toned down to reach an agreement.

7.10 References:

1. Butler A.D., Labour Economics and Institutions.
2. Mehrotra S.N., Labour Problems in India.
3. Patterson, Social Aspects of Industry.
4. Dr. R.C. Saxena, Labour Problems and Social Welfare.

7.11 Assignments

- Q. 1. Define the term “Collective Bargaining”. Discuss its salient features.
- Q. 2. Describe the role of Collective Bargaining.
- Q. 3. What are the requisites of a sound Collective Bargaining?
- Q. 4. Discuss the importance of Collective Bargaining.
- Q. 5. Highlight the functions of Collective Bargaining in India.
- Q. 6. Discuss the process of Collective Bargaining.
- Q. 7. What are the main objectives of Collective Bargaining?
- Q. 8. What conditions are essential for successful Collective Bargaining?
- Q. 9. "Collective Bargaining is a two way process". Discuss.
- Q. 10. How successful is the Collective Bargaining in India?

LESSON-VIII

TRADE UNIONS AND COLLECTIVE BARGAINING

8.1 INTRODUCTION: The central focus of union activity is in collective bargaining, the process of arriving at compromises which settle disputes between an employer and an organisation of his employees. It is called collective bargaining because the employees, as a group select representatives to meet and discuss differences with the employer. The unions objects in Collective Bargaining may be the following:

- To establish and build up union recognition as an authority in the work place.
- To raise workers standards of living and win a better share in company's profits.
- To express in practical terms the workers desire to be treated with due respect and to achieve democratic participation in decisions affecting their working conditions.
- To establish orderly practices for sharing in these decisions and to settle disputes which may arise in the day to day life of the company.
- To achieve broad general objectives such as defending and promoting the interests throughout the country.

Thus, the objective of the trade unions is to safeguard the interest of workers and to establish industrial peace in dignified manner through collective bargaining. It said that industrial peace is something more than the mere absence of conflict. The absence of strike is not necessarily an induction of real industrial peace. More adverse consequences might flow from steady deterioration of relations in industry than from an occasional spectacular stoppage of work. Just as health in human body was something more than an absence of disease, so health in industrial body is the conscious and

labourious creation of man. A really healthy collective bargaining would see that benefits derived from industry were equitably distributed among all the parties involved the employers, the unions, the management, the customers, the suppliers, the public. Thus, Haribison writes, “collective bargaining is a process of accommodation between two institutions which have both common and conflicting interests. Its aim is not to seek industrial peace at any price. Constructive bargaining should seek to promote the attainment of the commonly held goals of a free society.”

8.2 DISTINCTION BETWEEN COLLECTIVE BARGAINING AND JOINT CONSULTATION OR COOPERATION THROUGH JOINT COMMITTEES: In collective bargaining, the object is to reach agreement on wages and other conditions of employment about which the parties begin with divergent view points but try to reach a compromise. When the bargain is reached the terms of the agreement are put into effect.

The main task of joint committees such as works, council is the exchange of information and suggestions on matters of common interest such as health, safety, welfare and productive efficiency, and the outcome of discussion may take the form of recommendations but the final decision is left to the management.

Even if there is resemblance between such recommendations and parts of collective agreement in works councils the emphasis is mainly on cooperation based on common interests, where as in collective bargaining it is on reconcilliation of divergent interests or demands.

The success of collective bargaining, according to Carpenter, depends on the extent to which both sides understand the essential nature of the bargaining process. Negotiation, he says, should be an appeal to reason, a process by which the problems of both sides are thoroughly explored, and both the management and the union should

enter into negotiation with the expectation that their ideas may be changed in the process.

In a single sentence, negotiations are a process by which mens mind and opinions are changed and should be approached by both sides with an understanding that it is likely to produce these results.

Collective bargaining starts with claims advanced by both sides demands from the union and statement by management on how far they can concede these demands and what they want in return just as in the-bazar vendor and buyer start by quoting prices which are at variance, each knowing that he will have to make some accommodation in the end in order to reach a final agreed price. Frankly recognising this, the Canadian Labour Congress has declared: "Bargaining would not be bargaining if each side did not start off by asking more than it really expects to get bargaining in itself presupposes some amount of give and take."

8.3 TRADE UNION GOALS IN COLLECTIVE BARGAINING:

In approaching collective bargaining, a union has series of goals, some economic and some non economic, not all of which can be won from the employer at one time. Furthermore, a number of the goals are in conflict with each other. Therefore, union decides to give priority to these goals, and for giving, priority union may classify the goals. There are many ways of classifying the goals union seek to achieve through collective bargaining. The two categories used here are economic and non economic, they may also be classified according to the members as individuals opposed to the unions as an institution, according to leader versus rank and file, or according to intra union interest groups, such as the young against the old or one group of skill against another.

It follows, then, that the priority ranking of the demands by the union represents a compromise between the different pressures within the union. The compromise must, of course, take into account the prevailing economic environment.

Economic Goals: The unions major economic goal is to increase wages constantly. In general terms, this means more and more or as much as we can get. This could mean the maximum wage rate or the maximum wage bill, or some variation of the two. Generally, unions place greater emphasis on the wage rate than the total amount paid out in wages by an employer, because after a wage increase, multiplant firm might close down its less efficient plants, and marginal firms might be forced out of business. This may cause unemployment. Therefore, the best technique to enhance the economic position of the members is through raising the wage rate. However, there are some exception to this, particularly in construction and clothing industries. For example, a wage increase of house painters may have a significant effect on the do it yourself trend; or a wage increase in unionised clothing firm may shift employment to unorganised firms. The fact that unions generally emphasise the wage rate rather than employment does not mean that union neglect the latter. However, the approach to this goal is usually not through wage rate adjustments, but rather through regulation of hours, seniority, and working rules. Thus, whenever unemployment increases significantly as a result of increase in wage rates, unions will propagandize and bargain for shorter work weeks rather than decreased wages.

Unions also attempt to enhance the employment of their members by devising and enforcing work rules. In many cases they try to place restrictions on production, limiting the type of machinery used and the speed at which the machinery is to be operated. In some instances the work rules are designed to protect the life and limb of the employees or to avoid “speed ups” and unhealthful working conditions. In some instances what was originally necessary for the workers safety may, after a change in the methods of production become outdated. Nevertheless, the union may still insist on the working rule in order to provide more jobs for the members. In deciding which economic goals to pursue most

vigorously, unions must choose, then, between wages, hours, and working rules. Further more, fringe benefits should be included, since they add to the employer's labour cost.

Non Economic Goals: The social and psychological need center around the workers desire to express his individuality and at the same time to be an accepted member of his social group. Workers, if they are to feel that they have some distinct personal worth, must be able to complain to their employers without fear of reprisal. They want to be more than a lump of economic assests in a depersonalised enterprise. The workers feeling of security, of protection against arbitrary or spiteful action by his supervisor, are of unmeasurable value to him. For this reason union is worthwhile to many workers regardless of whether it is able to bring them higher wages than they otherwise would have received. It satisfies the need of feeling secure in their jobs and in their status as individual.

