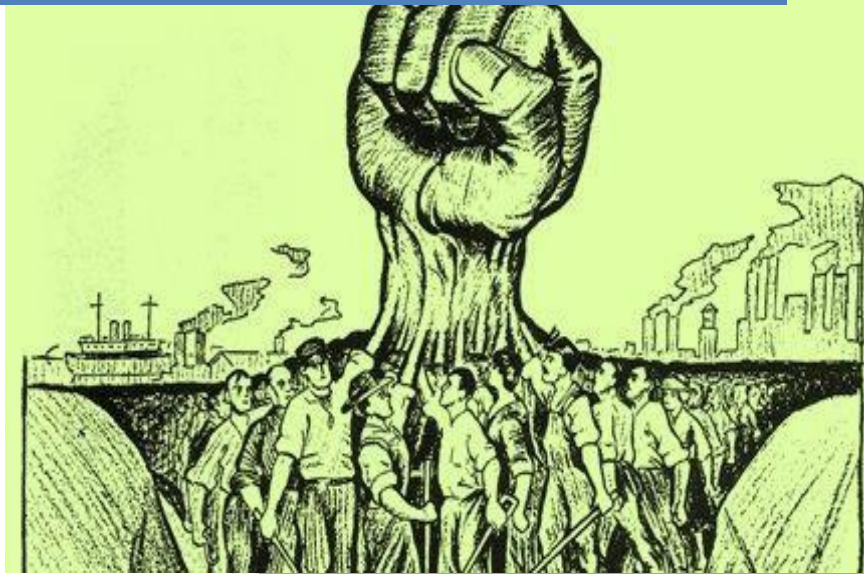


MBA SEMESTER-III

INDUSTRIAL RELATIONS



Syllabus
HRM 304: INDUSTRIAL RELATIONS

Objective: to enlighten the students with the Concepts and Practical applications of Industrial Relations.

Unit – I: Industrial Relations: Scope and Significance – Causes and Consequences of Industrial Disputes – Recent Trends in Industrial Relations

Unit—II : Trade Unions: Trade Union Structure and Movement in India – Changing Role in the Context of Liberalisation

Unit – III: Promotion of Harmonious Relations – Machinery for Prevention and Settlement of Industrial Disputes – Conciliation – Arbitration and Adjudication – Code of Discipline.

Unit-IV: Grievances and Discipline: Grievances Redressal Machinery – Discipline in Industry _ Measures for dealing with Indiscipline.

Unit – V: Collective Bargaining (CB) – CB Practices in India – Participative Management Forms and Levels – Schemes of Workers’ Participation in Management in India.

Unit – I: Industrial Relations: Scope and Significance – Causes and Consequences of Industrial Disputes – Recent Trends in Industrial Relations

Introduction

In simple terms Industrial Relations deals with the worker employee relation in any industry Government has attempted to make Industrial Relations more health by enacting Industrial Disputes Act 1947. To solve the dispute and to reduce the regency of dispute. This in turn improves the relations.

What is Industry? Where we want to have better relations. —Industry means any systematic activity carried on by co operation between an employer and his employee whether such workmen are employed by such employer directly or by or through any agency including a contractor for the production supply or distribution of goods or sources with a overview to satisfy human want or wishes (not being wants or wishes which are merely spiritual or religious in nature) whether or not (i) any capital has been invested for the purpose of carrying on such activity or (ii) such activity is carried on with a motive to make any gain or profit and includes any activity relating to the promotion of sales or business or both carried on by an establishment but does not include.

- i) Normal Agriculture operations
- ii) Hospital, Dispensaries.
- iii) Educational, Scientific Research Training Institution,
- iv) Charitable Philanthropic Service
- v) Khadi Village Industries
- vi) Domestic Services etc.

Industrial Relations (IR): Concept, Scope and Objectives

According to Dale Yoder', IR is a designation of a whole field of relationship that exists because of the necessary collaboration of men and women in the employment processes of Industry”.

Armstrong has defined IR as “IR is concerned with the systems and procedures used by unions and employers to determine the reward for effort and other conditions of employment, to protect the interests of the employed and their employers and to regulate the ways in which employers treat their employees”

In the opinion of V. B. Singh “Industrial relations are an integral aspect of social relations arising out of employer-employee interaction in modern industries which are regulated by the State in varying degrees, in conjunction with organised social forces and influenced by the existing institutions. This involves a study of the State, the legal system, and the workers’ and employers’ organizations at the institutional level; and of the patterns of industrial organisation (including management), capital structure (including technology), compensation of the labour force, and a study of market forces all at the economic level”.

SCOPE OF IR:

Based on above definitions of IR, the scope of IR can easily be delineated as follows

1. Labour relations, i.e., relations between labour union and management.
2. Employer-employee relations i.e. relations between management and employees.
3. The role of various parties' viz., employers, employees, and state in maintaining industrial relations.
4. The mechanism of handling conflicts between employers and employees, in case conflicts arise.

The main aspects of industrial relations can be identified as follows:

1. Promotion and development of healthy labour — management relations.
2. Maintenance of industrial peace and avoidance of industrial strife.
3. Development and growth of industrial democracy.

OBJECTIVES OF IR:

The primary objective of industrial relations is to maintain and develop good and healthy relations between employees and employers or operatives and management. The same is sub- divided into other objectives.

