

A REVIEW OF LITERATURE ON INDUSTRIAL DISPUTES IN INDIA

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**BY
GIRIJA GOKULCHANDRAN**

**GOKHALE INSTITUTE OF POLITICS AND ECONOMICS
PUNE-411 004**

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Girija Gokulchandran

Department of Economics
and Banking,
Ness Wadia College of
Commerce, Pune 411 001

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CHAPTER I

INTRODUCTION

For industrial development as also for the smooth functioning of industries, the cooperation of workers and employers is of great significance. Unfortunately quite often the relations have been strained, causing large losses to the parties concerned as also to the society. It is thus of utmost necessity that industrial disputes do not occur, or if they do, they do not last long. More importantly the need is to ensure a milieu for durable peaceful relations.

There are two important aspects of the industrial relations scene in a modern industrial society : (1) Cooperation, and (2) Conflict.

(1) Cooperation

Modern industrial production is based upon cooperation between labour and capital. Labour stands for the workers who man the factories, mines and other industrial establishments or services. Capital stands for the owners of business enterprises who supply the capital and own the final products. The cooperation between the two is one of the basic requirements for the functioning of modern industries and the growth of industrialization.

This cooperation flows from the pursuit of self-interests both by the owners of capital and the owners of labour power i.e. workers. The owners of economic enterprises offer employment, wages and other amenities of life to the workers. The workers in their turn offer their services. Thus there is a fair degree of give and take and serving of mutual interests which is at the base of cooperation between them. But this cooperation is of a minimal degree.

? It is devoid of any voluntary choice of, and regard for, the other as a partner. It is a necessitous and functional cooperation, in the absence of which, neither of the parties can satisfy its interest.

(2) Conflict

This is the second aspect of the system of industrial relations obtaining today. Conflict, like cooperation is inherent in the industrial relation set-up of today. It becomes apparent when industrial disputes resulting in strikes and lock-outs become frequent. The prevailing industrial unrest, the frequency of work stoppages resulting either from strikes or lock-outs and the slowing down of production are the occasional expression of the ever-present and latent conflict between workers and the management. Conflict as one of the features of industrial relations is a general concept. When it acquires a concrete and specific manifestation it becomes an industrial

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dispute, i.e. industrial conflict is general whereas industrial disputes is specific. When issues of conflict are submitted to the management for negotiation, they take the form of industrial disputes. Therefore the specific causes of industrial conflict may be treated as causes of industrial disputes also.

While bad industrial relations are bad, and every effort should be made to ensure good relations, it must be conceded that disputes between labour and management are a frequent occurrence. These are quite normal in a society where capital is owned by one class and labour is *def.?* offered by the other propertyless class.

While every effort is needed to promote healthy industrial relations to avoid occurrence of disputes, yet one should also provide for the satisfactory settlement of the disputes, because they very often occur. In this connection, it is important to stress and realize the immensity of the loss that disputes inflict, the causes that give rise to disputes as also the machinery that exists for resolving these problems. An understanding of these aspects of industrial disputes will be helpful in improving the existing arrangements for their settlement.

One fact about the industrial scenario of India is the large industrial unrest. The number of strikes,

lock-outs, gheraos, etc., have remained quite large (varying from over 1,100 to over 2,700 in a year between 1961 to 1986). The number of workers involved have also been massive running into lakhs (varying from over 5 lakhs in a year between 1961 to 1986). As a consequence of the work-stoppages which these disputes caused, the number of man-days lost run into million (varying from 5 millions to over 55 millions in a year during 1961 to 1986). The magnitude of disputes is more forcefully represented by the index of industrial unrest. Taking the important manufacturing sector (which accounts for more than three-fourths of the weightage in the index of industrial production) the index of man-days lost per 1,000 workers (with 1961=100) varied between over 200 to over 900 in a year between 1975 and 1986. The large magnitude of industrial unrest is also apparent from the fact that in certain years the disputes have been prolonged ones, lasting beyond 30 days or more. During the eighties, for example, the percentage of disputes with duration of 30 days or more has been in the high range of 23 and 30.

The industrial unrest is not only large, it is spread out extensively, industrywise and state/regionwise. The industries affected have been of a large variety, producing consumer goods, intermediate goods and capital goods. Depending upon the nature of the product, the

industries directly affected also engulfed the working of other industries or sectors. For example, disputes in food industries affected adversely the labour and through that all the other industries. Again, industries producing intermediaries, if involved in disputes, damaged the output of other industries depending upon them for inputs. So is the case of those capital goods industries which cause many hurdles in the investment sector. State/regionwise too industrial unrest has badly affected many states, in particular industrially advanced states like Maharashtra, West Bengal, Tamil Nadu, etc.

The work-stoppages, large in magnitude and widespread have resulted in huge losses to the country. The workers directly involved suffered a lot on account of wage cuts or non-payment of wages. The society suffered in terms of reduced production/supply of goods. Losses were also inflicted on the other activities which were linked to the affected industries. Apart from these losses, there were other losses which were non-economic in nature. There were emotional upsets (for the workers' families), physical injury even death (during gheraos or when agitations took on violent forms), law and order problem, etc.

There can be various causes of disputes. These can broadly be grouped under two broad categories, namely -

1) Economic causes relating to

(a) Division of the fruits of the industry

- i) Wage structure and demands for higher wages
- ii) Methods of job-evaluation
- iii) Deductions from wages
- iv) Incentives
- v) Fringe benefits.

(b) Methods of production and physical working conditions

- i) Working conditions
- ii) Machinery
- iii) Layouts
- iv) Changes in products.

(c) Terms of employment

- i) Hours of work
- ii) Promotion
- iii) Shift working
- iv) Lay off
- v) Retrenchment
- vi) Job-security.

2) The Non-economic Causes relate to

(a) Institutional

- i) Recognition of the union
- ii) Membership of the union

- iii) Subjects of collective bargaining
- iv) Union security.

(b) Psychological

- i) Clash of personalities
- ii) Behavioural maladjustments
- iii) Authoritarian administration
- iv) Lack of scope for self-expression and participation.

(c) Denial of legal and contractual rights

- i) Non-implementation of labour laws and regulations
- ii) Violation of collective agreements, wage board's recommendations.

The knowledge of the magnitude and consequences of industrial disputes and their causes should be helpful in formulating remedies. But before this is done, it will be useful to describe the working of the machinery for industrial relations that exists in the country to resolve and prevent these disputes. Such an understanding will provide a valuable knowledge which will be of great assistance in suggesting improvements to make it more effective.

The machinery, partly compulsory and partly voluntary, to resolve and prevent disputes has several components. All these together bear upon the maintenance of peaceful industrial

relations. The principal legislative pieces relevant to this subject are the Industrial Disputes Act 1947 together with its 1976 amendment; the Code of Discipline 1958 and the Industrial Truce Resolution 1962. In addition, there are forums for worker's involvement in negotiations and management of industries such as Works Committees, Joint Management Councils, etc.

By and large the settlement machinery makes provision for resolving disputes through the three methods of mutual negotiations, conciliation and adjudication in this order. Besides the above machinery, there is an understanding among the parties that direct action (i.e. strikes, lock-outs, etc.) will be avoided and that the existing mechanism for settlement of disputes will be fully utilized. To avoid the possibility of worker's day to day grievances being blown into big disputes, the Code of Discipline laid down the grievance procedure for their redressal. Every establishment is expected to follow this procedure.

In addition to the moral restraint implied in the Code of Discipline, measures exist to prevent the occurrence of disputes. These are comprised of : association of workers in the management of industries with the objective of promoting cordial employer-employee relations, building up understanding, increasing productivity and

securing better welfare facilities for workers and training them to share the responsibilities of the management.

Workers are put in responsible position in decision making at some levels through such schemes as : The Joint Management Councils introduced since 1958 on a voluntary basis in public and private sector establishments, workers serving as directors on the boards of nationalized banks and the introduction of worker's representatives on the Boards of Management of a few public sector undertakings on a trial basis.

CHAPTER II

INDUSTRIAL RELATIONS

2.1 Definition of Industrial Relations

The term industrial relations is not easy to define because it seeks to connote a phenomenon of great complexity. This is particularly so in a democratic society which allows considerable freedom of action to workers and to their organizations as also to the employers and to their organizations and a whole series of laws are enacted to regulate their relations.

It can be described as a subject which includes in its purview all types of relationships that arise in the process of production between employers and employees, or employers and trade union workers, or among the union themselves.

As Professor Richardson¹ puts it, "it is concerned with the relations between the parties in industry, particularly with the determination of working conditions."

Dale Yoder² divides industrial relations into two categories, viz.,

(a) Personnel Relations : Individual workers, employer-employee relations at the plant level, and

(b) Labour Relations : Collectivity of worker or relationship between organized labour and employers. The fundamental aim of tackling the problems of personnel relations and labour relations is to eliminate friction and to establish lasting peace in industry which is conducive to industrial progress in India.

According to Professor J.T. Dunlop³ industrial relations system should be taken as one which is concerned with the larger subject of an industrial relations system which defines the role, status and the conduct of different groups of people who work together for productive purposes in an economy characterized by its peculiar social and economic conditions prevailing under given technological, market and power context giving rise to the creation of a body of rules to govern the interactions of the different groups of people involved therein. To quote him, "An industrial relations system at one time in 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 work place and work community."

In Edwin B. Flippo's⁴ view, industrial relations refer to all types of relations that exist in an industrial

enterprise and they are constituted by employer and employees. These relations can be :

(a) Formal Relations : These are established among individuals in an industry by the rules and regulations of the enterprise. These relations are functional and are determined by the hierarchical order in an industry.

(b) Informal Relations : The personal and individualized relations among the members of management and employees are called informal relations. These are not officially recognized, defined or regulated.