The union also provides an opportunity for the worker to become active in social organisation in association with his fellow workers as equals. The second variety of non economic goals sought through collective bargaining is aimed at protection of the union as an institution. When an employer threatness to break a union or when a rival union attempts to raid its membership, the fight to protect itself becomes more urgent to a union than securing immediate wage increase.

Determination of Goals: Unions have a wide range of economic and non economic goals. All of them cannot be won in one instance. All goals are in conflict with each other since employers, are willing to make only limited number of concessions at any particular bargaining session. Therefore, unions have to determine priorities. There are five factors which affect the priority of collective bargaining goals.

Economic Conditions: The cost of living is used by unions as an argument for higher wages during periods of rising prices. Although

unions generally give more attention to money wages than real wages, a decline in real wages, resulting from cost of living, is always used as a potent argument for a wage increase, partly because it wins public support. But unions do not use this argument when prices are falling. The cost of living and the condition of firm in terms of ability to pay is used as a basis of setting terms of contract. Finally, since nothing succeeds like success, when a union feels that employer is vulnerable to a strike, e.g. if he is behind in filling his customers orders, it may decide that it is the appropriate time to win maximum concession.

Precedent of Recent Major Agreements: A major agreement made in an industry does not guarantee that other unions will receive the same concessions there will be variations around the precedent. Nevertheless, employers resistance to similar demands is lessened. Once an important employer makes a given concession, other employers are in less advantageous position to object it for public relation's reasons. The employer may feel compelled to grant the demand in order to maintain the morale of his workers who are aware of the concessions granted by other employers. This will hold true even in firms which are not unionised. Furthermore, unionised employees would be more willing to withstand a long strike after other employers have granted what their employers refuses. The effect of recent major agreements cuts both ways. That is, it may cause some unions to accept less than they might have been able to receive had no such precedent existed. The unions would have less public sympathy in striking for amounts greater than other unions have accepted.

Inter union Rivalry: The ability of a union leader to gain concession at least equal to those won by other unions affect his status with his constituency, which of course is an important reason why major agreements affect settlements in other industries. However, inter union rivalry has implications beyond merely

following precedents. It may involve a struggle for power between leaders of two different unions, or perhaps leaders of two different fractions of the same union. An ambitious local leader who wants to rise in the union hierarchy seeks to make greater gain than his rivals. To the extent that he influences the bargaining demands of his local or region, he gives priority to those demands which will enhance his position. In this way inter union rivalry affects the determination of priority in collective bargaining goals.

Influence of International Situation: The increase in the international control over bargaining influences the choice between various union goals, tending to give greater emphasis to nationwide goals as opposed to strictly local goals. The international officers and representatives are generally shrewder and more mature bargainers. They are professionals. They have a better understanding of the employers ability to pay, of the impact of any bargaining demand on the entire industry. In some cases this will cause them to bargain for larger amounts, while in other cases they make seek less than the local desire, depending on the economic conditions affecting the industry at that time. When the international exercises a large amount of control in the bargaining, less emphasis is generally placed on such purely local issues as speed up of the production line, discharge of a single employee or setting the wage rate for a new job. It is not that the international is uninterested in these matters, but rather it sees them as matters of local importance and should be dealt with the local unions.

Intra unions Influences: Intra union influences also affect the priority of collective bargaining goals within the union, there are many actual and potential areas of conflict between different interest groups. Different skill groups within the union are liable to disagree over pay differentials they may take different views of technological changes within the plant, since each group is likely to be affected differently by such changes. A conflict may develop between the

more productive and the less productive workers, the former favouring an incentive pay plan which would increase their earnings, the latter favouring, straight time payment. Conflict between the day shift and night shift over the amount of the differential are not uncommon since the employer will grant only a limited total, amount of monetary concessions, a larger night differential may mean a lower average wage for the day shift. The older workers would favour pension plans, whereas younger workers have little interest in these.

8.4 APPROACHES TO COLLECTIVE BARGAINING: There are three important concepts on collective bargaining which have been discussed as follows:

The Marketing Concept and the Agreement as a Contract:

The marketing concept views collective bargaining as a contract for the sale of labour. It is a market or exchange relationship and is justified on the ground that it gives assurance of voice on the part of the organised workers in the matter of sale. The same objective rules which apply to the construction of all commercial contracts are invoked since the union-management relationship is concerned as a commercial one.

According to this theory, employees sell their individual labour only on terms collectively determined on the basis of contract which has been made through the process of collective bargaining. Thus, collective bargaining remains a means for employees to sell their manpower through a common agent.

The uncertainty of trade cycles, the spirit of mass production and competition for jobs make bargain a necessity. The trade union's collective action provided strength to the individual labourer. It enabled him to resist the pressure of circumstances in which he was placed and to face an unbalanced and disadvantageous situation created by the employer. The object of trade union policy through all the maze of conflicting and obscure regulations has been to give to

each individual worker something of the indispensability of labour as a whole. This is also called the union approach to collective bargaining.

It can not be said whether the workers attained a bargaining equality with employers. But, collective bargaining had given a new relationship under which it is difficult for the employer to dispense without facing the relatively bigger collective strength.

The Government Concept and the Agreement as Law: The Government Concept views collective bargaining as a constitutional system in industry. It is a political relationship. The union shares sovereignty with management over the workers and, as their representative, uses that power in their interests. The application of the agreement is governed by a weighing of the relation of the provisions of the agreement to the needs and ethics of the particular case.

Thus, the Government concept/theory establishes a political relationship admitting the contractual nature of the bargaining relationship. The contract is viewed as a constitution, written by the point conference of union and management representative in the form of compromise or trade agreement. The agreement lays down the machinery for making, executing and interpreting the laws for the industry. The right of initiative is circumscribed within a framework of legislation. Whenever, management fails to conform with the agreement of constitutional requirements, judicial machinery is provided by the grievance procedure and arbitration. This creates a joint Industrial Government where the union share sovereignty with management over the workers and defend their group affairs and joint autonomy from external interference.

The Industrial Relations Concept as Jointly decided directives: The industrial relations concept views collective bargaining as a system of industrial governance. It is a functional relationship. Group Government substitutes the State Government.

The union representative get a hand in the managerial role. Discussions take place in good faith and agreements are arrived at. The union joins with company officials in reaching decisions on matters in which both have vital interests. Thus, union representatives and the management meet each other to arrive at a mutual agreement which they cannot do alone. When the terms of agreement fail to provide the expected guidance to the parties, it is the joint objective and, not the terms, which must control. Hence, this theory recognizes the principle of mutuality, joint concern and the extension to workers of the corporate responsibilities.

To some extent, these approaches represent stage of development of the bargaining process itself. Early negotiations were a matter of simple contracting for the terms of sale of labour. Developments of the latter period led to the emergence of the Government theory. The industrial relations approach can be traced to the Industrial Disputes Act of 1947 in our country, which established a legal basis for union participation in the management.