1. Establish and foster sound relationship between workers and management by safeguarding their interests.
2. Avoid industrial conflicts and strikes by developing mutuality among the interests of concerned parties.
3. Keep, as far as possible, strikes, lockouts and gheraos enhancing the economic status of workers.
4. Provide an opportunity to the workers to participate in management and decision making process.
5. Raise productivity in the organisation to curb the employee turnover and absenteeism.
6. Avoid unnecessary interference of the government, as far as possible and practicable, in the matters of relationship between workers and management.
7. Establish and nurse industrial democracy based on labour partnership in the sharing of profits and of managerial decisions.
8. Socialise industrial activity by involving the government participation as an employer.

According to Krikaldy, industrial relations in a country are influenced, to a large extent, by the form of the political government it has. Therefore, the objectives of industrial relations are likely to change with change in the political government across the countries.

INDUSTRIAL RELATIONS IN INDIA: AN OVERVIEW

IR is dynamic in nature. The nature of IR can be seen as an outcome of complex set of transactions among the major players such as the employers, the employees, the trade union, and the state in a given socio-economic context. In a sense, change in the nature of IR has become sine quo non with change in the socio-economic context of a country.

Keeping this fact in view, IR in India is presented under the following two sections:

1. IR during Pre- Independence
2. IR during Post-Independence

1. IR during Pre-Independence:

The structure of the colonial economy, the labour policies of colonial government, the ideological composition of the political leadership, the dynamics of political struggle for independence, all these shaped the colonial model of industrial relations in pre-independent India”. Then even union movement was an important part of the independence movement.

However, the colonial dynamics of the union movement along with the aggressiveness of alien capital, the ambivalence of the native capital and the experience of the outside political leadership frustrated the process of building up of industrial relations institutions. Other factors like the ideology of Gandhian class harmony, late entry of leftists and the bourgeois character of congress also weakened the class approach to the Indian society and industrial conflict”.

Till the Second World War, the attitude of the colonial government toward industrial relations was a passive regulator only. Because, it could provide, that too only after due pressure, the —um of protective and regulative legal framework for industrial relations Trade Union Act 1926 (TL A) Trade Disputes Act 1929 (TDA). It was the economic emergence of the Second World War that altered the colonial government’s attitude on industrial relations.

The state intervention began in the form of introduction of several war time measures, viz. the Defense of India Rules (Rule 81- A), National Service (Technical Personnel) Ordinance, and the Essential Service (Maintenance) Ordinance. As such in a marked contrast to its earlier stance, the colonial government imposed extensive and pervasive controls on industrial relations by the closing years of its era-. Statutory regulation of industrial relations was on plank of its labour policy. The joint consultative institutions were established primarily to arrive at uniform and agreeable labour policy.

The salient features of the colonial model of IR can be summarized as close association between political and trade union movement, dominance of ‘outsiders’ in the union movement, state intervention and federal and tripartite consultations.

The eve of Independence witnessed several instances that served as threshold plank for IR during post Independence era. The prominent instances to mention are passing of Indian Trade Unions (Amendment) Act, 1947, Industrial Employment (Standing Orders) Act 1946, Bombay Industrial Relations Act, 1946, and Industrial Disputes Act, 1947 and split in AITUC and formation of INTUC.

2. IR during Post-Independence:

Though Independent India got an opportunity to restructure the industrial relations system the colonial model of IR remained in practice for sometimes due to various reasons like the social, political and economic implications of partition, social tension, continuing industrial unrest, communist insurgency, conflict, and competition in the trade union movement. In the process of consultation and confrontation, gradually the structure of the industrial relations system (IRS) evolved.

State intervention in the IRS was a part of the interventionist approach to the management of industrial economy. Several considerations like unequal distribution of power in the labour market, neutrality of the state, incompatibility of free collective bargaining institution with economic planning etc. provided moral justification for retaining state intervention in the IRS. State intervention in the IRS is logical also when the state holds large stakes in the industrial sector of the economy.

However state intervention does not mean suppression of trade unions and collective bargaining institution. In fact, state intervention and collective bargaining were considered as complementary to each other. Gradually, various tripartite and bipartite institutions were introduced to supplement the state intervention in the IRS.

The tripartite process was considered as an important instrument of involving participation of pressure groups in the state managed system. Non formal ways were evolved to do what the formal system did not legislate, for one reason or other.

The political and economic forces in the mid 1960s aggravated industrial conflict and rendered non-formal system ineffective. In the process of reviewing the system, National Commission on Labour (NCL) was appointed in 1966.

Now the focus of restructuring shifted from political to intellectual. However, yet another opportunity was lost when there was an impasse on the NCL recommendations in 1972. The Janta Government in 1978 made, of course, a half-hearted attempt to reform industrial relations. Unfortunately, the attempt met with strong opposition from all unions. The BMS, for example, termed it as “a piece of anti-labour, authoritarian and dangerous legislation”.

Several committees were appointed to suggest measures for reforming die IRS. In the process, tripartism was revived in 1980s. Government passed the Trade unions and the Industrial Disputes (Amendment) Bill, 1988. But, it also proved yet another legislative disaster. The bill was severely criticised by the left parties. It was even viewed by some as a deliberate attempt to destroy “autonomous; organised or militant trade union movement”.