(c) Mixed Relations : This is neither purely formal nor purely informal. They are established between two persons in the course of the performance of their professional duties. They are partly functional and partly personal, e.g., mutual adjustment of relieving each other for tea or for receiving payments.

J.H. Richardson⁵ explains three aspects of industrial relations :

(a) Individual Relations : The foundation of industrial relations is laid in the day to day association between (i) employer or management, and (ii) work people at the place of work.

(b) Collective Relations : The relationship between

organized labour and employers, i.e. between employers and their organizations and the trade unions is known as collective relations or more commonly labour relations.

(c) Intervention or Participation by the State :

This is undertaken to promote health, safety and welfare of employees, to define legal relations between the employers and the employees and the legal status and functions of employers' organizations and trade unions, to provide for regulation of wages and working conditions, where this is not done effectively by the parties themselves and to take a direct part in industrial relations as the employers of the persons in the public services.

W.V. Owen and H.V. Finston⁶ define industrial relations as a process whereby the activities of human beings striving to satisfy human desires have created a system of frictional dynamic relationships.

C.H. Northcott⁷ is of the opinion that industrial relations are nothing more than social relations. He says, "Industrial relations are aspects of human behaviours, modified by circumstances and the amotions and the attitudes set up by human action."

The following points emerge from the analysis of the above definitions :

(1) Industrial relations are the relations which are

the outcome of the "employment relationship" in an industrial enterprise. Without the existence of the two parties, the employer and the workmen, such relationship cannot exist. It is the industry which provides the setting for industrial relations.

(2) This relationship emphasises on the process of accommodation whereby the parties involved develop skills and methods of adjusting to and cooperating with each other.

(3) Every industrial relations system creates a complex of rules and regulations to govern the work place, and work community with the main purpose of maintaining harmonious relations between labour and management by solving their problems through collective bargaining.

(4) The Government/State evolves, influences and shapes industrial relations with the help of laws, rules, agreements and award of the courts.

2.2 Evaluation of the State of Industrial Relations

Some determinants most frequently used by researchers to evaluate the state of industrial relations are :

(i) Inter-personal Relations : Good relations are essentially reciprocal. Newton's third law of motion,

action and reaction are equal and opposite, is applicable to employer-employee relations too.⁸ These relations are as important as finance, capital, sales or the goodwill of the company. The difficulty, however, is of objectively measuring the importance of better inter-personal relations and the returns they give to the organization.

(ii) Attitudes : Industrial unrest, labour protest, demonstrations and violence are basically a response to a stimulus inherent in the attitude of employers or managers. The attitudes of the management towards the workers determine the reactions of the workers. The supervisors are the link between workers and management. The workers' attitude towards the management is largely influenced by the attitude of the supervisor towards the workers. The attitude of management towards workers and vice-versa plays a dominant role in the development of good or bad industrial relations.

(iii) Job Satisfaction : Non-compliance of needs like fair wages, better working conditions and better terms of employment results in dissatisfaction with the job and compels the employees to think and rethink whether they should work or not. The situation results in being isolated or developing strained relations with others in the organization.

(iv) Employees' Opinion : An opinion is a belief or

view based on interpretation of observed facts and experience. The opinion of the employees with regard to their relations at the work place may not be accepted as a determinant of the state of industrial relations, but it certainly indicates their idea about their relations.

(v) Labour Turnover : This is the rate of change in the working staff of a concern during a definite period. But this is not a suitable criterion for two reasons : (a) it is subject to a number of factors like change in technology, (b) it is difficult to assess because quantitative facts regarding causes are not properly maintained by the employers.

(vi) Industrial Absenteeism : This is an inarticulate labour unrest.

(vii) Strikes and Lock-outs : The frequency or sheer number of strikes and lock-outs do not tell the whole story. Lack of strikes may not be either because of a weak union and a strong employer or a strong union and a weak employer. The relationship of the two parties - workers and management - does not become clear.

(viii) Workers' Participation : This is a symbol of joint relationship. Participation explains the extent of adjustment between the parties to the industrial relations.

(ix) Grievances : Grievances and arbitration cases are subject to a number of factors, namely, the attitude of management, militancy of unions, the tempo of technological change, system of wage payment, personnel policies and the like.

2.3 Features of a Good Industrial Relations System

(1) Stable industrial relations cannot be sustained if the management feels itself to be powerless before its union or the external environment. Immunity against destructive elements is a basic sign of an organization's health and this has to be developed within the system before growth is aspired for.

(2) It is not so much the conflicts themselves as the sense of 'hopelessness' regarding 'conflict resolution' that generates tension and antagonism in the industrial relations systems. These tensions cannot be reduced by merely appealing to the settlement machinery, as they may not always be effective. It is increasingly important for companies, to evolve an effective 'internal system' of conflict resolution.

(3) The key variable in industrial relations today is not economic conflict as much as suspicion in industrial relation. Therefore there is the need to redefine

the restoration of the legitimacy of the management's control and call for collective effort. The focus needs to be shifted from scapegoating to the acceptance of responsibility and the realization that the major task before the management in industrial relations is 'to prove their bonafides to their workers and the unions.'

(4) Industrial relations are made or unmade not so much as a result of a grand design as through small gestures and incidents which are expressive of the company's approach to the people. A company which treats workers as 'cost' can rarely build good industrial relations. People have to be seen minimum as a resource if a positive response from them is expected and systems, policies, examples have to be set which reflect this approach.

(5) A man's life cannot be dichotomized into work and non-work related life. Off the job problems, and welfare, therefore, have to be need based and systematic. Welfare is not a charity but an expression of concern. It demands time, energy, thought and commitment from the company.

(6) Unions have to be assigned a positive and purposeful role in the organization, e.g., there should be communication and joint responsibility between the union

and the management for implementing the welfare schemes.

(7) Efforts have to be made to create avenues for leadership within the company other than in the union activity. Concentration of power, recognition and opportunity in the union leadership is one of the major causes of the individual rivalries within unions which results into union rivalries. One good way of dealing with this problem without undue interference in the internal functioning of the unions is to extend the leadership opportunities beyond union activities, e.g., formation of cooperatives.

(8) Lastly, industrial relations are not just union-management relations only. The most important consideration is the workers and they cannot be kept in the background. The belief that if the unions are handled properly, then workers will automatically be satisfied is a myth and it is, therefore, vital for an organization to keep its direct channels of communication with the workforce open.

2.4 Gandhian Approach to Industrial Relations

In his lectures, letters written to, or editorials in 'Young India' and 'Harijan', Gandhiji made references to the prevailing industrial relations situation with his

own comments, exhortations and appeals.

The 'trusteeship' principle is the cornerstone of the economic system which Gandhiji envisaged. According to him, employers should not regard themselves as sole owners of mills and factories of which they may be the legal owners. They should regard themselves only as trustees or co-owners. He also appealed to the workers to behave as trustees, not to regard the mill and machinery as belonging to the exploiting agents but to regard them as their own, protect them and put to the best use they can. In short, the theory of trusteeship is based on the view that all forms of property and human accomplishments are gifts of nature and as such, they belong not to any one individual but to society. The 'trusteeship' principle provided a means of transforming the present capitalist order of society into an egalitarian one. He expected the employers to take workers into confidence regarding financial and other matters of the industry. Another point is that there is no room for conflict of interest between the capitalists and labourers. The capitalists were expected to pay a minimum living wage to workers which should be adequate to cover the basic needs like food, clothing, shelter, etc. If the capitalists failed to pay such living wage, workers should first appeal to the capitalist's conscience. If this did not work they should

resort to non-violent, non-cooperation. He believed that if all the workers joined together and adopted such non-cooperation, capitalists would surely come to terms with workers. A point which the workers should realize is the fact that without worker's cooperation capitalists could not exploit labour. He observed 'rich cannot accumulate wealth without the conscious cooperation of the poor in society'.

A basic element of the industrial relations system which has been borrowed from Gandhian thought is the emphasis on peaceful settlement of disputes. The Government of India has provided avenues for labour and capital to sort out their differences. The setting up of wage boards, the holding of tripartite labour conferences and the like provide scope for the representatives of labourers, and employers to exchange views on issues which are of direct concern to them.

Gandhiji did not, at any time, propound rules of behaviour which should govern the rival unions in the inter-union rivalries. This is a serious lacuna in the Gandhian model.

2.5 Industrial Relations System of Dunlop

Following Dunlop,⁹ we can explain the industrial

relations system in terms of certain groups, certain contexts and a body of rules which govern the interactions of the groups at the work place. The principal group identifiable in the system and which constitutes the structure of industrial relations system are as follows.

- (1) A hierarchy of employer, manager and their organizations and their representatives or supervisors.
- (2) Workers and their organizations and their representatives.
- (3) Specialized governmental agencies which are concerned with the workers and their relationship with their employers.

The context or the determinants of this system are :

(1) Technological Context : This includes the characteristics of the work place, the development of technology, etc. The characteristics of the work place affect the industrial relations, climate in an industry which in turn has an impact on the industrial relations system as a whole. For instance, the mining industry has a different technological context as compared to the manufacturing industries. Their place of work, methods of work, mode of living, etc., have profound influence on

evolving particular pattern of industrial relations system. The development of technology also affects industrial relations by way of not only disturbing the existing employment pattern but also by determining the size of the work force employed. Schemes of rationalization and automation for instance, have been opposed by trade unions both in developed and developing countries. In a developing country like India, the introduction of such methods have been keenly felt. For instance, problems arose in the Kanpur Textile Industry on the question of rationalization which led to many strikes, one of which lasted for 80 days in 1955.¹⁰ Structural changes in the labour force have been the result of introduction of technical changes in the Petroleum and Chemical Industries in India in 1969.¹¹

(2) The Market Context : The economic factors which greatly influence industrial relations including the competitive position of the industry in the market, the scope of the market as also the size of the enterprise and the labour cost and the capacity of the industry to pay, etc. These factors affect the product market which in turn affects the labour-management relationship in the shape of rules and awards etc., which govern the work place.