8.5 MEANS OF COLLECTIVE BARGAINING: Generally, there are four important methods of collective bargaining, namely, negotiation, mediation, conciliation and arbitration for the settlement of trade disputes. In this context R.F. Hoxie said that arbitration is often provided for in collective bargaining under certain contingencies and for certain purposes, especially when the parties cannot reach agreement, and in the interpretation of an agreement through negotiation.

Conciliation is a term often applied to the art of collective bargaining, a term often applied to the action of the public board which attempts to induce collective bargaining. Mediation is the intervention usually uninvited, of some outside person or body with a view of getting conciliation or to force a settlement, compulsory arbitration is extreme mediation. All these things are aids or

supplement to collective bargaining where it breaks down. They represent the intervention of outside parties.

8.6 COLLECTIVE BARGAINING IN INDIA: In India, collective bargaining has not made much headway particularly at industry and nation levels, due to the following reasons:

- Lack of strong and central trade unions and employers organizations who can represent country wide interests.
- Excessive dependence on compulsory adjudication for the settlement of industrial disputes. Third party intervention is easier than self reliance.
- Legislation and regulatory bodies like wage boards have reduced the area for collective bargaining.
- Multiplicity of unions, inter union rivalry, political dominance and leadership have resulted in weak trade union movement. There is no foolproof method for determining the majority union and no legislation for compulsory recognition of such union as the sole bargaining agent.
- The Government provides little support to collective bargaining. It has little confidence in the bargaining strength of trade unions. There is fear of strikes and lockouts and inflation which disrupt the planed economy.
- Conditions of work and life differ widely in Different parts of the country.

8.7 STEPS TO BE TAKEN TO MAKE COLLECTIVE BARGAINING EFFECTIVE IN INDIA: The following steps may be taken to make collective bargaining in India more effective:

- Trade unions should be made more strong and responsible, so that they are able to honour the collective agreements. For this purpose it is essential to build internal leadership and to free unions from political control. Minority unions should be

excluded from the right to bargain, and right to conciliation. Majority union should be determined by secret ballot rather than check off system, the idea of one union for plant/industry should be popularised.

- Each party should develop the skill to understand the viewpoint of the other. Positive attitudes should be accepted by both employer and employees towards each other.
- Collective bargaining should be restricted to matters concerning interests. Disputes concerning rights should be better settled through grievance machinery.
- When negotiations fail, both the parties should have equal right and freedom to strike work or to declare a lockout.
- Statutory provisions should be created to make the agreement binding on all the workers. Under Sec. 18(1) of the Industrial Disputes Act, a collective agreement is binding only on workers who were not a party to it. It does not automatically extend to workers who were not party to it even though they might have obtained certain benefits under the agreement.
- A collective bargaining authority may be created. Its functions may include advising the parties on various aspects of collective bargaining, helping them in resolving jurisdictional disputes and register in the agreement made by the parties.
- Legal provision should be made for (a) compulsory registration of trade unions and their certification as bargaining agents. (b) prohibition and penalisation of unfair labour practices (c) legal recognition of collective agreements.
- Compulsory adjudication of disputes should be used only as a matter of last resort.
- Workers education should be intensified to build up internal union leadership and to improve knowledge of workers.

- The Governments should declare its policy of encouraging the parties to settle their disputes through bipartite consultation and negotiation consistent with public safety and social interest.

8.8 RECOMMENDATIONS OF THE NCL FOR SUCCESSFUL FUNCTIONING OF COLLECTIVE BARGAINING: National Commission of Labour in 1969 made the following recommendations after considering the problem

(a) Government intervention in industrial relations particularly in the settlement of industrial disputes should be reduced gradually to the minimum possible extent. Compulsory adjudication of disputes should be used only as a last resort.

(b) Trade unions should be strengthened both organisationally and financially by amending the Trade Union Act of 1926 to make registration of unions compulsory, enhance the union membership fee, reduce the presence of outsiders in the union executive and among the office bearers and increase the minimum number of members in respect of the union applying for registration.

(c) Legal provision may be made either by a separate legislation or by amending an existing enactment for

- Compulsory recognition of trade unions and certification of unions as bargaining agents.
- Prohibition and penalisation of unfair labour practices.
- Bargaining in good faith by both employers and unions.
- Conferring legal validity and legitimacy on collective agreements.

8.9 References:

1. Punckar S.A., Industrial Peace in India.
2. Singh V.B., Industrial Labour in India.
3. Pigou A.C., Economics of Welfare.

4. Mamoria C.B., Dynamics of Industrial Relation in India.

8.10 Assignments

- Q. 1. Discuss the role of Trade Unions in Collective Bargaining.
- Q. 2. What are the goals of Trade Unions in Collective Bargaining?
- Q. 3. What are the goals of Management in Collective Bargaining?
- Q. 4. Distinguish between Collective Bargaining and Joint Consultation.
- Q. 5. Discuss the non-economic goals of Trade Unions in Collective Bargaining.
- Q. 6. Discuss the various Approaches to Collective Bargaining.
- Q. 7. Distinguish between the Marketing Approach and Industrial Relations Approaches in Collective Bargaining.
- Q. 8. Discuss the various means of Collective Bargaining.
- Q. 9. What steps should be taken to make Collective Bargaining more effective in India?
- Q. 10. Highlight the success of Collective Bargaining in India.

LESSON-IX

WORKERS' PARTICIPATION IN MANAGEMENT

9.1 INTRODUCTION: The word participation means sharing the decision-making power with the lower ranks of the organisation in an appropriate manner. Participation has a unique motivational power and a great psychological value. It promotes harmony and peace between workers and management. When workers participate in organizational decisions, they are able to see the big picture clearly, i.e., how their actions would contribute to overall growth of the company. They can offer feedback immediately based on their experiences and improve the quality of decisions significantly. Since they are involved in the decisions from the beginning, they tend to view the decisions as their own and try to translate the rhetoric into concrete action plans with zeal and enthusiasm. Participation makes them more responsible. They are willing to take initiative and come out with cost saving suggestions and growth oriented ideas. The feeling of being treated as equals, forces them to repose their confidence in management and accept plans of rationalization, expansion, etc, without raising serious objections. Since they are treated with respect now, they begin to view the job and the organisation as their own and commit themselves to organisational activities wholeheartedly. Bilateral decisions help in bringing out radical changes in organisational systems, plans and procedures more easily. Employees do not feel threatened by such moves, as they understand and appreciate the reasons behind such strategic shifts. The implications of workers participation in management have been summarized by International Labour Organisation thus:

- workers have ideas which can be useful.
- upward communication facilitates sound decision making. Workers may accept decisions better if they participate in them.

- workers may work more intelligently if they are informed about the reasons for and the intention of decisions that are taken in a participative atmosphere.
- workers may work harder if they share in decisions that affect them.
- workers participation may foster a more cooperative attitude amongst worker and management thus raising efficiency by improving team spirit and reducing the loss of efficiency arising from industrial disputes.
- workers participation may act as a spur to managerial efficiency.