In consequence, the tripartite deliberations held at the ILC in 1990 decided three measures to reform IR in India:

- (i) To constitute a bipartite committee of employers and unions to formulate proposals for a comprehensive legislation;
- (ii) To withdraw the Trade Union and the Industrial Disputes (Amendment) Bill, 1988
- (iii) To consider the possibility of formulating a bill on workers' participation in management, 1990. In the 33rd session of ILC, another bipartite committee was constituted to recommend changes in the TU and ID Acts. The government introduced a Bill on Workers, Participation in Management in Parliament in 1990

Thus, the striking feature of the history of IR in India has been that it is dynamic in nature. Particularly since 1991 i.e., the inauguration of liberalization process, the IR in India is marked by new challenges like emergence of a new breed of employees (popularly termed as 'knowledge workers'), failure of trade union leadership, economic impact, and employers' insufficient response"

RECENT TRENDS IN IR IN INDIA

Globalization and increased competition has lead to less strikes, lockouts and less man days lost due to strikes. Also now in the era of knowledge industry employees are educated and thus don't believe in violent activities. They are having responsibilities in cut throat competition and also are aware of their rights well leading to decline in strikes. Employers also avoid lockouts because decline in production for even hours results in heavy losses so forget about days or weeks.

Disinvestment: - it affects IR in following ways:

It changes ownership, which may bring out changes not only in work org and employment but also in trade union (TU) dynamics.

It changes the work organization by necessitating retaining and redeployment.

It affects the right of workers and Trade unions, including job/union security, income security, and social security.

Trade unions, mgt and government are responding to these challenges through various types of new, innovative, or model arrangements to deal with different aspects of disinvestment like.

1. Making workers the owners through issue of shares or controlling interests (latter is still not in India)
2. Negotiating higher compensation for voluntary separations
3. Safeguarding existing benefits
4. Setting up further employment generating programs, and
5. Proposals for setting up new safety nets that not only include unemployment insurance but also skills provisions for redundant workers.

Deregulation: - it is tried to ensure that public sector/ government employees receive similar protection as is provided in public/government employment. The worst affected are the pension provisions. this means, usually a reduction in pension benefits and an uncertainty concerning future provision of pension benefit due to

1. The absence of government guarantees
2. Falling interest rates
3. Investment of pension funds in stock markets

Decentralization of IR is seen in terms of the shift in consideration of IR issues from macro to micro and from industry to enterprise level. When the coordination is at the national or sectoral level then work in the whole industry can be paralyzed because of conflict in IR. But when the dispute is at the bank level, in the absence of centralized coordination by Trade unions only work in that bank is paralyzed and the other banks function normally. This weakens the bargaining power of unions.

New actors and the emerging dynamics: - Earlier IR was mainly concerned with Trade unions, mgt and government but now consumers and the community are also a part of it. When the rights of consumers and community are affected, the rights of workers and unions and managers / employers take a back seat. Hence there is ban on bandh and restrictions even on protests and dharnas.

Increasingly Trade unions are getting isolated and see a future for them only by aligning themselves with the interests of the wider society.

Pro-labour-pro-investor policies

This leads to decline in strength and power of Trade unions if not in numbers. Unions have to make alliances with the society, consumers and community and various civil society institutions otherwise they will find themselves dwindling.

Declining TU density

In government and public sectors workforce is declining because of non-filling of vacancies and introduction of voluntary / early separation schemes. New employment opportunities are shrinking in these sectors.

In the private sectors particularly in service and software sector, the new, young, and female workers are generally less eager to join unions. Workers militancy replaced by employer militancy

Due to industrial conflicts

In 1980-81 man days lost = 402.1 million

In 1990-91 man days lost = 210 million

Not because of improved IR but because of the fear of job security, concern about the futility of strikes, and concern to survive their organization for their income survival.

Trade unions have become defensive evident from the fact that there is significant shift from strikes to law suits. Instead of pressing for higher wages and improved benefits, Trade unions are pressing for maintenance of existing benefits and protection and claims over non-payment of agreed wages and benefits.

COLLECTIVE BARGAINING

Level of collective bargaining is shrinking day by day.

In India, while labour is in the Concurrent List, state labour regulations are an important determinant of industrial performance. The Survey notes evidences that states that had enacted more pro-worker regulations, had lost out on industrial production in general.

However, on the upside, the Survey said there was a secular decline in the number of strikes and lockouts during 2000-04. The total number of strikes and lockouts went down 13.6% from 552 in 2003 to 477 in 2004. The decline was sharper in the number strikes than in lockouts, it noted.

While most of the strikes and lockouts were in private sector establishments, overall industrial relations had improved, especially between 2003 and 2004, when there was a decline in the number of mandays lost by 6.39 million.

Among states, the maximum number of strikes and lockouts were in Left-ruled West Bengal, followed by Tamil Nadu and Gujarat. The sectors which saw instances of industrial disturbance were primarily textiles, engineering, chemical and food product industries.

Stressing on the importance of labour reforms to enhance productivity, competitiveness and employment generation, the Survey noted that a beginning had already been made in that direction. For instance, in the current year, there was a proposal to enhance the wage ceiling from Rs 1,600 per month to Rs 6,000 per month through The Payment of Wages (Amendment) Act 2005. Also, the proposal to empower the central government to further enhance the ceiling in future by way of notification is already in effect from November 9, 2005.

As regards women working on night shifts, The Factories (Amendment) Bill 2005, was under consideration to provide them flexibility and safety.

Also, to simplify the procedure for managements to maintain registers and filing returns, an amendment of Labour Laws (Exemption from Furnishing returns and maintaining Registers by Certain Establishments) Act 1988, was under consideration.