The fact that in the developed countries markets are relatively wide and stable, indicates that industrial relations are better and more cordial in them than in the

under-developed countries where the markets are narrow and relatively unstable for industrial products.¹² In India the relatively small markets and low resources for industrial products themselves set cruel limits to the possibilities of workers being paid the living wage and employers being interested in satisfied work force for further industrial expansion. Thus the product market affects the wage rates and other working conditions to a large extent which in turn affects the employer-employee relationship. Besides the market context in a free competitive market, the capacity of the industry to pay also determines the extent to which the two parties can resort to voluntary collective bargaining. For example, one of the factors responsible for comparative peace in Belur Aluminium Works was the fact that this was an industry with sheltered market and considerable potential for development and also it was an expanding unit enjoying some of the advantages of a pioneer in a market where competitive potential had yet to develop.¹³

Finally, 35 per cent to 40 per cent of the industrial disputes that occur in the manufacturing sector in India arise out of the wages and allowances problem which are an important factor in marketing context or an economic factor.¹⁴

(3) The Power Context : The policy of the Government, the attitudes of employers, the status of industrial workers,

the question of recognition of unions, etc., are all inter-related. The power of the Government to direct and control the affairs and activities respectively of both employers' organizations and labour organizations is all pervasive. In the Asian countries as the trade unions are not so powerful, collective bargaining is far less coercive than in United States or in European countries. The main tone of industrial relations in the Asian countries inevitably calls for the Government intervention in the form of industrial arbitration and conciliation.

The style of management, whether dictatorial, paternal or participative, has also much to do with the employer-employee relationships existing at a moment of time.

The degree of unionization, the extent of membership, the availability of adequate funds and finally the political ideologies either individually or collectively exert a great influence on industrial relations either by making the unions weak or strong enough to enjoy the privilege of collective bargaining. In India collective bargaining has been only of a marginal success and this is due to the imbalance in power context between the workers' unions and employees. The trade unions in India suffer generally from the low degree of unionization, unstable membership coupled with lack of adequate funds and political rivalries. The rivalries among trade unions are mostly

sponsored by rival political parties and they lead to unhealthy industrial relations.

Apart from the above-mentioned factors, the prevailing economic conditions such as the rapidly rising cost of living, growing unemployment and the wages lagging behind the rising prices have also contributed to labour unrest in no small measure. All these factors have contributed to change the locus of power in the society.

2.6 Technology and Industrial Relations

2.6.1 Definition

Those concerned with India's development plans and strategies are concerned with the type of technology to import, given the balance that needs to be maintained between generation of employment and sophisticated technology. Any one who is interested in industrial relations is therefore concerned with the effects of technology on labour management issues such as manpower, job security, redundancy, training, etc.

Technological changes affect various aspects of economic and social life either directly or indirectly, immediately or in the final analysis.¹⁵ The Indian economy operates on various levels of technology simultaneously, jet planes and bullock-carts being at two ends of the

spectrum. Industrial production goes on with hand tools, machines, rationalized plants and automated and electronic devices.¹⁶

Haber, Ferman and Hudson¹⁷ have identified certain changes which affect jobs and influence skills in the American industrial system which can be called technological changes. They are :

- i) Scientific management
- ii) Changes in the location of plants
- iii) Shifts in product demand
- iv) Changes in machinery
- v) Automation.

Rationalization and automation which are different forms of technological change have been systematically introduced in the Indian industrial system in the sixties. Rationalization implies a basic change in the structure and control of industrial activities. In its application it brings together the advantages of planned production, pooling of research, scientific and technical know-how, centralized regulation of finances, modernization of productive processes and sales and optimum use of man power.¹⁸ Its techniques can be applied to not only materials and methods but also to men in the production process.

Automation is synonymously used with technological

change. In this, technology itself controls the operation. At its lowest level, mechanization involves handwork, where man starts the operation and the machines respond. At the highest level of mechanization, i.e., automation, the machine provides data from its own operations and feeds it back to its own controls which govern the production process i.e. they are self regulating.

2.6.2 Implementation of Rationalization and Automation in India

The need for introducing these processes in Indian industry was felt in the fifties. The American model of affluence attracted the attention of other nations - not only is the productivity of the American worker high, he also earns more.¹⁹ The need for higher productivity was felt acutely, so that the standards of living of workers could be raised. The need for rationalization in India was also felt in order to increase productive efficiency in a highly competitive world market and to step up exports, particularly in the cotton and jute textile industries. Another factor responsible for the introduction of the rationalization process was the presence of a vast surplus in labour in a number of industries, particularly the coal industry, which was greatly enlarged during the war to ensure additional production. After the war the employers could not retrench their labour force. These factors collectively led to the introduction of

rationalization. When the rationalization process was introduced, there was opposition on the part of the workers because of the fear of retrenchment. The Labour Ministry and the Planning Commission worked out certain safeguards for workers in the form of fixing work loads, stopping fresh recruitment, offer of gratuity for voluntary retirements, sharing of gains (of rationalization) through higher wages, etc.

2.6.3 Progress of Rationalization and Automation in India

The National Commission on Labour has reviewed the progress of rationalization in three industries : cotton textile, jute and coal, because together they account for a large proportion of labour employment in the organized manufacturing activities. Each industry had its problems and adjustments but all had a common feature in that the pace of rationalization was well regulated to minimize the adverse effects on labour.

In the cotton textile industry, rationalization was first introduced in 1928 in the form of efficiency measures. The textile workers, however, complained of additional strain and an inadequate increase in earnings.

In the jute industry, rationalization was introduced after the Second World War because of international competition. However, the progress has been slow from the point

of view of foreign exchange earnings. Another factor which led to rationalization in this industry was due to India's dependence on a foreign country for raw materials in the early years of independence.

In the coal industry, though rationalization was introduced in the larger mines, old methods continue to be in use in the small mines. With the formation of the National Coal Development Corporation, sophisticated mechanization has been gradually introduced.

Automation came to be introduced in Indian industry as a part of the process of modernization in industry. "Though automation in new process industries and in manufacturing industries did not arouse much opposition, the introduction of computers particularly for office work, evoked serious misgivings, among the employees."²⁰

2.6.4 Technological Change - Its Effects on Capitalist, Socialist and Less Developed Countries

Marx saw technological change in two different lights - negative under capitalism and rather favourable in the future communist society. He argued that under capitalism technological change exacerbated class conflicts by favouring propertied class and damaging workers. In his view, the mechanization and reorganization of production led to an increasing intensity of work and larger profits. He

blamed the 'fetishism of technology' (continuous innovations) for steadily raising the 'organic structure of capital' (capital-labour ratio) and the consequent expansion of the 'industrial reserve army' (unemployment). Some Western thinkers believe that modern technology is creating an equitable industrial (or post-industrial) society - not unlike the Marxist Classless Society - eliminating the traditional class conflicts and the need for a proletarian revolution. Technological progress has raised the level of personal income of the masses, at least in the industrialized countries. Workers are no longer dominated by capital as propertied classes have lost much of their power to professional managers and specialists who themselves are employees. On the whole, technological change has been producing beneficial effects on the conditions of work in both capitalist and socialist countries. The mechanization of work has tended to eliminate or at least lighten the burden of heavy manual labour.

Under both systems, there is a continuous process of substitution of capital for labour (increasing capital-labour ratio). But this process is conditioned by different forces. In developed capitalist economies, it is stimulated by rising labour costs, while in the socialist countries it is shortages of labour and the underestimation of the cost of capital that are responsible. Where

the labour saving process does take place in the less developed countries of the Third World, it is in many cases impelled by the equipment and technologies available from the industrialized (capitalist or socialist) economies. This sometimes produces an irrational utilization of resources, substituting the already scarce capital for cheap, abundant and under-employed labour.

Technological change produces more disruptive effects on labour in capitalist market economies than under socialist central economic planning. The urge and freedom to innovate are greater in the capitalist countries and the processes are spontaneous and sensitive to cyclical fluctuations. But under socialism, innovations are pursued on a centrally planned basis, whereby disruptions can be avoided or minimized by appropriate planned measures in advance.

2.6.5 Technological Unemployment

This is caused by the replacement of labour by capital and improvements in the methods of production, work organization or management, leading to the elimination of certain jobs, occupations, workplaces and even industries. Under technological unemployment we may also include those redundant workers who obtain part time jobs or have to work in jobs below their qualifications - a phenomenon which has come to be known as 'de-skilling', 'downward

occupational drift' or (in the USA) 'skidding'. This is distinct from seasonal and cyclical unemployment and that caused by the perennial deficiency of demand. It is narrower in scope than structural unemployment, as the latter may be caused by changes in the structure of population, consumer tastes and Government policies.

Western establishment economics traditionally assumed that technological change eventually creates new jobs through a more or less automatic self-balancing mechanism. Higher productivity tends to reduce prices, increase real income and consequently the demand for the product in question and/or other items; the expanded output in the existing and new industries raises employment to higher levels, so that, given time, near equilibrium employment is restored.

Practical experience has demonstrated beyond any doubt that mechanism has hardly ever worked either smoothly or consistently.

- (1) Prices may not fall in line with productivity increases, owing to monopolistic, oligopolistic or official practices.
- (2) The price and even income elasticity of demand for products may be low, so that even where there are price reductions or income increases, demand does not necessarily rise. ?