9.2 CONCEPTS OF WORKERS PARTICIPATION IN MANAGEMENT: The concept of workers participation in management (WPM) is a broad and complex one. Depending on the socio political environment and cultural conditions, the scope and contents of participation may change. In any case, a common thread running through all interpretations is the idea of associating employees in managerial decision making. The view expressed by The International Institute for Labour Studies (Bulletin 5) is worth quoting here. WPM has been defined as, the participation resulting from practices which increase the scope for employee's share of influence in decision making at different tiers of organisational hierarchy with concomitant assumption of responsibility.

In the words of Gosep, workers' participation may be viewed as:

- An instrument for increasing the efficiency of enterprises and establishing harmonious industrial relations,
- A device for developing social education for promoting solidarity among workers and for tapping human talent,
- A means for achieving industrial peace and harmony which leads to higher productivity and increased production,

- A humanitarian act, elevating the status of a worker in the society,
- An ideological way of developing self management and promoting industrial democracy of business organisation.

9.3 OBJECTIVES OF WORKERS PARTICIPATION:

To increase production and welfare: The primary objective of workers participation is to increase the production and the productivity of the workers by improving the industrial and human relations industry. It takes the minimum economic welfare instead of maximum profit as the object of industrial production. Job satisfaction brings about increased production and leads to higher profits to the industry.

To achieve better social status: This system gets the workers a respectable status in the society. It assures the human dignity because workers become a partner in the gains of productivity. It reflects in terms of maintaining healthy industrial relations by reducing industrial strifes and creating positive conditions in which industrial harmony and peace can grow.

To achieve change in attitude: Workers' participation seeks to bring about a change in their attitude, they think themselves part and parcel of the unit. This system is promoted through the changing attitude of employers towards labour. It brings a basic change in the thinking of the workers. Psychologically, workers accept their responsibility as they feel themselves the partners in taking the decision on the matters concerning them. Participation makes them a responsible employee.

9.4 FORMS OF WORKERS PARTICIPATION:

Co partnership: Under co partnership workers are involved in the shareholding of the company for which they are working. They become a part owner of the company. They take part in the internal matters of company as a shareholder. They may elect their

representatives to the board of directors in the management of the concern. They share the profits of the company in the form of dividend.

Suggestion scheme: ‘Suggestion scheme’ is one of the ways of encouraging workers interest in a concern. Under this scheme, suggestions are invited from the workers to improve the methods of working in the concern and to pay suitable reward to the worker whose suggestion proves useful. The management gets new ideas and workers feel important. In India, Dalmia and D.C.M. have introduced such schemes successfully.

Employees’ representation on the board of directors: This ensures a full fledged participation of workers in management, one or two workers’ representatives are nominated or elected on the Board of Directors, the apex body in decision making. As directors they have the same authority. This scheme has been successfully implemented in several countries of the world. In India, it was introduced by the election of two directors from among the employers on the Board of Directors of the nationalised banks under ‘Nationalised Banks Management and Miscellaneous Provisions Scheme’ in 1970. One such director was from the clerical and non supervisory cadre and another from the supervisory cadre.

Joint management councils: Joint consultative committees are set up comprising the representatives of the workers and the employers to discuss various matters concerning the working conditions of workers in industry. The decisions of such committees are purely of advisory character though the management generally implements the decision because it is the outcome of the deliberations between the representatives of the management and the employees. The matters which are generally taken up by these committees are prevention of accidents, management of canteens, water, meals, safety etc., issue and revision of work rules, avoidance of waste of time and, materials, absenteeism, indiscipline, training

etc. Such committees may be formed on plant or shop level. The matters which are to be settled through collective bargaining such as wages, bonus, etc. are excluded from the scope of the committees.

Works committees: In establishment employing 100 or more workers, establishment of works committees were made compulsory by Industrial Disputes Act, 1947. This introduced the system of labour management participation through legislation. Such committees consist of equal number of representatives of workers and employer. Its main purposes are to provide measures for securing and preserving amity and good relations between the employer and employees. However, these committees have failed in the attainment of their avowed objectives due to unchanged outlook.

Joint Management Council: Under the method of joint management council, participation is sought through establishment of joint committees in every undertaking at all levels. These committees consist of the representatives of both workers and management. They sit together and discuss matters of common interest. The decisions of such committees are advisory in character. But usually they are implemented as they are the outcome of the deliberations of a body consisting of representatives of both the management and the workers. In India this method is used under the name of Joint Management Council. The scheme of Joint Management Council was introduced in 1958 on a voluntary basis to ensure closer association of workers in management on a formally defined basis. 80 such councils were functioning in public and private sector establishments at the end of 1974 and after this their number is increasing year by year.

Functions of Joint Management Council: The functions of these Joint Management Councils are as under

A. The Joint Management Councils are to be consulted by the management over the following matters

- To pay attention in the standing orders,
- To formulate retrenchment policies,
- To discuss proposals for rationalisation,
- To decide closure, reduction in or cessation of operation,
- Instruction of new methods, and
- To make procedure for engagement and punishment.

B. These councils must be supplied full and reliable information relating to the following matters

- The general economics situation of the undertaking then defines the market, production and sales programmes,
- Organisation and general running of the undertaking,
- Circumstances effecting the economic position of the undertaking,
- Method of manufacture and work, and
- The annual balance sheet and profit and loss statement and related documents and explanations.

C. Those councils are to be entrusted with the administrative responsibility in respect of the following matters

- welfare measures,
- supervision of safety measures,
- vocational training and apprenticeship scheme,
- the preparation of schedules of working hours and breaks,
- the preparation of holiday schedules, and
- payment of rewards for valuable suggestions.

D. Joint Management Councils are not to function as substitute for trade unions. Collective bargaining functions are excluded from

the scope of such councils. Thus, wages, bonus and individual grievances are kept outside the purview of such joint bodies.

Pre requisites for the Success of Joint Management Councils: Joint consultation as a method of securing worker's participation will be successful if following conditions are fulfilled:

- The Management should strive to win confidence of its workers.
- Workers representatives on the joint councils should be from amongst the employees of the undertaking concerned.
- Supervisory staff should be given, place on the joint councils.
- Subject earmarked for collective bargaining must be kept outside the scope of the Joint consultation.
- Decisions of the joint councils should be recommendatory in character.

Other conditions are as under

- Meetings of the joint councils should take place at reasonable intervals.
- Discussion in the meeting should be free and frank.
- Wide publicity should be given to all the decisions taken at these meetings, preferably through supervisory staff.
- Unemployers should try to create necessary climate for real consultation with the workers.

9.5 ESSENTIALS OF WORKERS' PARTICIPATION IN MANAGEMENT: In order to make workers' participation in management a success, certain conditions should be satisfied:

Managerial Attitude: There is an urgent need to offer training and education to workers and employees to make the participative culture a success. The employers should be willing to share information and shed a portion of their hard earned authority

in favour of workers. Workers are uninformed and lack experience. The employers, therefore, must make conscious efforts to bring them up to a certain level before drawing them to the negotiating table. To earn their respect and trust management must involve workers by (1) identifying a dear cut agenda where the roles of participants are clearly defined, (2) developing guidelines for decision making by the joint management councils, (3) defining the roles of office bearers as against trade unions, (4) Keeping employees informed of all decisions arrived at their implementation and the outcomes, and (5) evaluating the progress of joint councils from time to time.