APPROACHES TO INDUSTRIAL RELATIONS:

DUNLOP'S APPROACH

Among the contributions, the most outstanding has been that of Prof. John T. Dunlop of Harvard University. His systems treatment deserves special mention in view of its wider applicability. Dunlop defines an industrial relations system in the following way: An industrial relations system at any one time in its development is regarded as comprised of certain actors, certain contexts, an ideology, which binds the industrial relations system together, and a body of rules created to govern the actors at the workplace and work community. There are three sets of independent variables: the 'actors', the 'contexts' and the 'ideology' of the system. Figure 1 depicts the main elements of the system and the environmental features, or contexts to which Dunlop draws attention. The principal groups identifiable in the system and which constitutes the structure of an industrial relations system are as follows:

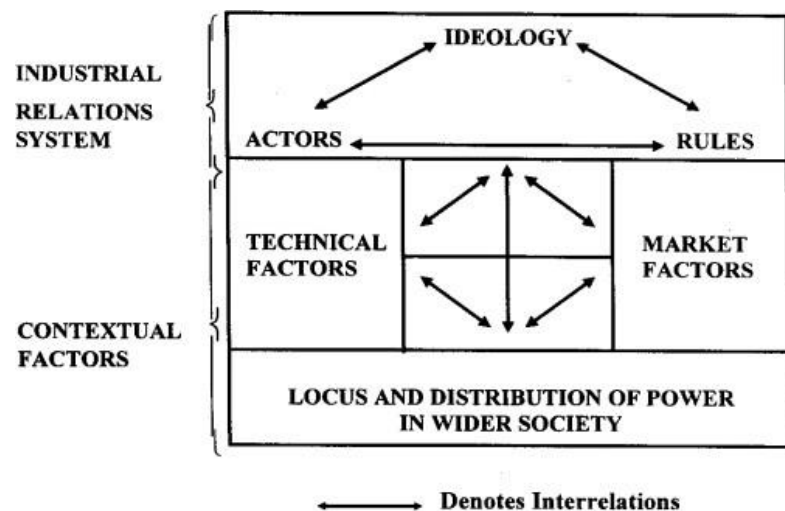


Figure 1: The Conceptualisation of an Industrial Relations System

The Actors in a System: The actors are: (a) hierarchy of managers and their representatives in supervision, (b) a hierarchy of workers (non-managerial) and any spokesmen, and (c) specialised governmental agencies (and specialised private agencies created by the first two actors) concerned with workers, enterprises, and their relationships. These first two hierarchies are directly related to each other in that the managers have responsibilities at varying levels to issue instructions (manage), and the workers at each corresponding level have the duty to follow such instructions

The Contexts of a System: In an industrial relations system, the contexts or the determinants are of greater importance. The significant aspects of the environment in which the actors interact are the technological characteristics of the workplace and work community, the market or budgetary constraints that impinge on the actors, and the locus and distribution of power in the larger society.

The Ideology of an Industrial Relations System: The ideology is a philosophy or a systematised body of beliefs and sentiments held by the actors. An important element that completes the analytical system of industrial relations is the ideology or a set of ideas and beliefs commonly held by the actors that helps to bind or to integrate the system together as an entity.

The Establishment of Rules: The actors in a given context establish rules for the workplace and the work community, including those governing contracts among the actors in an industrial relations system. This network or web of rules consists of procedures for establishing rules, the substantive rules, and procedures for deciding their application to particular situations. The establishment of these procedures and rules is the centre of attention in an industrial relations system.

THE OXFORD APPROACH

According to this approach, the industrial relations system is a study of institutions of job regulations and the stress is on the substantive and procedural rules as in Dunlop's model. Flanders, the exponent of this approach, considers every business enterprise as a social system of production and distribution, which has a structured pattern of relationships. The "institution of job regulation" is categorised by him as internal and external – the former being an internal part of the industrial relations system such as code of work rules, wage structure, internal procedure of joint consultation, and grievance procedure. He views trade unions as an external organisation and excludes collective agreements from the sphere of internal regulation. According to him, collective bargaining is central to the industrial relations system.

The "Oxford Approach" can be expressed in the form of an equation:

$$r = f(b) \text{ or } r = f(c)$$

where, r = the rules governing industrial relations

b = collective bargaining

c = conflict resolved through collective bargaining.

The "Oxford Approach" can be criticised on the ground that it is too narrow to provide a comprehensive framework for analysing industrial relations problems. It overemphasises the significance of the political process of collective bargaining and gives insufficient weight to the role of the deeper influences in the determination of rules.

THE INDUSTRIAL SOCIOLOGY APPROACH

G. Margerison, an industrial sociologist, holds the view that the core of industrial relations is the nature and development of the conflict itself. Margerison argued that conflict is the basic concept that should form the basis of the study of industrial relations. The author criticised the prevalent approach to industrial relations, which was more concerned with studying the resolution of industrial conflict than its generation; with the consequences of industrial disputes than on their causes. According to this school of thought, there are two major conceptual levels of industrial relations. One is the intra-plant level where situational factors, such as job content, work task and technology, and interaction factors produce three types of conflict – distributive, structural, and human relations. These conflicts are being resolved through collective bargaining, structural analysis of the socio-technical systems and man-management analysis respectively. The second level is outside the firm and, in the main, concerns with the conflict not resolved at the intraorganisational level. However, this approach rejects the special emphasis given to rule determination by the “systems and Oxford models”. In its place, it suggests a method of inquiry, which attempts to develop sociological models of conflicts.