- (3) Even if demand does rise, output can be increased by utilizing idle capacity or by turning to labour saving methods.
- (4) But even if new job positions are created, it does not necessarily mean that the released workers are fully absorbed, owing to the difficulties of retraining at short notice and the geographical immobility of labour.

In less developed countries, technological unemployment is aggravated by the use of labour saving equipment originally designed for high-wage countries, by the generous minimum-wage legislation (making unskilled labour too costly in relation to capital) and by the official over-valuation of the currency (making imports of capital unduly cheap in relation to labour). Furthermore, these countries suffer from under employment much more so than the industrialized economies. As J-de-Givry²¹ puts it : "Too often a worker feels diminished rather than dignified by labour. ... he is a victim ... of the ravages of progress."

2.6.6 Impact of Technological Change in India

Cottage and small scale industries which are labour intensive provide large scale employment. In this connection the National Commission on Labour (1969) felt that

employment for any level of output declines with automation and recommends that "in the application of advanced techniques of production, adequate care will have to be taken to see that the traditional labour intensive sector which provides employment to a large labour force continues to exist. If this approach is followed, the effect of selective introduction of labour-saving techniques on total employment will not be so harmful as is usually understood." It also adds that the introduction of advanced technology should be gradual and done in consultation with the worker's representatives and should satisfy the following conditions :-

- (a) it accommodates all labour that may be rendered surplus,
- (b) it results in higher productivity and efficiency,
- (c) it improves the level of earnings of the workers and ensures equitable gains due to technological change,
- (d) it leads to reductions in costs and benefits to the community.

Technological change affects the work environment and alters the relationship between the employers and employees. This requires changes and adjustments in the work situation. Once the change is introduced, its impact

depends on three factors : (1) the nature of the change, (2) the rate and speed at which the innovations are introduced, and (3) the methods employed by the management for introducing the change.

Technological change affects labour in two ways, economic and social. Under the first category, come redundancy, occupational adjustment, allocation of gains, transfer and retraining problems, etc. The second category consists of psychological factors such as resistance to change, job satisfaction, worker and union reactions and attitudes and problems of changed relationships and utilization of leisure.

One of the problems created by the introduction of modern technology in industries is resistance on the part of workers to the changed environment, work situation and so on. This resistance takes various forms such as aggression leading to strikes, absenteeism, resignations, etc. However, this does not mean that all changes are resisted.²² Workers resist change in their work due to automation only if it threatens their basic security or if they do not understand the change when they are forced to change.²³

Dayal²⁴ is of the opinion that technological change may not be acceptable because of factors within an

organization like failure to develop an appropriate organizational structure and administrative practices like planning, control, etc., consistent with the requirements of technology.

An important result of technological change to automation in Indian industry is that the output per worker has risen considerably. Automation has been introduced in the sugar, steel, cement and textile industries. "It is said that there is hardly any organized industry which has remained untouched by spectacular technological changes resulting, over a period, in significant increase in labour productivity."²⁵

2.6.7 Intermediate Technology

Intermediate technology denotes a stage between the backward and the advanced. In India the former is identified with the technology of traditional Indian industry - for example, manufacture of sugar by the old indigenous technology, namely, Khandasari, while the modern large scale vacuum pan technology for manufacturing crystal sugar is considered advanced.

However, since neither was an exact fit, a great deal of discussion ensued. Schumacher²⁶ led a body of opinion towards the development of a technology which would be appropriate to the conditions found in the countries where it was being introduced. It denotes a social and

cultural milieu, where, given a particular combination of conditions, social, economic, political and so on, a relevant technology is developed keeping in view all the situational factors. Here the criteria is the concern for appropriate technology. For example, the solar pump developed by a French firm, which is being used in Mexico is a good example of appropriate technology.²⁷ It uses a widely available source of energy - the sun - to provide a scarce commodity - water. Although the pump is highly sophisticated, it blends well into the social environment. Thus appropriate technology represents the cultural and social dimension of innovation, i.e., it can be successful in blending itself to the environment and existing conditions.

India has witnessed many attempts to improve the level of traditional village industries. After 1947, Gandhiji set up village complexes to train workers in improved technologies so that they would be qualified to set up small industries. In 1963, Dr. Schumacher, a British economist, visited India and influenced by Gandhiji's ideas on technology, adapted them to modern needs and turned 'intermediate technology' into an area of international concern.

2.6.8 Tackling Technological Redundancy

The ILO has been prompting the member countries for years to introduce protective and compensatory schemes to tackle technological redundancy, and most countries have responded (to varying degrees).

In countries where there is no explicit legislation, these matters are often negotiated in collective agreements. Specific solutions to the problem that may be agreed may include the following.

- 1) The elimination of overtime
- 2) The reduction of working hours
- 3) Work sharing
- 4) Retraining
- 5) Transfer to other plants
- 6) Early retirements.

In the socialist centrally planned economies, the approach to the problem of technological redundancy is much more systematic, comprehensive and unfailing. Economic planning ensures that there is no overall unemployment. This is achieved by setting appropriate production targets (including the expansion of the existing and the creation of new work-places) and ensuring a sufficiency of effective demand (by the appropriate manipulation of the wage funds and prices).

Economic plan is supplemented by two plans : (1) Technical Plan : embodies anticipated or desirable technological developments and the necessary means of adjustment or implementation, (2) Man-power Plan : embodies vocational training, retraining schemes. This is dovetailed into investment plans to accommodate the planned employment and training targets, in which provision is made for the absorption of labour in existing or new work-places.

The consequences of the technological innovations seriously threaten the possibility of workers accepting the innovation.

- (a) Some techniques cut back some processes in production resulting in job redundancy.
- (b) Some innovations automatize or complicate the process of production so that worker's skill becomes redundant.

It is with a view to warding off such fears that the Government of India helped labour and management to arrive at an agreement at national level which provided among others, the following safeguards - offer of work to surplus workers without loss of seniority or emoluments in the same unit, retraining of workers for alternative occupations, offer of gratuity as an inducement to workers

who retire voluntarily, retrenchment on the principle of first come last go and sharing of gains due to rationalization.²⁸

2.7 State and Industrial Relations

2.7.1 Role of State in Industrial Relations

The power of the State is especially formidable in developing countries like India, where it assumes responsibility for economic development and controls the allocation of scarce resources between competing needs. The State is almost omnipresent, omniscient and omnipotent. The relation between labour and management in industry in particular has been subject to State regulation in most societies. When the wage price spiral begins to strain the economy, the State has to step in to safeguard wider national interests. Where labour and management are expected to order their relations bilaterally, the role of the State is that of a watchdog which steps in when limits are transgressed.

In the sphere of industrial relations, the State has to watch and understand the attitudes of unions and employers in regulating their mutual relations in so far as they concern collective bargaining and the consequent direct action which either party may resort to for the realization of its claims. This understanding is necessary

to chalk out the course the State should adopt which in turn is determined by the short-term and long-term welfare goals it sets for itself. The State's anxiety about work stoppages arises because of two factors :

- (i) the impact on the community by way of inconveniences inflicted by interruption in supply of essential goods or services, and
- (ii) the social cost to the parties themselves in the form of loss of wages or production.

It has, therefore, a special interest in the methods chosen by the parties for regulation of their mutual relations. For instance, adoption of collective bargaining will require well organized unions and employers' associations. The State, when it moves towards this goal, takes upon itself the task of formulation of such rules and procedures as may be conducive to improving the organizational strength of the parties as it cannot allow either to remain weak. In the process it will have to define its own relationship with trade unions and employers' organizations.

On many occasions, the State has to frame substantive work rules. This function acquires special significance in the developing countries, particularly in those characterized by labour surpluses. It is here that the demands of developing economy on the one hand and the

considerations of social justice on the other are to be reconciled in the best interests of the community. The state concerns itself not only with the content of work rules, but also with the framing of rules relating to industrial discipline, training, employment and adoption of modern technology often substituting machinery for men. Thus industrial relations affect not merely the interests of the two participants - labour and management - but also the social and economic goals to which the state addresses itself. To regulate these relations in socially desirable channels is a function which the State is in the best position to perform. Such regulation has to be within limits.

Besides economic interests, the State, irrespective of its political ideology, strives to propagate a social system through the content of its industrial relations policy. Conferment of a particular social status on unions and employers' organizations, influencing the pattern of distribution of the industrial output, profit sharing by workers, and workers' participation in industry are all directed to implement a social goal. The instruments used by the State for the purpose could involve direct intervention or be merely educative, depending upon the circumstances.

As a corollary to its role in maintaining peace, the State at times has to provide for an arbitration

machinery to settle industrial disputes. This can be best performed either by creating conditions in which arbitration would succeed in preference to strife or by compelling the parties to accept direct intervention by the State, in the interest of public good. In either case, better results are achieved where the existence of the third party is not overtly felt.

2.7.2 Complexity of the Role of State in Industrial Relations

The role of the State is made especially complex by a number of circumstances, some of them peculiarly Indian.

(i) The State occupies the centre of the stage. The legal framework of industrial relations is such as to inhibit the growth of a voluntary relationship and foster dependence on the State. The State is often forced to play the role not of ^amediator, although it may be so labelled, but that of an arbitrator. When it fails to persuade the two sides to compromise, it has to hand down a solution which will bind both. This exposes the State to the full blast of rival lobbying and is not conducive to simple decisions which favour one side or the other. The eventual outcome is as complex as the pressures that are brought to bear on the State.

(ii) The second circumstance is the ubiquitous

splintering of the labour movement into rival trade unions. It is difficult to speak of labour in a unitary sense even with regard to issues which have the widest appeal. A section of the labour movement will most probably be with the management; other unions may be clandestinely operating to strike a deal with the management; it is also possible for unions to be fiercely independent of the management, and yet divided among themselves. In this situation it is difficult to speak of specific decisions of the State as either for or against labour. They are usually for or against specific segments of the labour movement.