Union Cooperation: The workers participation scheme, to be effective, must be based on mutual trust and confidence between unions and management. Unions must believe that participative forums are not meant to cut their roots. To this end, management must try to define the boundaries clearly. To be fair, they must give due representation to members from the recognised union without playing favourites. In a multiple union situation, this issue assumes added significance in that the employer can influence the election of representatives to the participative forums by aligning with their own 'yes men' from the ranks and file. Not all unions agree now to the election of representatives through secret ballot (INTUC opposes this HMS, CITU, AITUC support the move).

Meaningful Participation: If participation relates to only tea, towels and toilets as the Indian experience clearly shows-it does not serve any purpose. To be useful, participation should cover a wide range of issues where workers can an openly represent their cases and seek quick solutions on the spot. Further, the participative forums should not be mere consultative and advisory bodies, dealing with peripheral, insignificant, routine issue. Relating to labour welfare. Workers must have a real 'say' in all important work-related matters including grievance handling and then only they begin to participate in these participative bodies with zeal and enthusiasm.

Workers' Attitudes: Workers must have complete faith in the efficiency of the system. To encourage a participative culture among workers, seminars, conferences, workshops must be held highlighting the usefulness of participation. Workers must have a sense of job security and freedom from reprisals resulting from their participation. The overall working environment must be congenial enough to inspire the workers to give their best to the organisation.

9.6 WORKERS' PARTICIPATION IN INDIA:

Pre Independence period: Before Independence in India nothing sincere was done in this direction by the Government, or by the private employers. For the first time the management of the Delhi Cloth and General Mills Ltd. introduced the workers representation in mills.

After Independence period: (i) Workers committees; The Government of India passed the Industrial Disputes Act, 1947 under which workers committees were established with a view "to promote measures for securing and preserving unity and good relations between the employer and workmen." But these committees failed in the attainment of these above objectives.

(ii) The industrial policy resolution of 1956: It emphasised the need of associating workers with management in the following words. In a socialist democracy labour is a partner in it with enthusiasm. There should be joint consultation and workers and technicians etc. be associated progressively in management whenever possible. Enterprises in public sector have to set up an example in this respect.

(iii) The Second Five Year Plan: It gave concrete shape to the concept of labour participation in management in India. The Government of India announced its policy as follows: "It is necessary in this context that the worker should be made to feel that in his own way he is helping to build a progressive state. The

creation of industrial democracy, therefore, is a prerequisite for the establishment of a socialist society.” The approach of the Planning Commission was accepted by the Government and Parliament.

(iv) Study group 1956: A first hand of workers participation was considered necessary. In 1956, the Government of India decided to send abroad a study group under the chairmanship of Mr. Vishnu Sahai, the then Secretary, Ministry of Labour. The Study Group carried out on the spot study in U.K., Belgium, France, Sweden, Germany and Yugoslavia. The group submitted its report in 1957, incorporating concrete suggestions for the implementation of the workers participation including the establishment of joint councils in Indian industries.

(v) Labour conferences 1957: The matter was placed in the agenda of the Indian Labour Conference in 1957. It was considered in detail. The conference decided that the workers participation for the present should be left to the volition of the employers. It was also recommended that the scheme should be initially tried out in 50 undertakings in both the public and private sector. A sub committee of the four persons was set up to consider details regarding the scheme of workers participation.

(vi) Tripartite Seminar 1958: In February 1958, a tripartite seminar on labour management cooperation was held in which participated employees and employers from undertakings chosen for setting up joint management councils, representatives from the central organisation of employers and employees and of Central/ State Governments. The seminar arrived at certain conclusions regarding the constitution and functions of joint management councils and administrative problems connected therewith.

(vii) A second tripartite seminar 1960: It was held in March 1960 under the auspices of Union Ministry of Labour to exchange views on labour participation. Against a modest target of fixed in 1957 the joint management councils were set up only in 24 units, 17

in private sector and 7 in public sector. It was agreed that a tripartite committee on labour management cooperation should be set up at the centre to review the progress of the scheme from time to time and to sort out difficulties in the functioning of joint management councils. The Government of India set up a special unit in the Ministry of Labour and Employment to deal with all matters connected with the scheme.

(viii) Nationalised Banks Scheme 1970: In 1970 the Government of India placed before Parliament a scheme known as “Nationalised Banks (Management and Miscellaneous Provision) Scheme.” In pursuance of its terms two directors were elected on the Board of Directors of each Nationalised commercial bank, representing the employees of bank one from amongst the clerical and non supervisory cadre and another from supervisory cadre officers.

(ix) Scheme of workers’ participation in industry 1975: On 30th October, 1975, Government of India announced a scheme of workers participation in industry at shop and floor levels as a part of 20 point programme. The scheme was introduced in mining and industrial undertakings employing 500 workers or more. A National Apex Body was set up at national level. States also constituted Apex bodies to review the industrial relations. Bipartite National Committees were established in key industries. On 5th January, 1976 the Government, extended this scheme to Government sector units employing 100 or more workers.

9.7 REASONS FOR FAILURE OF WORKERS’ PARTICIPATION IN INDIA: The scheme of workers participation in management has failed in India mainly due to the following reasons:

- Employers have by and large resisted workers’ participation in decision making. They feel that workers are not competent enough to take decisions. There is no clear evidence to

convince managers that participative management will really lead to higher productivity and profitability.

- Lower level needs of workers are not fully satisfied. Therefore, majority of Indian workers are not motivated enough to assume decision making responsibility either directly or through their representatives.
- Worker representatives who participate in management have to perform the dual role of workers spokesmen and co managers. Very few representatives are competent enough to assume the two incompatible roles.
- Generally, trade unions leaders who represent workers are also active members of political parties. While participating in management they give priority to political interests rather than the interests of workers.
- Schemes of workers participation have been initiated and sponsored by the Government. There has been lack of initiative on the part of both employers and trade unions.
- The focus has been on participation at higher levels. As a result rank and file of workers are not involved in decision making on matters directly affecting them.
- In India, labour laws regulate virtually all terms and conditions of employment at the work place. Workers do not feel the urge to participate.

9.8 MEASURES FOR MAKING PARTICIPATION SUCCESSFUL: The following steps may be taken to ensure success of workers participation in management:

- Employers should adopt a progressive outlook. They should consider industry a joint endeavour in which workers have an equal say. Employers should be made conscious of their obligations to workers and the benefits of participative management. They should provide job security to workers.

- Strong, enlightened and truly representative, trade unions should be developed. Only one union should be recognised in each industrial unit to represent the workers.
- Employers and workers should agree on the objectives of industry. They should recognise and respect the rights and obligations of each other.
- Workers and their representative should be provided education and training in the philosophy and process of participative management. Workers, should be made aware of the benefits of participation
- Mere legislation cannot make participation successful. A true spirit, of mutual cooperation and commitment to participation must be developed on the part of both management and labour. An atmosphere of trust should be created on both sides.
- Participations should be a continuous process. Adequate time must be allowed to let it take roots. It has to be a slow and steady process. To begin with participation should start at the operating level of management

1.10 References

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2. Mecheal V.P., Industrial Relations and Involvement in Management in India.
3. I.S. Ghosh, Trade Unionism in the Underdeveloped Countries.
4. V.V. Giri, Labour Problems in India.