THE ACTION THEORY APPROACH

Like the systems model, the action theory approach takes the collective regulation of industrial labour as its focal point. The actors operate within a framework, which can at best be described as a coalition relationship. The actors, it is claimed, agree in principle to cooperate in the resolution of the conflict, their cooperation taking the form of bargaining. Thus, the action theory analysis of industrial relations focuses primarily on bargaining as a mechanism for the resolution of conflicts. Whereas the systems model of industrial relations constitutes a more or less comprehensive approach, it is hardly possible to speak of one uniform action theory concept.

THE MARXIST APPROACH

The class conflict analysis of industrial relations derives its impetus from Marxist social thinking and interpretation. Marxism is essentially a method of social enquiry into the power relationships of society and a way of interpreting social reality. The application of Marxian theory as it relates to industrial relations derives indirectly from later Marxist scholars rather than directly from the works of Marx himself. Industrial relations, according to Marxists, are in the first instance, market-relations. To Marxists, industrial relations are essentially politicized and part of the class struggle. For Marxists industrial and employee relations can only be understood as part of a broader analysis of capitalist society in particular the social relations of production and the dynamics of capital accumulation. As Marx himself put it, “the mode of production in material life determines the general character of the social, political and spiritual process of life.” The Marxist approach is primarily oriented towards the historical development of the power relationship between capital and labour. It is also characterised by the struggle of these classes to consolidate and strengthen their respective positions with a view to exerting greater influence on each other. In this approach, industrial relations is equated with a power-struggle. The price payable for labour is determined by a confrontation between conflicting interests. The capitalist ownership of the enterprise endeavours to purchase labour at the lowest possible price in order to maximise their profits. The lower the price paid by the owner of the means of production for the labour

he employs, the greater is his profit. The Marxist analysis of industrial relations, however, is not a comprehensive approach as it only takes into account the relations between capital and labour. It is rather, a general theory of society and of social change, which has implications for the analysis of industrial relations within what Marxists would describe as capitalist societies.

THE PLURALIST APPROACH

Pluralism is a major theory in labour-management relations, which has many powerful advocates. The focus is on the resolution of conflict rather than its generation, or, in the words of the pluralist, on 'the institutions of job regulation.' Kerr is one of the important exponents of pluralism. According to him, the social environment is an important factor in industrial conflicts. The isolated masses of workers are more strike-prone as compared to dispersed groups. When industrial jobs become more pleasant and employees' get more integrated into the wider society, strikes will become less frequent. Ross and Hartman's cross national comparison of strikes postulates the declining incidents of strikes as societies industrialise and develop appropriate institutional framework. They claim that there has been a decline in strike activity all over the world in spite of an increase in union membership. The theories on pluralism were evolved in the mid-sixties and early seventies when England witnessed a dramatic resurgence of industrial conflicts. However, the recent theories of pluralism emanate from British scholars, and in particular from Flanders and Fox. According to Flanders, conflict is inherent in the industrial system. He highlighted the need for a formal system of collective bargaining as a method of conflict resolution. Fox distinguishes between two distinct aspects of relationship between workers and management. The first is the market relationship, which concerns with the terms and conditions on which labour is hired. This relationship is essentially economic in character and based on contracts executed between the parties. The second aspect relates to the management's dealing with labour, the nature of their interaction, negotiations between the union and management, distribution of power in the organisation, and participation of the union in joint decision-making.

WEBER'S SOCIAL ACTION APPROACH

The social action approach of Weber has laid considerable importance to the question of control in the context of increasing rationalisation and bureaucratisation. Closely related to Weber's concern related to control in organisations was his concern with "power of control and dispersal". Thus a trade union in the Weber's scheme of things has both economic purposes as well as the goal of involvement in political and power struggles. Some of the major orientations in the Weberian approach have been to analyse the impact of techno-economic and politico-organisational changes on trade union structure and processes, to analyse the subjective interpretation of workers' approaches to trade unionism and finally to analyse the power of various components of the industrial relations environment – government, employers, trade unions and political parties. Thus the Weberian approach gives the theoretical and operational importance to "control" as well as to the power struggle to control work organisations – a power struggle in which all the actors in the industrial relations drama are caught up.

THE HUMAN RELATIONS APPROACH

In the words of Keith Davies, human relations are "the integration of people into a work situation that motivates them to work together productively, cooperatively and with economic, psychological and

social satisfactions.” According to him, the goals of human relations are: (a) to get people to produce, (b) to cooperate through mutuality of interest, and (c) to gain satisfaction from their relationships. The human relations school founded by Elton Mayo and later propagated by Roethlisberger, Whitehead, W.F. Whyte, and Homans offers a coherent view of the nature of industrial conflict and harmony. The human relations approach highlights certain policies and techniques to improve employee morale, efficiency and job satisfaction. It encourages the small work group to exercise considerable control over its environment and in the process helps to remove a major irritant in labour-management relations. But there was reaction against the excessive claims of this school of thought in the sixties. Some of its views were criticised by Marxists, pluralists, and others on the ground that it encouraged dependency and discouraged individual development, and ignored the importance of technology and culture in industry. Taking a balanced view, however, it must be admitted that the human relations school has thrown a lot of light on certain aspects such as communication, management development, acceptance of workplace as a social system, group dynamics, and participation in management.