(iii) A third source of complication is the link between one segment of the labour movement and the political party which has formed a Government. The union affiliated to the ruling party demands and often gets, preferential treatment from the State. The State will not be able to completely side-step the special claims of such a union. This is a major force constraining the State.

2.7.3 Failure of the State to Establish Good Industrial Relations

One cannot deny that prudent State intervention and thoughtful State control are needed for establishing a healthy industrial relations scene. This is necessary both from the point of view of workers and of the management.

However, evidences throw light on the fact that many of the Government policies have received cold reactions both from the workers and from the management in India in the past. The failure of the Trade Union Amendment Act of 1947, Labour Relations Bill of 1950 and Trade Union Bill of 1950 have the same story to narrate. Unless both management and workers consent to a law which would affect both of them, it may not receive their cooperation in the Indian industrial climate. A strong force may otherwise work, for which our political mechanism does not permit. The most substantial interventions that the Government can make, therefore, would be to create an environment where both management and workers can come together for a mature relationship. Government policies should succeed in convincing both of them that they are the two sides of the coin and one determines the destiny of the other. But it cannot be held that the Government plays this role well.

The Study Groups appointed by the National Commission on Labour (one for Western Region and other for Northern Region) in 1968 have thrown light on this fact. They have revealed that the existing conciliation machinery functions just only like a post-office without any concrete contribution to cordial industrial relations. Neither management nor unions were happy with the Government policies, which did not help to mitigate conflicts. While Government has retained much powers and responsibilities to establish good

industrial relations, they have miserably failed in this mission. The groups have categorically mentioned that the machineries like conciliation board, wage boards, tribunals, tripartite machinery, etc., could function effectively only if both management and trade unions wholeheartedly cooperate. In actual practice this has not been the case and hence the results of these machineries were disappointing. All these arrangements have been converted into politically motivated agencies with much of Government control. The Study Groups, therefore, have observed that the role and control of Government should be most minimal, enabling both management and workers to voluntarily and spontaneously establish a mutual understanding between each other.

2.7.4 Policy Measures Towards Increasing the Role of State in Industrial Relations

The plan documents elaborate the importance of norms and standards to govern labour-management relations, stress the importance of uninterrupted production, the need to encourage collective bargaining, the importance of voluntary codes, that of arbitration in place of trials of strength, etc. The two Industrial Truce Resolutions of 1947 and 1962 also attempted to make labour and management agree to maintain industrial peace for a period. The Industrial Policy Resolution of 1956 after highlighting

fair and humane treatment of labour, speaks of their progressive association in management.

As a matter of policy, the Government encouraged the growth of tripartite consultation in such institutions as the Indian Labour Conference (ILC) and the Standing Labour Committee (SLC), the Industrial Committees, etc. Quite a few national level agreements were arrived at, at these forums.

Among other Governmental efforts, mention may be made of evolving the Code of Discipline and Conduct, encouraging workers' participation, productivity and workers' education. The 20-point Economic Programme announced during the Emergency and revived in 1980 includes the abolition of bonded labour, revision of minimum wages, workers' participation in industry and strengthening of the apprenticeship scheme.

One peculiarity of the country's labour policy is the dual control in the field of labour relations by the Central and State Governments. At times this causes conflicts. The Government is now the biggest entrepreneur in India and the single largest employer of industrial labour. In this role it has to face difficulties in implementing its own policies. Keshub Mahindra²⁹ notes that instead of building on human relationships our industrial relations began with a spell of legislation and

litigation. The type of legislation passed in itself bred and created an environment of confrontation between employers and workers. There is the need to develop in the Code of Conduct, that for a period of ten years, there will be no strikes and no lock-outs. For, the time has come to forgo some of these privileges for the ultimate objective of ensuring that the future generations are provided with lives which have at least decent living standards. He strongly supports the concept of bipartite negotiations in resolving conflicts without any intervention or interference from outside. Lastly he propagates that participation in management should start at the level of the shop floor.

T.C.A. Srinivas-Raghavan³⁰ explains how TISCO can be rated as an outstanding employer with an enviable track record in industrial relations. TISCO has not had a major disruption caused by labour-management confrontation since 1928. Good salaries and wages do play an important part but it is the overall approach to managing labour, and its problems, that makes the difference. TISCO started a provident fund for workers in 1920 while the rest of the country followed suit only in 1952. A profit-sharing bonus was decreed in TISCO in 1934 and gratuity in 1937, three to four decades earlier than in the rest of the country. Ninety per cent of TISCO's workers belong to one major

union. That makes things easy for the management which steadfastly deals with only a single union. TISCO does not retrench surplus labour, it concedes reasonable demands for higher emoluments, guarantees jobs to the children of employees of long-standing and generally does nothing which might upset the apple cart. In return, the union, which is consulted on all major decisions affecting labour, stays within acceptable limits.

After having discussed the various facets of a good industrial relations system we will now turn to an important aspect of industrial relations - namely - industrial conflict and its manifestations and also the influence of Trade Unions on the industrial relations system.

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CHAPTER III

INDUSTRIAL CONFLICTS

3.1.1 What is Industrial Conflict?

As mentioned earlier (in the chapter of Introduction) industrial conflict as one of the features of industrial relations is a general concept. When it acquires a concrete and specific manifestation, it becomes an industrial dispute. Industrial disputes may be said to be disagreement or controversy between management and labour with respect to wages, working conditions, union recognition or other employment matters. Such a dispute may include controversies between rival unions regarding jurisdiction also. There can be as many industrial disputes as there are points of contact between management and labour or one industrial dispute may cover many issues of conflict. When issues of conflict are submitted to the management for negotiation, they take the form of industrial disputes.

Strikes are the most visible and the most spectacular aspect of industrial conflict, but they are only part of the phenomenon. Kornhauser has argued that a study of industrial conflict needs to examine "the total range of behaviour and attitudes that express opposition

and divergent orientations between individual owner and managers on the one hand and working people and their organizations on the other."¹

Kornhauser goes on to list a number of manifestations of industrial conflict. His list is divided into two sections : one, covers organized conflict, essentially group behaviour (usually between union and management), while the other covers unorganized and individual conflict. Examples quoted include strikes and lock-outs, output restrictions, removal of plant, conflicts in contract negotiations (all organized conflict), labour turnover, absenteeism, autocratic supervision, unnecessary firing and unofficial speed-ups (all unorganized conflict). Through these examples Kornhauser makes it clear that conflict is not always manifest in (and certainly not always the result of) employee behaviour, as might be implied by merely studying the strike; conflict can just as easily be manifest in employer behaviour, such as the lock-out and the removal of plant.

3.1.2 Explanation of Industrial Conflict

One of the most influential explanations of industrial conflict is suggested by the work of the Human Relations School. This view point has its origins in the Hawthorne experiments and the research of Elton Mayo,²

although it has undergone considerable revision since that time. The central idea on which most of this writing is based, is the importance of informal relationships, good communications and supervision to improve employee morale, efficiency and job satisfaction. It encourages the small work groups to exercise considerable control over its environment and in the process helps to remove a major irritant in labour management relations. Some of these views have been criticized 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 the 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 communications, management development, acceptance of workplace as a social system, participation in management, etc.

Scott and Homans,³ in their study (essentially of car workers) in immediate post-war Detroit, highlighted the importance of good communications. They argued that, specially in large-scale organizations, poor communication meant that workers felt they were being given the run around. Some of the reasons suggested for poor communications were, language problems, lack of time and the difficulties facing the 'linkmen', the foremen.

More recent Human Relations studies are frequently referred to under the heading of the 'neo-human relations school'. Its adherents expect that workers will look for certain well defined satisfactions from their employment and stress that these satisfactions may not be only or mainly monetary reward.

Other writers have examined industrial relations in an attempt to isolate crucial structural variables which might be seen as an explanation for the level of industrial conflict. This has led some to argue that the type of technology used might be seen as important. This line of thought was advocated by Kuhn.⁴ His argument centered on the idea that the type of technology used in the industries determined the willingness of workers to formulate and their ability to press demands.

Conflict is endemic in the industrial situation for the Marxist : it is an inevitable part of the wage system. Alienation plays a crucial role in this line of thought. Labour is alienated in the capitalist system essentially because it is treated as a commodity, to be bought and sold. To many writers, and certainly to the Marxist, one of the most important questions is not why conflict occurs, but why it occurs to such a limited extent. One of the answers lies on the institutionalization of conflict through devices like collective bargaining

and the trade union movement.

Stagner⁵ classifies the goal seeking conflicts between the participants in an industry into the following three combinations :

i) Conflict over the same goal which is sought by both employer and the union. This refers to ^{the} question of sharing the available economic return between employers and employees. This goal quickly changes itself into one of power. As each side views it, an increase for one is a loss for the other.

ii) Conflict stemming from seeking different goals which is perceived as incompatible. For example an important goal of unions is job security. But employers may perceive this as conflicting with their attempt to obtain efficiency and higher profits.

iii) Conflict over the means through which the goals are to be reached. Thus employers are likely to perceive that higher productivity should be stressed. But workers and unions resist it, and put restriction on it, as higher production implies intensity of work which, in turn, leads to physical fatigue. Further, unions oppose higher production since it leads to accumulation of stock with immediate consequence of lay-off and retrenchment. In this way workers and the union block certain paths to this goal of the employer.

3.2.1 Definition and Essentials of Industrial Disputes

According to the Industrial Disputes Act 1947, Section 2(k), "Industrial disputes means any dispute or difference between employer and employees, between employers and workmen or between workmen and workmen, which is connected with the employment or with the conditions of labour of any person."

For a dispute to become an industrial dispute, it should satisfy the following essentials.