1.11 Assignments

- Q. 1. What do you mean by “Workers' Participation in Management”? Discuss its significance.
- Q. 2. Discuss the objective of Workers' Participation in Management.
- Q. 3. Discuss various forms of Workers' Participation in Management.

- Q. 4. What is Joint Management Council? Discuss its functions.
- Q. 5. What should be the pre-requisites for the success of Joint Management Councils?
- Q. 6. Describe the essentials of workers Participation in Management.
- Q. 7. Highlight the Workers Participation in Management in India.
- Q. 8. Discuss the various reasons for failure of Workers' Participation in India.
- Q. 9. How Workers' Participation in Management can be made effective?
- Q. 10. Differentiate between Joint Management Council and Workers' Participation in Management.

LESSON-X

LABOUR WELFARE

10.1 INTRODUCTION: Labour is the most important factor of industrial production. Management seeks co-operation of labour force by providing welfare in terms of provisions for better working conditions adequate lightening and ventilation etc. Labour welfare work aims at providing such service facilities and amenities which enable the workers employed in industries to perform their work in healthy congenial surrounding conducive to good health and high morale.

“Any thing done for intellectual, physical moral and economic betterment of the workers whether by employers, by government or by agencies over and above what is laid down by law or what is normally expected on the part of the contractual benefits for which workers may have bar gained.”

- Labour Investigation Committee

“Labour welfare means such services, facilities and amenities which, may be established in, or in the vicinity or undertakings to enable persons employed there in to perform their work in healthy and congenial surroundings and to provide them with amenities conducive to good health and good morals.”

- International Labour Organisation

“Efforts to make life worth living for worker

- The Oxford Dictionary

“Welfare is fundamentally an attitude of mind on the part of management influencing the method by which management activities are undertaken.” R. R. Hopkin, “The voluntary efforts of the employers to establish with in the existing industrial system, working and some times living and cultural conditions of employees

beyond what is required by law, the customs of the industry and the conditions of the market.”

Encyclopedia of Social Science

“The labour welfare work covers all the efforts which the employers make for the benefit of their employees over and above the minimum standards working conditions fixed by the factory act and over and above the provisions of the social legislations providing against accidents, old ages unemployment and sickness.”

N. M. Joshi

“The term labour welfare connotes any thing that makes the conditions in the factory conducive to happiness, health and prosperity of the workers.”

Sir Edward Pantom

The labour welfare operates to neutralize the harmful effects of large scale insutrialization and urbanization. Provision of welfare amenities enables the workers to live an richer and more satisfactory life and contributes to their efficiency and productivity. It helps in maintaining industrial peace.

10.2 OBJECTIVES OF LABOUR WELFARE ACTIVITIES:

Followings are the objectives of the voluntary labour welfare services by employer:

- To win over employees loyalty and increase their morale.
- To develop efficiency and productivity among workers.
- To save one self from heavy taxes on surplus profits.
- To reduce of threat of further grovernment intervention.
- To make recruitment more effective.
- To give expression to philanthropic and paternistic feelings.
- To combat trade unionism and socialist ideas.

- To earn good will and enhance public image.
- To build up stable labour force, to reduce labour turnover and absenteeism.

10.3 IMPORTANCE OF LABOUR WELFARE ACTIVITIES:

Labour welfare in India has a special significance as the constitution provides for the promotion of welfare of the labour for humane conditions of work and securing to all workers leisure, social and cultural opportunities. Labour welfare is measure to promote the efficiency of labour. The various welfare measures provided by the employer will have immediate impact on the health, physical and mental efficiency, alertness, morale and overall efficiency of the workers and thereby contributing to the higher productivity. Moreover, the workmen require protection from certain calamities which impair their efficiency. Social security measure provided by employer will act as a protection to the workers. Social security aims at providing collective measures to protect the members of a community against social risks as their individual resources are seldom adequate to offer protection against hardship. Both assistance and social insurance form integral parts of the system of social security. Labour welfare introduces the extra dimension to industrial relationship which even a satisfactory wage alone cannot provide. Labour welfare expresses the humane interest as enlightened employer has in the well being and contentment of the people who work for him. Labour welfare means activities designed for the promotion of the economic, social and cultural well being of the employees. The term labour welfare includes any thing done for the intellectual, physical, moral and economic betterment of workers by government or by other agencies over and above what is laid down by law in various contingencies like illness, unemployment, disability and death which have a direct impact on the well being of the workers and his dependents.

10.4 REASONS FOR THE LABOUR WELFARE ACTIVITIES

IN INDIA: Followings are the reasons for the labour welfare activities in India. By understanding these reasons, the importance of labour welfare activities can be understood:

Increase in the efficiency of employees: Labour welfare activities increase in efficiency of employees to work. These facilities help in developing the feeling of dedicating among them. Due to the increase in efficiency the production and the productivity of the enterprise increase considerably.

Helpful in reducing the state of poverty among employees: A great problem in industrial development of our country is the extreme poverty among Indian workers. Most of the workers in our country are unable in providing for basic necessities for themselves and to their family members. Provision of labour welfare activities plays an important role in reducing such poverty and in providing essential amenities to the workers.

Establishment of industrial peace: Labour welfare activities help in establishing harmonious relations between employees and employers. Employees realise that they are getting all the possible facilities, and the employers take care of them. Such feeling among employees is helpful in establishing industrial peace.

Helpful in maintaining health and physical ability of employees: Most of the Indian workers are unhealthy and ill fed. It reduces the production capacity of the employees. Provision of nourishing food and medical facilities help in maintaining health and physical

Helpful in reducing the rate of absenteeism and labour turnover: The rate of absenteeism and labour turnover is much higher in India as compared to that of developed countries of the world. Provision of labour welfare activities help in reducing this rate because the workers feel themselves well settled at one place.

10.5 PRINCIPLES OF LABOUR WELFARE: The following principles should be kept in mind and properly following to achieve successful implementation of welfare programmes:

Principle of social responsibility of industry: Industry, is a sub system of the society. It draws its manpower from the society. Obviously, industry, has an obligation or duty towards its employees to look after their welfare. According to this principle, to provide welfare facilities to the employees is social responsibility of industry.

Principle of totality of welfare: According to this principle, labour welfare activities and facilities must be extended to all the employees of the organisation. This is because the goal of the organisation will be achieved if a section of the employees are unable to counteract the baneful effects of industrial system.

Principle of accountability: This principle is also called as principle of evaluation. This principle suggests that the welfare programmes must be evaluated periodically. This is very much necessary to judge and analyse the success of welfare programme and reorganise it for better results.

Principle of time liners: The time liners of any welfare programme help in its success. To find out what are the labour welfare needs and what kind of welfare programmes are necessary, the time required is very important. Timely action in proper direction is essential in any kind of welfare activities.