THE GANDHIAN APPROACH

Gandhiji can be called one of the greatest labour leaders of modern India. His approach to labour problems was completely new and refreshingly human. He held definite views regarding fixation and regulation of wages, organisation and functions of trade unions, necessity and desirability of collective bargaining, use and abuse of strikes, labour indiscipline, workers participation in management, conditions of work and living, and duties of workers. The Ahmedabad Textile Labour Association, a unique and successful experiment in Gandhian trade unionism, implemented many of his ideas. Gandhiji had immense faith in the goodness of man and he believed that many of the evils of the modern world have been brought about by wrong systems and not by wrong individuals. He insisted on recognising each individual worker as a human being. He believed in non-violent communism, going so far as to say that “if communism comes without any violence, it would be welcome.” Gandhiji laid down certain conditions for a successful strike. These are: (a) the cause of the strike must be just and there should be no strike without a grievance; (b) there should be no violence; and (c) non-strikers or “blacklegs” should never be molested. He was not against strikes but pleaded that they should be the last weapon in the armoury of industrial workers and hence should not be resorted to unless all peaceful and constitutional methods of negotiations, conciliation and arbitration are exhausted.

HUMAN RESOURCE MANAGEMENT APPROACH

The term, human resource management (HRM) has become increasingly used in the literature of personnel/industrial relations. The term has been applied to a diverse range of management strategies and, indeed, sometimes used simply as a more modern, and therefore more acceptable, term for personnel or industrial relations management. Some of the components of HRM are: (i) human resource organisation; (ii) human resource planning; (iii) human resource systems; (iv) human resource development; (v) human resource relationships; (vi) human resource utilisation; (vii) human resource accounting; and (viii) human resource audit. This approach emphasises individualism and the direct relationship between management and its employees. Quite clearly, therefore, it questions the collective regulation basis of traditional industrial relations.

Industrial Dispute : As per section 2 (K) of industrial dispute or difference between employers and employees employers and employees or employees and employees which is connected with the employment or non employment or the terms of employment or with the condition of labour of any person.

1. There must be a dispute or difference the dispute or difference must be between employers and employees employee and employees, employers and employers.
2. The dispute must be connected with employment or non employment or terms of employment or with the conditions of labour of any person.

The dispute which has resulted in strained relations is a controversy in which the workman is directly or substantially interested. It must also be a grievance felt by the workman which the employer is in a position to remedy. The existence of a grievance is necessary and it must be communicated to the employer.

General causes of industrial disputes strains which results in bad industrial relations are.

1. Close mindedness of employers and employees one thinking to extract maximum work with minimum remuneration, other thinking to avoid work and get more enhancements in pay and wages.
2. Irrational wage, wage system and structure not mutually acceptable
3. Poor working environment, low presence of safety, hygiene conditions vitiated atmosphere for smooth working
4. Poor human relations, and lack of dexterity on the part of management personnel
5. Lack of control over the situations erosion of discipline, which rebounds.
6. Introduction of new technology or automation mechanization, Computerization etc. without proper consultations, preparations and discussion with workers and creating climate.
7. Nepotism, unequal workloads, disproportionate wage, and responsibilities.
8. Adoption of unfair labour practices either by employer or employees and unions.
9. Unjustifiable profit sharing, and not considering workers as a co-shares of the gains of the industry.
10. Frequent union rivalries over membership foisting up of fake unions.
11. Strikes lock out, lay off, and resulting retrenchment due to high handedness on the part of the concerned.
12. Throwing away the agreements and arrived settlements
13. Militancy of the unions

14. Attitude of government and political parties who may indirectly control some the unions for their own gains or to get a hold on the industry.

Suggestions for the improvement of industrial relations and reduce disputes

1. Trade unions should be strengthened democratically so that they can understand and toe with the main stream of the national industrial activities. They can drop the somehow survive attitude by promising impossible and consequent perpetual strain.
2. Employers should have more transparency in their dealings with workers to build confidence and have progressive outlook.
3. They should have open minded flexible collective Bargaining.
4. Workers should be allowed to participate in the management through forums, committees and councils,
5. Sound labour policy, planning
6. Proper leadership and communication
7. Enforcement of discipline
8. Try to have union within workers fold.
9. Equity in distribution of wealth by acknowledging workers as team members

Definition of some important terms used in Industrial Relations

Arbitrator – Neutral person to decide on common issue, includes an umpire Average pay – average wages payable to a workman. In case of monthly paid workman in the three complete calendar months, in the case of weekly paid, in the four complete weeks, in the case of daily paid workman in the 12 full working days preceding

Award: An interim or a final determination of any industrial distribute or of any question relating thereto by any labour (court), industrial Tribunal or national Tribunal and includes an arbitration award

Conciliation officer: Means conciliation officer appointed under (1) Act to make conciliatory effort between employer and employees to bring amity.

Labour Court – Means a labour court constituted under (1.D) Act to adjudicate over industrial dispute cases etc.

Public utility Service – (1) Any Railway service or any transport service for carriage of passenger or goods by air (2) any service in major port to clock. Postal & Telegraph Industrial establishments on the working of which the safety of the establishments, or the workmen employed there in depends. Industries which supply power light, water to public, Public conservancy or sanitation. Few others indicated in Schedules.