(i) there must be a dispute -

- (a) between employers and employees (such as wage warfare when labour is scarce),
- (b) between employers and workmen (such as demarcation disputes), and
- (c) between workmen and workmen.

(ii) It is connected with the employment or non-employment or the terms of employment or with the condition of labour of any person (but not with the managers or supervisors) or it must be pertaining to any industrial matter.

(iii) A workman does not draw wages exceeding Rs. 1,000 per month, and

(iv) The relationship between the employer and the workmen should be in existence and should be the result of the contract and the workman actually employed.

Patterson⁶ observed, "Industrial strikes/disputes constitute militant and organized protests against existing industrial conditions. They are symptoms of industrial unrest in the same way that boils are symptoms of a discorded system."

The term industrial dispute has been interpreted and analyzed differently in different cases/situations by the Supreme Court. Some of the principles to judge the nature of a dispute were evolved by the Supreme Court as follows.

1. Considerable section of employees should necessarily make common cause with the general lot.
2. The dispute should invariably be taken up by the industry union or by an appreciable number of workmen.
3. There must be a concerted demand by the workers for redress and the grievance becomes such that it turns from individual complaint into a general complaint.
4. The parties to the dispute must have direct and substantial interest in the dispute.

Moreover, the union must fairly claim a representative character.

3.2.2 Classification of Industrial Disputes

The I.L.O. in its "Conciliation of Industrial Disputes" (first Indian edition, 1980) refers to two main types of disputes relating to terms of employment. They are :

(a) Interest Disputes : These are also called 'conflicts of interests' or 'economic disputes' or 'collective labour disputes'. These disputes arise out of deadlocks in the negotiations for a collective agreement. In most cases the disputes originate from trade union demands or proposals, for improvement of wages, fringe benefits, job security or other terms or conditions of employment. These demands or proposals are normally made with a view to the conclusion of a collective agreement, and a dispute arises when the parties fail in their negotiations to reach an agreement on the outstanding issues.

(b) Grievance or Right Disputes : These disputes are also known as 'conflicts of rights', or 'legal disputes'. These disputes arise from day-to-day worker's grievances or complaints. Grievances typically arise on such questions

as discipline and dismissal, the payment of wages and other fringe benefits, working time, overtime, promotion, transfer, the relationship of work rules to the collective agreement, and the fulfilment of obligations relating to safety and health laid down in the agreement. Grievances may also arise especially over the interpretation and application of collective agreements. Grievance disputes are, therefore, also called 'interpretation disputes'. Such grievances if not dealt with, in accordance with a procedure that secures the respect of the parties, can result in embitterment of the working relationship and a climate of industrial strife. Under the Indian context, disputes regarding the implementation of labour laws and regulations, standing orders, arbitration awards, collective agreements and settlements, wage board's recommendations and administrative orders of the Government fall under this category.

In addition, there are two other types of disputes relating to organizational rights, namely,

(c) Disputes Over Unfair Labour Practices : These types of disputes are also known as 'Trade Union Victimization'. The most common among these disputes are attempts by management of an undertaking to discriminate against workers for being trade union members, or for participating in trade union activity. Other unfair labour practices

are generally concerned with interference, restraint or coercion of employees from exercising their right to organize, join or assist a union, establishment of employer sponsored unions, refusal to bargain collectively in good faith with the reorganized union, recruiting new employees during a strike which is not an illegal strike, failure to implement an award, settlement or agreement and indulging in acts of force or violence.

(d) Recognition Disputes : This type of dispute arises when the management of an undertaking or an employers' organization refuses to recognize a trade union for purposes of collective bargaining. Issues in recognition disputes differ according to the cause which has led the management to refuse recognition. It may be of attitude, as in the case of trade union victimization or the management's refusal may be on the ground that the union requesting recognition is not sufficiently representative, or that there are several unions in the undertaking making conflicting claims to recognition. In such a case, the resolution of the issue may depend on the existence or non-existence of rules for determining the representative character of trade unions for the purpose of collective bargaining. In countries like U.S.A. guidelines for trade union recognition have been laid down in Voluntary Codes of Discipline, or Industrial Relations

Charters agreed to by employers' and worker's organizations.

3.3.1 Causes of Industrial Disputes

In a penetrating study of industrial conflicts, Clark Kerr⁷ has pinpointed the causes of conflicts as follows, i.e. conflict is inherent in a situation for atleast four reasons :

(i) The desires of the parties are more or less unlimited, while the means of satisfaction are limited. Wages can never be as high as workers' desire or profits or salaries as high as owners or managers might wish. The power to make those decisions lying within the orbit of an economic enterprise is also finite.

(ii) There is an eternal opposition of interest between employers and workers which may be made bearable but can never be eliminated in a complex, industrial society.

(iii) Industrial societies are dynamic. Even if a certain distribution of income and power could be devised which, in a given situation, was not subject to controversy, the situation itself would change - because of new regulations by the State, changed expenditure pattern of consumers, higher costs of raw materials, a reduced value of the monetary unit, increased real income for a comparable

group elsewhere - and the parties would need to seek a new allocation of income and power.

(iv) If management and labour are to retain their institutional identities, they must disagree and must act on the disagreement. Conflict is essential to survival. The union which is in and complete agreement with management has ceased to be a union.⁸

In general the sources which give rise to industrial disputes can broadly be divided into :

I. Internal Causes

They are those which concern only the employer and employee within an industry or a firm.

II. External Causes

They are those which emanate from outside the industry and which concern all the industries in the country.

I. Internal Causes

(1) Economic Sources

(a) Wages : (i) Wages seldom correspond to the (subjective cost) cost involved in terms of physical effort and mental strain of the worker. This leads to discontent

of the workers and disputes. (ii) So long as the wages remain rigid vis-à-vis the rising standard of living, discontent of the workers is inevitable and hence unrest. (iii) The third cause of discontent arising out of wage payments is (1) the differences of incomes among workers of different groups (wage differentials) and (2) between industrial workers and property owning class of society (income differentials). It is necessary that there should be wage differentials among workers in an industry, depending upon the skill, intelligence, regularity of workers, risk involved in the job, the demand for the products, etc. Wherever there is a strong trade union, there, wage differentials become rigid and are sometimes, incorporated in a written document. Any change in the wage structure brings about a change in the relative position of the wages of workers. That is bound to lead to friction. In the second case of income differentials, wealth is not distributed according to ability or to need, but simply according to birth or inheritance of property. This kind of inequality leads to conflict.

(b) Working Conditions : The length of the working day, the intensity of work and physical work environment constitute the working conditions. They are non-financial but important in causing embittered relations between employers and employees. If employers refuse to concede

to the physiological requirements of workers like shorter hours of work and work which will have sufficient leisure for health and recreation and a conducive work environment, then the workers' efficiency is impaired and acute discontentment is caused.

(c) Fear of Insecurity : Economic security means protection against loss or reduction of income and against arbitrary actions of employers which affect their job tenure. Partial protection against loss of income is provided by unemployment, sickness, disablement and old age insurance, both by the Governmental and private insurance companies. But no insurance can give full security against the loss of jobs and it is the unrest caused by the fear of loss of jobs that is the most baffling one.

(2) Personnel Sources

The important factors connected with bad personnel administration are dismissal of workers, their victimization on account of being members of labour unions or maltreatment of workers by officers and non-recognition of trade unions. These factors inhibit the workers' freedom and hence lead to industrial unrest.

(3) Psychological Sources

The most important psychological cause for industrial

dispute is the denial of opportunity to the worker for satisfying his basic urge. "To satisfy this urge one must have a measure of control over one's own work situation and a personal relationship to the end product of one's labour."⁹ Division of labour in modern mass production technique has made the tasks of productions monotonous and devoid of personal interest. This has removed the opportunity for the worker for using his skill and his individual judgements. Moreover the work that a worker does forms such an infinitesimal part of the whole that he cannot feel any personal relationship to the product. He is denied of mental satisfaction which contribute to frustration and unrest.

Another psychological cause for disputes is the frustration in the minds of workers, arising out of the unsatisfied desire for personal achievement and betterment. This urge is psychological but its fulfilment is measured in terms of gradual rise in income. The large majority of industrial workers are in a disadvantageous position compared with their counterparts in professional and technical fields. They remain as industrial workers throughout their service. This stagnant status of workers and the consequent frustration is a source of unrest and dispute.

(4) Sociological Source

The general attitude in society is that the industrial worker is a person of no importance and this attitude has serious consequences on his relations with the employer, for the attitude is carried over to the industry.¹⁰ Even within the industrial firm, the unskilled and non-technical workers are disregarded by the employer as human beings. The normal human relations are absent and the workers cannot but revolt. Further, the lack of status in society and in the factory makes the workers form a group by collective power through which they try to achieve status and advancement. Some employers put impediments in the way of workers organizing their own unions which may lead to unrest.

II. External Causes

(1) Political Causes

The important political factors which give rise to labour unrest are repugnant legislative measures, arrest of any popular political leader or overthrow of the present political order.

(2) Similarly the teachings of great political philosophers like Karl Marx and the spread of communist ideas have made the labourers demand a voice in the management of their respective firms and a share in their profits

which the employers naturally refuse to concede thus leading to conflicts.

3.3.2 Causes of Industrial Disputes in India

There are various causes that are responsible for industrial disputes in India as would be clear from Table 3.1.

Table 3.1 : Percentage of Distribution of Industrial Disputes in India on the Basis of Causes

Year	Wages and allowance	Bonus	Personnel and re-trenchment	Leave and hours of work	Others
1961	30.4	6.9	28.3	3.0	30.4
1971	34.3	13.1	23.0	1.4	27.2
1980	28.4	7.3	24.3	2.2	37.8
1981	28.7	7.8	21.4	2.2	39.9

Source : Handbook of Labour Statistics (1979), Pocket Book of Labour Statistics (1982), Ministry of Labour, Five Year Plan Documents and Economic Surveys of various years.