Principle of responsibility: This principle is based on the assumption that labour welfare is the joint responsibility of employers and employees. According to this principle, labour welfare becomes simple and easiest task because the responsibility is shared by different groups.

Principle of association or democratic values: For the success of a welfare programme association of employees in planning, organising

and implementation is most essential. Employees who have associated in planning, organising and implementation of welfare activities get keenly interested in the welfare programmes.

Principle of efficiency: Efficiency of the workers and welfare facilities are interdependent. Hence principle of efficiency plays an important role in organising welfare facilities in the industry. Employers quite provide welfare facilities to their employees as it would increase their efficiency which would in turn lead to increase its productivity.

Principle of co-ordination or integration: This principle of coordination or integration plays an important role in the success of welfare programmes. Welfare measures to be effective need a co-ordination or integration approach. This will promote a healthy development of the employees in his work, home and community. This is essential for integrating employees to their work environment.

Principle of adequacy of wages: According to this principle workers have a right to adequate wages. Labour welfare facilities must be provided over and above the adequate wages. That means labour welfare measures can not be a substitute for wages. At the same time, it is also true that high wage rate alone can not create a healthy atmosphere nor bring about a sense of commitment on the part of workers. A combination of wages and labour welfare together would achieve good results.

Principle of re-personalization: This principle suggests that the goal of labour welfare should be the overall development of the employees. According to this principle, labour welfare measures help the workers to resist the baneful effects of industrial system. Therefore, it is necessary to organise labour welfare activities both inside and outside the factory.

Principle of self help: This principle suggests that the labour welfare must aim at helping employees to help themselves in future. This helps employees to become more responsible and more efficient.

10.6 INDIA AND I.L.O.: International Labour Organization (ILO) is one of the biggest International Organization today. It has been established for realising social, economic and political justice, particularly among labourers of the world. It was established as a result of the Treaty of Versailles, after the First World War. This treaty was signed by thirty two nations. The convention deliberated over causes of labour unrest, the problems of labourers and their remedies. On 31 January, 1919, an International Labour Enactment Commission was established in Britain, U.S.A., France, Italy, Japan as its members. This commission was entrusted the task of establishing an organisation to solve the problems of labour welfare. This Commission received cooperation from Commonwealth. During 1 Feb., 1919 and 23rd March, 1919, 35 meetings of this Commission were held. In the 35th meeting on 23rd March, 1919 it was resolved that a broad outline of International Labour Organisation may be formed. The follow up activities continued at Washington upto 29th October. Thus, in the International Labour Convention at Washington was born International Labour Organisation.

10.7 FUNDAMENTAL PRINCIPLES OF I.L.O.: The fundamental principles of International Labour Organization have been mentioned in Labour Charter or the Charter of the freedom of labourers. All the members of U.N.O. have accepted this charter are The fundamental principles in this charter are The regulation of the hours of work, including the establishment of a maximum working day and week, the regulation of labour policy, the prevention of unemployment, the provision of an adequate living wage, the protection of workers against sickness, disease and injury arising out of his employment, the protection of children, youth persons and women, provision for

old age and injury, protection of the interest of workers when employed in countries other than their own, recognition of the principles of association, the organization of vocational and technical education and other measures.

Alongwith it some fundamental principles based upon the labour problems and their remedies have been accepted in the charter. These are as follows: (i) The guiding principle shall be that labour should not be regarded merely as commodity or a commercial article, (ii) the rights of association for all lawful purposes by the employers as well as employed is recognised, (iii) the payment to the employees should be a wage adequate to maintain a reasonable standard of life, as understood in their times and countries, (iv) an adoption of an eight hours day or 48 hours week as the standard to be aimed at where it has not already been attained, (v) the adoption of a weekly rest of at least 24 hours which should include Sunday, whenever practicable, (vi) the abolition of child labour of young persons as shall permit the continuation of their education and assure their proper physical development, (vii) the principle that men and women should receive equal value, (viii) the standard set by law in each country, , with respect to the conditions of labour, should have due regard to the equitable economic treatment of all workers both national and foreigners, (ix) each state should make provision for a system of inspection in which women should also take part in order to ensure enforcement of laws and regulations for the protection of employee.

10.8 FUNCTIONS OF INTERNATIONAL LABOUR ORGANIZATION: The important functions performed by International Labour Organisation are as follows:

- Intensive study of international labour problems and economic system and research concerning these problems together with provision of incentives to the nations prepared to medy them.

- Efforts to eradicate the problems on the basis of intensive study of research.
- Some nations are anxious to provide legislation concerning labour problems and want to encourage such organisations. The International Labour Organisation provides them expert advice.
- Publication on different subject and the accumulation on data concerning labour problems together with encouragement to labour power are some of the functions of ILO. The subjects of publications and accumulation of data include; unemployment, social security, social welfare and labour organisation.
- Providing suggestions from time to time to the member nations about labour welfare and industrial development.
- Information can be secured about the problems of various countries with the help of ILO, it because provides information about remedies to these problems remedies to these problems. It also gives information about the causes of failures and success in this direction.
- The countries which require help apply to ILO, which sends delegations for the study of these problems and suitable advice.

10.9 OBJECTIVES OF INTERNATIONAL LABOUR ORGANIZATION: The labour charter of ILO provides an insight into objectives. The main objectives of ILO are as follows:

- Provision of employment for each labourer who is physically and mentally qualified and who has a desire for employment and makes effort for it.
- While providing employment two considerations are emphasised: providing job according to qualification and the work should be according to desire and interest.

- Increase in the income of the labourer.
- Raising the standard of living of the labourers.
- Proving the incentive for mobility to the labourers and suitable guidance about facilities for this mobility.
- Provision of sufficient social security to labourers.
- Provision of life insurance for the labourers.
- Arranging collective bargaining for labour welfare and providing security and respect to labourers right in this connection.
- Providing educational facilities to the labourers a dependence.
- Providing sufficient facilities for training in order to increase the efficiency of the labourers.
- Increasing the cooperation between labourers and employers.
- Increasing the capacity of production of the industry.
- Provision of suitable policies in order to prescribe sufficient share to labourers in economic development.
- Elimination of slums and provision of proper houses for the industrial labourers.
- Provision of healthy recreation to the labourers to increase the working capacity.
- Arrangement to provide equal wages for equal work.
- Provision of necessary reforms in the working condition of labourers.
- Provisions by which the employment of child labour may be restricted.
- Protection of the health of the young labourers and provision1 of facilities, of education of them.
- Adequate arrangement for child welfare.

- Proper arrangement for maternity security and benefits.

10.10 IMPLEMENTATION OF ILO RECOMMENDATION BY INDIA : It has already been stated that ILO has so far adopted 144 Recommendations. Of these, 5 relating to indigenous Workers or Social Policy independent Territories are not applicable to India. Another 16 are such that their provisions have either become out dated or have no relevance at present. Of the remaining 113, our country have fully implemented 34. One is under examination and 66 are at different stages of implementation. The remaining 13 are considered to be not practicable for implementation at present.