Settlement: - means a settlement arranged or in the course of conciliation proceedings and include a written agreement between the employer and workmen arrived at otherwise than in the course of conciliation proceeding where such agreement has been signed by the parties there to in such manner as may be prescribed and a copy there of has been sent to an officer authorized in this behalf by the appropriate government and the conciliation officer

It means an adjustment arrived at in the course of conciliation proceeding before a conciliation officer or before Board of conciliation. It also includes a written agreement between the employer and the workmen otherwise than in the conciliation proceedings. In such a case the agreement must be signed by the parties in the prescribed manner and a copy of which must be sent to an officer authorized in this behalf by the

appropriate government and the conciliation officer. Thus the settlement indicates the agreement arrived at either in the conciliation proceedings or otherwise between employer and the workmen. Unfair labour practice. Generally to interfere with, restrain from, join or assist a trade union or to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection to establish employer sponsored trade union of workmen, to discharge or dismiss workmen by way of victimisation, to recruit workmen during a strike which is not an illegal strike etc.

PARTIES INVOLVED IN INDUSTRIAL RELATIONS ARE

- 1) Workers and their unions, the intelligence level knowledge of workers, back-ground of worker leaders, real or boghus their linkage with political unions, are to be considered for the effective relations.
- 2) Nature of employment and employers, whether benevolent, interested in workers or aiming to get as much profit as possible squeezing workers their attitude plays vital role in maintaining better relations. Whether they want to have team, and growth of their team as a whole or just hire and fire system.
- 3) Position of government, political will whether opportunitie favouring employers or interested in workers, are to be seen. Their interest in workers can be seen through their actions in creating Laws for labour welfare and implementing them effectively.

Causes of industrial unrest in India can be classified mainly under four heads they are

1) Financial Aspects

- a) Demand for increase of wages, salaries and other perks. workers demand goes on increasing with the increase in cost of living
- b) Demand for more perks, and fringe benefits. Issue of bonus also has become a contentious one, even though Bonus Act has come fixing minimum rate payable as 81/3% of their total salary inspite of profit or loss incurred by the industry.
- c) Incentives festivals allowances, concessions etc requires a hike every now and then, workers compare these benefits with other industries and demand them – without comparing the capacity of the industry where they are working.

2) Non financial aspects

- a) Working hours, rest hours, Traveling hours are source of disputes. If houses are provided some section of workers want to include travel time also as working hours.
- b) Introduction of machines, computers modernisation, automation – In effect any act of management which may result in economy in man power is resisted
- c) More facilities like free meals free group travel etc are sought every now and then

3) Administrators Causes

- a) Non implementation of agreements awards and other local settlements – with full sprit
- b) stifling with recognition of labour unions though registered,
- c) Attempt to weaken existing trade unions and trying to foist fake unions
- d) Un healthy working conditions

- e) Lack of skill on the part of leaders supervisors
- f) Disproportionate works loads, favoritism
- g) Victimisation, nepotism attitude of management in recruitment, promotion, transfer etc
- h) Instead of re deployment or skill improvement easier way of retrenchment forced voluntary retirement schemes (C.R.S) are adopted.

4) Government and political pressures

- a) Industrial unions affiliating with political unions which are in power, resulting in frequent shift of loyalty and resultant unrest
- b) Politician influencing workers group closes examples is the Nalco – taken over by Sterlite, the state government supported (propped up) strike at Chattisgarh state against Nalco, for months together resulting in total stoppage of the industry for some time.
- c) Some time unions, workers strike against mergers, acquisition, taken over, disinvestments policies, of government and private sectors.

5. Other causes of strained relations.

- a. Refusal to have workers participation in the running of the industry.
- b. Non adherence to laid out ‘standing orders’ grievances procedures
- c. Refusal to have free frank, and transparent collective bargaining.
- a) d) Sympathetic strike – a show of readership to workers of neighboring industries, and conducting a token strike when they are in full strike. This may cause internal bitterness.

Forms of Industrial Disputes:

Strikes: Strike is the most important form of industrial disputes. A strike is a spontaneous and concerted withdrawal of labour from production. The Industrial Disputes Act, 1947 defines a strike as “suspension or cessation of work by a group of persons employed in any industry, acting in combination or a concerted refusal or a refusal under a common understanding of any number of persons who are or have been so employed to continue to work or accept employment”.

According to Patterson “Strikes constitute militant and organised protest against existing industrial relations. They are symptoms of industrial unrest in the same way that boils symptoms of disordered system”.

Depending on the purpose, Mamoria et. al. have classified strikes into two types: primary strikes and secondary strikes.

(i) Primary Strikes:

These strikes are generally aimed against the employers with whom the dispute exists. They may include the form of a stay-away strike, stay-in, sit-down, pen-down or tools- down, go-slow and work-to-rule, token or protest strike, cat-call strike, picketing or boycott.

(ii) Secondary Strikes:

These strikes are also called the 'sympathy strikes'. In this form of strike, the pressure is applied not against the employer with whom the workmen have a dispute, but against the third person who has good trade relations with the employer.

However, these relations are severed and the employer incurs losses. This form of strike is popular in the USA but not in India. The reason being, in India, the third person is not believed to have any locus standi so far the dispute between workers and employer is concerned.

General and political strikes and bandhs come under the category of other strikes:

Lock-Outs:

Lock-out is the counter-part of strikes. While a 'strike' is an organised or concerted withdrawal of the supply of labour, 'lock-out' is withholding demand for it. Lock-out is the weapon available to the employer to shut-down the place of work till the workers agree to resume work on the conditions laid down by the employer. The Industrial Disputes Act, 1947 defined lock-out as "the temporary shutting down or closing of a place of business by the employer".