By far the most important single cause of industrial disputes in India is demand for higher wages by workers and refusal to concede their full demand in this respect by employers or management, both in the private and public sectors. Price level has been continually going

up since 1956 and the level of wage rates has not kept pace with the rising level of prices, resulting in lowering of the real wage rates in most of the large industrial establishments.

From the above table it can be seen that roughly one-third of the industrial disputes are on account of controversy over wages.

Controversy over bonus payment is another contentious issue on which industrial disputes arise. The claim of the workers is that the profits are mainly the result of their efforts and therefore, they should have an increasing share in increasing company profits. The workers also maintain that bonus is not a 'present' to be given at the discretion of the management, but that it is only a 'deferred pay' and therefore, a rightful claim of the workers. Though the Government has passed legislation fixing minimum bonus which the company must pay, workers strongly feel they should get a higher rate of bonus. The management takes the view that bonus is a part of profits which the company makes not entirely because of workers employed but also because of better management and modern machinery and equipment installed in the factory. The management also contends that if workers claim a share when a company makes a profit, then they must be ready to share the company's losses, if the company is forced to

incur them, especially if the losses are due to no fault of the employers.

Another single important factor responsible for industrial disputes, next only to wages and bonus, is retrenchment of workers and personnel. This factor accounted for about 30 per cent of the total industrial disputes in the country, the percentage having shown a decline from 1980 onwards. In 1981 it was 21.4 per cent.

'Other causes' was another important factor and has accounted for about 40 per cent (in 1981) of the total industrial disputes in the country. Other causes include demand for accommodation, medical facilities, leave travel allowance, demand for company bus, treatment of workers by supervisors, recognition of trade unions, etc.

"Leave and hours of work" account for about 2 to 3 per cent of the total industrial disputes in the country.

The analysis of the causes of industrial disputes is very important because if the number of industrial disputes is to be reduced, then the policy-makers must know what factors and to what extent the factors are responsible for industrial disputes. It is only on the basis of this knowledge that policy-makers would be in a position to devise suitable policies to resolve successfully industrial disputes and establish industrial peace.

3.4 Forms of Industrial Unrest

The term 'industrial dispute' is generally taken to mean some action resulting from disagreement between workers and employers, but there are many forms that such industrial action can take. These include : (I) Strikes, i.e., a stoppage of work due to a withdrawal of labour by employees, and its corollary; (II) Lock-outs, i.e., management preventing workers from entering the place of work.

(I) S t r i k e s

It has been customary to limit the term 'strike' to a 'temporary stoppage of work by a group of employees in order to express a grievance or enforce a demand.'¹¹ The use of the word 'temporary' gives the clue to the intent of the workers, in their opinion, they are still employees, they wish to return to work but only under certain conditions acceptable to them.

The second essential of a strike is the group concept, the idea of mass action in the direction of a more or less cohesive unity of will to cease work, action that excludes from consideration, individual expressions or grievances or whim. It does not necessitate organization into unions but does at least imply a desire to follow a leader, even though he be a merely temporary rallying point. The concerted stoppage of work must be by employees or by

those who have been customarily employed.

Patterson¹² views strikes as "a temporary cessation of work by a group of employees in order to express grievance or to enforce a demand concerning changes in work conditions."

Section 2(q) of the Industrial Disputes Act, 1957, defines a strike as a "cessation of work by a body of persons employed in any industry, acting in combination or a concerted refusal under a common understanding, of any number of persons who are or have been so employed to continue to work or to accept employment." It will be seen that according to this definition, the essential elements of a strike are : (1) plurality of workers, (2) stoppage of work or refusal to work, and (3) combination or concerted action.

Forms of Strikes

One way of classifying strikes are :

(1) Primary Strikes : These are generally pointed against the employer with whom the disputes exist. They may take the form of stay away strike, stay in, sit-down, pen-down or tools-down strikes, go-slow and work to rule, token or protest strike, lightning or cat-call strike, picketing or boycott.

(2) Secondary Strikes : These are the strikes in which the pressure is applied not against the primary employer with whom the primary workers have a dispute but against some third person who has good trade relations with him which are severed and the primary employer gets a loss.

Another way of classifying strikes are as follows.

(1) On the basis of the nature of initiation, strikes may be classified as :

(a) Authorized Strike : This is one which is called only after the union has given its consent.

(b) Unauthorized Strike : This is commonly known as Wild-Cat Strike and it is called without the approval of the union. It is called by a section of workmen on the spur of the moment without any formal preparation, any formal notice to the employer, or any consent from the relevant union. It is an emotional outburst caused by any sudden provocative action on the part of the management or supervisors.

(2) On the basis of workers and areas covered (scope), strikes may be classified as :

(a) General Strike : This has a wide coverage, but the degree of generality or the nature of coverage

varies considerably from strike to strike. For example, there may be a general strike which covers a wide range of industries and all or a large part of the country. Some general strikes may be confined to a city or an industrial town.

Bandhs are typical examples of such strikes in India.

The objective behind organizing bandhs has primarily been political in nature.

(b) Particular Strikes : These are limited in scope and are usually confined to a single plant or a few plants and to a single trade or occupation in a particular town or city. Ordinarily, such strikes are called by the plant level unions. Majority of strikes come under this group.

(3) On the basis of the techniques adopted, strikes may be classified as :

(a) Slow-down Strike : This is one of the most pernicious practices that discontented or disgruntled workmen sometimes resort to. The workers intentionally reduce the speed of the work and adopt dilatory tactics to reduce the production or efficiency while pretending to be engaged in the factory. Workers resort to go-slow when the union does not want to resort to full-fledged strike but still wants to take some alternative action which may be less risky but equally effective. It has been castigated as worse than a strike for the simple reason

that it means not only loss of production but added losses on account of the running of all machines and equipment without putting these to proper and adequate use.

(b) Quickie Strike/Token or Protest Strike : Workers remain in their place of work, but they stop work for a brief period i.e. for a few minutes or few hours. The purpose is to exert moral persuasion than to precipitate the issue.

(c) Sit-down Strike : Workers remain in their place of work but they do not work. The difference between a quickie and a sit-down strike is only of duration. In a sit-down strike, workers stop working altogether.

(d) Work-to-Rule : Under a work-to-rule situation, the employees declare that they will perform their tasks strictly in accordance with the rule prescribed. By this they succeed in slowing down the pace of work and reducing output without going on a formal strike and without any dereliction of duty. It is a very effective instrument of exerting pressure on management. In some services like insurance, banking, post and telegraph and government offices, employees often resort to work-to-rule method for fulfilment of their demand.

(e) Picketing : This is an act of posting pickets and marching or patrolling of the workmen in front of the

premises of the employer carrying and displaying signs, banners and placards (in connection with the dispute) for the purpose of preventing others from entering the place. Some of the union workers are posted at the factory gate for the purpose of persuading others not to enter the premises but to join the strike. Such type of picketing is said to be peaceful. But when the persuasion is done by physical force or show of force or physical obstruction, threat or violence, picketing no longer remains peaceful.

(f) Boycott : This aims at disrupting the normal functioning of the enterprise. It is an appeal for all voluntary withdrawal of cooperation and so, it is persuasive in nature.

(g) Gherao : The practice includes confinement by workers of authorities (often managerial personnel) in their offices lasting for hours or even days and they are prevented from going out pending the fulfilment of the demands. The problems resulting from gherao received the attention of the National Commission on Labour which held that "gheraos, apart from their adverse effects on industry and economy of the country, strike at the very root of trade unionism." Further, according to the Commission, gheraos 'cannot be treated as form of industrial protest since they involve physical coercion rather than economic pressure.'

(4) On the basis of the generic purposes for which the strikes are undertaken they can be classified as :

(a) Sympathetic Strike : It is conducted out of sympathy for the cause of another group of workers, whether on strike or not. Thus, the workers resorting to a sympathetic strike have no immediate grievance against their employer. The strikes hope to strengthen the morale of the workers for whom they are expressing their sympathy by going on a strike.

(b) Jurisdictional Strike : These are conducted with a view to forcing an employer to recognize or bargain with a particular trade union instead of another. One of the contestants may go on strike to pressurize the employer accept its representational claim.

(c) Political Strikes : Strikes of this sort are intended to put pressure on the Government or a public authority to do something or desist from doing something. Such strikes are also intended to express worker's support to a particular cause. Bandhs discussed earlier come under this category. Such strikes are not caused by any industrial dispute.

(II) Lock-Outs

Ordinarily "lock-out" means the action of an employer in temporarily closing down or shutting down his

undertaking or refusing to provide his employees with work with the intention of forcing them either to accept demands made by him or to withdraw demands made by them on him. The Industrial Disputes Act, 1947 defines lock-outs as "the closing of a place of business or employment or the suspension of work, or the refusal by an employer to continue to employ any number of persons employed by him." Here lock-out has to be distinguished from closure. Lock-out does not mean the closing down of business. It only means closing down of the place of business. It means suspension of work, not discontinuance of the carrying of the business.

Lock-out is an antithesis/counterpart of a strike. Just as the employees have a weapon in their hands to put pressure on the employer by going on strike, so also, the employer has a weapon against the employees to lock-out his premises and not to allow the workers to come into work. Therefore, only when the employer shuts down his place of business as a means of reprisal or as an instrument of coercion or as a mode of exerting pressure on the employees, or generally speaking, when his act is what may be called an act of belligerency there would be a lock-out. Thus the definition of lock-out as given in the Industrial Disputes Act, 1949, has to be read and interpreted in consonance with the meaning of lock-out as understood in industrial relations.