Among the 66 Recommendations at different stages of implementation, the important are: Lead Poisoning (Women and Children), Labour Inspection (Health Services), Hours of Work (In land Navigation, Hotels, Theatres, Hospitals, Sea etc.). Minimum Wage Fixing Machinery (Agriculture). Employment Policy, Conditions of Employment Young Persons (underground work).

The 13 Recommendations which are not considered practicable for implementation at present relate to unemployment and unemployment provisions, Hours of Work (Fishing), unemployment insurance (Sea man). Social Insurance and Holidays with pay (Agriculture), Minimum Age (Family Undertaking and Underground Work), Social Security and Medical care for Dependents Seafarers, Employment injury Benefits and Invalidity, Old Age and Survivors Benefits.

Operational Programmes: It has already been stated that operational programmes are concerned with technical assistance and guidance. The ILO has been providing technical resistance and guidance for the implementation of social security programmes, programmes of vocational training, training within industry and employment services and workers education for improving economic and social life of the workers. ILO is assisting for improving the productivity of the industry and workers.

India has benefitted by the ILOs programmes of technical cooperation, particularly 1952 onwards. In 1951, the ILO and the Government of India concluded a basic agreement for the provision of technical assistance mainly in the form of experts and fellowships under the programme, 61 ILO experts have been made available to India and 169 Indian Nationals have been provided fellowships for study abroad upto the end of 1968. The experts sent by the ILO covered the fields of social security, productivity, training within industry, employment information and counselling, vocational training, training of craft instructors, industrial relations, workers education, industrial hygiene, mines safety, management development, industrial physiology, industrial engineering etc.

India has also received assistance in the form of U.N. Special Fund Projects with the ILO as the Executive Agency. The purpose of these Projects is to assist the Government of India in its industrial expansion programme envisaged under Five Year Plans. These projects include the setting up of

- Five Centre Training Institutes to meet the expanding needs of the trained craft instructors
- Three Regional Labour Institutes for education, research and training in labour allied problems
- The Central Mining Research Station for the promotion of health, safety and efficiency of worker in mines
- A National Institute for training in Industrial Engineering for training executives in industrial engineering techniques, methods and practices and
- A plot institute for training and advisory services in the design and construction of moulds, dies and tools for the plastic pressing and other industries.

In June 1967, the following three new projects for India were approved by the U.N. Special Fund with the ILO as the Executive

Agency (a) National Apprenticeship Scheme (b) Advanced Vocational Training Institute and (c) Tool Room Centre.

10.11 ECONOMIC DEVELOPMENT AND OPERATIONAL PROGRAMMES: In the early fifties, the ILO started a wide range of operational programmes to promote economic progress in the developing countries. This is the one on which Indian delegates have been laying constant emphasis. They have, been pressing the ILO to move faster in this direction. It is obvious from the words of the leader of Indian delegation in the International Labour Conference:

I am very much hopeful that during the coming years the ILOs principal activities will be directed towards the promotion of economic development, without which we can not ensure human labour conditions. Human rights can never be a matter of conferment by legal formulation. They must grow out of the economic and social environment and it is in creation of this environment that the ILO must make its maximum contribution. Hence, it can be said that India is keenly interested in its economic development and it has been making the best use of the technical assistance and guidance available from ILO for the economic development of the country.

Principles of Social Justice: In the fifty years of its existence, the ILO has worked consistently for the achievement of “universal and lasting peace” which according to ILO’s constitution, can be established only if it is based upon social justice. Thus, the principal function of the ILO in its quest for social justice has been to safeguard the rights and promote the well being of working people all over the world. According to ILO, well being is not a paternalistic concept it has to be secured through the upholding of the principles of freedom, individual dignity and liberty without which social justice tends to become charity.

The struggle for social justice means struggle for elimination of all forms of discrimination. Indian delegates to International Labour Conferences have been championing this cause in fact, this

has been one of the important contributions. The renewed emphasis on this programme is also in line with what we, as a country, have been urging at international forums. It is now expected that ILO will make efforts to identify and attack the basic reasons for mans inability to live in peace with people of different origins, races, religions and backgrounds. We hope, it would be possible if the objective of social justice is achieved in reasonable limits.

In all its activities the ILO has advocated conciliation and compromise among its three constituents: Governments, Employers and Workers. It is the principle of tripartite co-operation that has provided strength to the ILO. The principle pre-supposes that social justice can be achieved without class struggle or class conflict. The parties can always enter into meaningful dialogue and discuss problems in a spirit of tolerance with a view to evolving a workable consensus. We, in India, have been considerably influenced by this principle of tripartism in the labour field, particularly during the last twenty five years. It is now at the very core of labour policy and many labour practices.

World Employment Programme: The ILO proposes to launch a World Employment Programme (WEB) with the active co-operation of other international organisations. The aim of this programme is to provide member States with advice and practical assistance in devising policies that will increase the amount of productive available, thereby reducing unemployment and under employment. Steps have been taken for the formulation of an Asian Manpower Plan. The primary objective of the Asian Plan is to help countries of Asian Region to achieve higher levels of productive employment and develop the corresponding skills. The Plan would stimulate, facilitate and coordinate active national employment policies, the main emphasis on policies for medium and long term problems of employment. This again is an activity which is close to our programmes of development, in fact, among the developing countries

having a large population and working within a democratic framework, India has been first to think of its development and planning in terms of its manpower and employment problems. Thus, India's experience would benefit international communities and she may be benefited by the technical advice and guidance offered by the ILO.

Youth Programme: The ILO proposes to devote increasing attention to the problems of growing unrest among the youth mainly in the light of provisions for formal schooling with subsequent technical or technological bias. The query that the ILO has posed to itself is: "Does training today prepare young people for the enjoyment of the rights and assumptions of the responsibilities in the complex world of today." This again is typical problem the world over. It should, however, be mentioned that the problems of youth will differ from State to State, according to the state of affluence in the society.

It is, however expected that ILO experts will make a useful analysis of the problems of youth, taking into account the fact that a generation gap separates them from the youth of today. We hope to profit from any appraisal undertaken by the ILO in this important task of building up the country's youth.

10.12 References

1. Kirkaldy H.S., The Spirit of Industrial Relations.
2. Yoder, Dale, Personnel Management and Industrial Relations.
3. Srivastava K.N., Industrial Peace and Labour in India.
4. Cole, G.D.H., A Short History of British Working Class Movement.

10.13 Assignments

- Q. 1. What is Labour Welfare? Discuss its salient features.
- Q. 2. Discuss the objectives of Labour Welfare.
- Q. 3. Describe the importance of Labour Welfare Activities.

- Q. 4. Discuss the Principles of Labour Welfare.
- Q. 5. Describe the various Acts meant for Labour Welfare in India.
- Q. 6. What are various functions performed by International Labour Organization?
- Q. 7. Discuss the objectives of setting up International Labour Organization.
- Q. 8. Discuss the implementation of ILO recommendation's by India.
- Q. 9. Highlight the role of ILO in the Labour Welfare in India.
- Q. 10. Discuss the fundamental principles of ILO.