Lock-out is common in educational institutions also like a University. If the University authority finds it impossible to resolve the dispute raised by the students, it decides to close-down (or say, lockout) the University till the students agree to resume to their studies on the conditions laid down by the University authority. Recall, your own University might also have declared closure sometimes for indefinite period on the eve of some unrest / dispute erupted in the campus.

Gherao:

Gherao means to surround. It is a physical blockade of managers by encirclement aimed at preventing the egress and ingress from and to a particular office or place. This can happen outside the organisational premises too. The managers / persons who are gheraoed are not allowed to move for a long time.

Sometimes, the blockade or confinements are cruel and inhuman like confinement in a small place without light or fans and for long periods without food and water. The persons confined are humiliated with abuses and are not allowed even to answer "calls of nature".

The object of gherao is to compel the gheraoed persons to accept the workers' demands without recourse to the machinery provided by law. The National Commission on Labour has refused to accept 'gherao' as a form of industrial protest on the ground that it tends to inflict physical duress (as against economic pressure) on the persons gheraoed and endangers not only industrial harmony but also creates problems of law and order.

Workmen found guilty of wrongfully restraining any person or wrongfully confining him during a gherao are guilty under Section 339 or 340 of the Indian Penal Code of having committed a cognizable offence for which they would be liable to be arrested without warrant and punishable with simple imprisonment for a term which may be extended to one month or with a fine up to Rs. 500, or with both.

Gherao is a common feature even in educational institutions. You might have seen in your own University officers sometimes gheraoed by the employees / students to compel the officers to submit to their demands. Here is one such real case of gherao.

Gherao of the vice chancellor: A mini case study

The non-teaching employees of a Central University in the North-East India had some demands with the University authority for quite some time. Non-confirmation of some of the employees even after completion of six years service was one of the main demands. That the Vice Chancellor was to resign on 31st October was known to all in the University.

As the last pressure tactic, the employees started Vice Chancellor's gherao on 31st October at 11.00 a.m. They shut down the entrance gate of the administrative building at 3.00 p.m. to block the egress and ingress from and to the office in the administrative building.

The Vice Chancellor was kept confined in his office chamber. He was humiliated throughout the gherao by using abuses, disconnecting his telephone line, not allowing him food and water and even not allowing him to answer "calls of nature". This scene lasted for 18 hours and was over only by 5 a.m. next day when some 50 C.R.P.F jawans with local police came from the city which is about 20 kms. away from the University Campus.

They broke the entrance gate of administrative building, rescued the Vice Chancellor and arrested 117 employees confining the Vice Chancellor under Section 340 of the Indian Penal Code and kept them behind bars for a day.

On 1st November, the Vice Chancellor handed over the charge of his office to the senior most Professor of the University at his residence in the city. In the wee hours on 2nd November, he left for where he came from. The aftermath of gherao created a tuneless atmosphere in the University Campus for about two weeks.

Picketing and Boycott:

Picketing is a method designed to request workers to withdraw cooperation to the employer. In picketing, workers through display signs, banners and play-cards draw the attention of the public that there is a dispute between workers and employer.

Workers prevent their colleagues from entering the place of work and persuade them to join the strike. For this, some of the union workers are posted at the factory gate to persuade others not to enter the premises but to join the strike.

Boycott, on the other hand, aims at disrupting the normal functioning of the organisation. The striking workers appeal to others for voluntary withdrawal of co-operation with the employer. Instances of boycotting classes and examinations are seen in the Universities also.

Types of Industrial Disputes:

The ILO' has classified the industrial disputes into two main types.

They are:

1. Interest Disputes
2. Grievance or Right Disputes.

They are discussed one by one:

1. Interest Disputes:

These disputes are also called 'economic disputes'. Such types of disputes arise out of terms and conditions of employment either out of the claims made by the employees or offers given by the employers. Such demands or offers are generally made with a view to arrive at a collective agreement. Examples of interest disputes are lay-offs, claims for wages and bonus, job security, fringe benefits, etc.

2. Grievance or Right Disputes:

As the name itself suggests, grievance or right disputes arise out of application or interpretation of existing agreements or contracts between the employees and the management. They relate either to individual worker or a group of workers in the same group.

That's way in some countries; such disputes are also called 'individual disputes'. Payment of wages and other fringe benefits, working time, over-time, seniority, promotion, demotion, dismissal, discipline, transfer, etc. are the examples of grievance or right disputes.

If these grievances are not settled as per the procedure laid down for this purpose, these then result in embitterment of the working relationship and a climate for industrial strife and unrest. Such grievances are often settled through laid down standard procedures like the provisions of the collective agreement, employment contract, works rule or law, or customs /usage in this regard. Besides, Labour Courts or Tribunals also adjudicate over grievance or interest disputes.

Generally, industrial disputes are considered as 'dysfunctional' and 'unhealthy'. These are manifested in the forms of strikes and lock-outs, loss of production and property, sufferings to workers and consumers and so on. But, sometimes industrial disputes are beneficial as well.

It is the dispute mainly which opens up the minds of employers who then provide better working conditions and emoluments to the workers. At times, disputes bring out the causes to the knowledge of the public where their opinion helps resolve them.