3.5 Strikes

3.5.1 General Influence on Strike Activity

Industrial conflict is a universal feature of labour-management relations. Strike is one of the most dramatic manifestations of industrial conflict. Maximum production is the outstanding need for national prosperity. Strikes interfere with production; it is therefore desirable that strikes should be minimized. A strike is an inevitable response to industrialization - a protest against the frustrating character of industrial work. A major feature of strikes is the amount of aggression manifest. Unrest is generated when industrial workers as individuals and groups find themselves restricted, thwarted and frustrated in their endeavours to achieve their economic and social goals. It may take various forms. It may be inarticulate and manifest itself in loitering, pilfering, gossiping, disregard for company's property, indifferent attitude to work, high rate of absenteeism, tardiness and so on. As frustration grows, this diffused feelings of discontent gradually takes definite shape and results in deliberation and organization of labour. Workers identify certain terms and conditions of work as the cause of their dissatisfaction. Then, industrial unrest becomes articulate in which case

it involves open disputes, speeches, meetings, demonstrations, processions on the street and other similar expressions. Strike is, however, one of the most spectacular and dramatic expressions of unrest. "The expression of industrial unrest thus ranges from these vague indications at one end of the scale to organized go-slow, strikes and revolutionary activity at the other - the form of expression being determined by a complex mechanism of economic, political, technical and psychological factors."¹³

Strikes may be described as industrial relations fever. Most of the measures proposed by the Government and experts serve only as palliatives since they are aimed at treating the symptoms of industrial unrest rather than the elementary forces which develop and maintain discontent, hatred and hostility. It is true that "economic aspirin" is necessary at times to relieve the 'economic headache' of industrial relations; nevertheless money is not the end all or panacea for all discontent.

There are three basic series of strikes statistics to provide a measure of industrial unrest :

- 1) The frequency i.e. the number of strikes showing the occurrence of separate outbursts of discontent and frustration.

- ii) Measuring the number of workers involved (i.e. magnitude) shows whether strikes are large or small and as such indicates the 'extent of militancy'.
- iii) The number of working days lost i.e. duration tells us whether strikes are long or short and therefore, discloses 'something of the stubbornness of the parties'.

3.5.2 Causes of Strikes

A number of researchers have used strike data to help them construct general explanations about the causes of strikes. One of the best known of such studies based on U.K. data, is that by Knowles.¹⁴ He used the Ministry of Labour statistics on the principal causes of strikes. Knowles argued that the causes recorded by the Ministry of Labour could be grouped under three headings :

- (1) Basic Issues : Wage increase or decrease questions, other wage questions, hours of labour.
- (2) Frictional Issues : Employment of certain classes of persons, other working arrangements, rules and discipline.
- (3) Solidarity Issues : Trade union principle, sympathetic action, miscellaneous causes.

Kerr and Siegel¹⁵ examined the strike records in a number of different industries; their aim was to discover patterns of strike propensity for different industries. They found that certain industries (notably mining) were highly strike-prone, whereas others (railroad and agriculture) were lowly strike-prone. Their explanation for the different strike propensities centred on two theories :

The first was that the location of the worker in society determines his propensity to strike and that his location is heavily influenced by his industrial environment. In summary this theory stated that industries will be highly strike-prone when workers form a homogeneous group which is usually isolated from the general community and which is capable of cohesion. On the other hand, industries will be relatively strike-free when their workers are individually integrated into the larger society as members of trade groups which are coerced by Government or the market to avoid strikes or are so individually isolated that strike action is impossible.

The second theory looked at by Kerr and Siegel was that the character of the job and the worker influenced the strike propensity. Stated briefly it argued that the nature of the job determines, by selection and conditioning, the kind of workers employed and their attitudes, and these workers in turn cause conflict or peace. Thus,

if a job is physically difficult and unpleasant, unskilled, casual and fosters an independent spirit, it will attract tough, inconsistent and combative workers who will be inclined to strike. On the other hand, if the job is physically easy, skilled, performed in pleasant surroundings and subject to close supervision, it will attract women or the more submissive type of men who are unlikely to strike.

3.5.3 Theories about Strikes

Economists, psychologists and sociologists have their own theories about strikes and their own favourite remedies for avoiding them. Arthur M. Ross and Donald Irwin¹⁶ - "The pure economic theory assumes that the workers and the employer calculate the desirability of a strike solely in terms of financial gains and losses and holds that, if each side knows accurately the other's willingness to fight, a peaceful settlement will be made."

Psychologists suggest remedies which include interviewing and counselling, attitude and morale surveys, better selection and training of foremen, and more concern for "human relations" in scheduling lay-offs, introducing technical changes, etc. The recipe of sociologists is to reintegrate the workers into the employing enterprise by various forms of verbal magic."

3.5.4 Effects of Strikes

It is difficult to draw up a balance sheet of a strike. Apart from workers and employers the society is also affected by strikes. The social costs of strikes cannot be assessed in monetary terms. Physical losses and hardships can be recouped in a short time but the heritage of bitterness left behind by many a strike continues to affect social relations for long periods. From the workers' point of view, on the debit side must be put the loss of wages and on the credit side the gains in wages and other concessions that they may have secured. It is difficult to assess them in monetary terms. Sometimes the gain made may be only a moral gain, such as, recognition of union or return to work without victimization and without any change in the status quo. The value of such a gain as a morale-booster is considerable, and workers and a union may not mind securing such a gain even at the cost of losing large amounts in wages. Even in the case of defeats it is not always possible to say that workers have lost everything. Sometimes concessions that are stubbornly refused during a strike are quietly given after its defeat. A strike can be regarded as a dead loss for workers if it brings no concessions during or immediately after the strike and also results in the destruction of organization and demoralization. From the point of view of employers, the

loss is the fall in production and the consequent loss in profits to be balanced against the cost of the concessions that would have been necessary if the strike were to be avoided. In addition there are considerations of prestige and the need for maintaining discipline and efficiency. It is possible for employers to balance all these considerations and the cost of concessions and then decide their policy about a strike. It is usually a seasoned and calculated decision, though it may happen that it is sometimes based on wrong premises and is influenced by wrong ideas about personal prestige and face. The decision of strike is not taken on the basis of mathematical calculation of gains and losses. It is governed by a number of social, economic and even personal factors.

3.5.5 Strikes - Position in India

In India, the right to strike is not expressly recognized by law. Before 1926 there was no statutory law in India concerning industrial strikes for reasons that such strikes were not common in the country. As the frequency of industrial strikes increased after the First World War, the Indian Trade Union Act 1926 for the first time indirectly recognized (Sec. 17 and 18) the right to strike by legalizing certain activities of registered trade unions in furtherance of trade disputes.

Today, while the right to strike is recognized as a legitimate economic weapon of trade unions its exercise is so circumscribed so as to give to the government/^{the right} to determine its legal or illegal character. It is thus a recognized weapon of the workmen to be resorted to by them for asserting their bargaining power and for backing up their collective demands upon an unwilling employer.

There is a guaranteed fundamental right to form association or labour unions. But the activities of such associations to achieve their objects may be subjected to reasonable restrictions. Therefore, under the Indian Constitution the right to strike is not a fundamental right of the trade unions. Secs. 22 and 23 of the Industrial Disputes Act forbid strikes in public utility or other undertakings as well as in the event of a reference of the dispute to adjudication, [The Industrial Disputes (Amendment) Bill 1963 also seeks to prohibit strikes during arbitration proceedings] under Sec. 10 of the Industrial Disputes Act. In other words, the right to strike is a relative right which can be exercised with due regard to the rights of the others.

The right to strike in India is subjected to procedural requirements of notice or pendency of conciliation or adjudication proceedings or period covered by settlement, award or voluntary arbitration. Strike is

permissible provided it is exercised judiciously peacefully, reasonably and as a last resort within the framework of statutory industry laws. Such a right to strike does not authorize workers to indulge in acts of vandalism, sabotage, intimidation, obstruction, violence or destruction of life and property.

The following table (Table 3.2) gives an idea of the number of strikes, lock-outs and total number of mandays lost, during the period 1951-84 in India.

Table 3.2 : Number of strikes, lock-outs and mandays lost

Year	Number of disputes			Mandays lost (in lakhs)		
	Strikes	Lockouts	Total	Strikes	Lockouts	Total
1951	1010	61	1071	28	10	38
1961	1240	117	1357	30	19	49
1971	2478	274	2752	118	47	165
1976	1241	218	1459	28	99	127
1977	2691	426	3117	134	119	253
1981	2245	344	3589	212	154	366
1983	1332	364	1696	82	173	255
1984	1689	405	2094	N.A.	N.A.	560

Source : Handbook of Labour Statistics (1979), Pocket Book of Labour Statistics (1982), Ministry of Labour, Five Year Plan Documents and Economic Surveys of various years.

It is not so much the number of strikes and lock-outs and workers involved in them that are of significance as the total number of mandays lost due to them that

matters most from the economic development of the country.

Though from 1951 to 1984, the figures of mandays lost have been fluctuating, the broad trend for the period as a whole appears to be that of increase in mandays lost due to strikes and lock-outs. Thus the figures of mandays lost went up from 38 lakhs in 1951 to 49 lakhs in 1961, to 165 lakhs in 1971, to 366 lakhs in 1981 and to 560 lakhs in 1984. This is an enormous loss of mandays for a developing country like India.

Table 3.3 : Total number of mandays lost

Year	Public sector (in percentage)	Private sector (in percentage)
1973	16.5	83.5
1974	32.5	67.5
1980	18.8	81.2
1981	27.5	72.5
1982	14.3	85.7

Source : Handbook of Labour Statistics (1979), Pocket Book of Labour Statistics (1982), Ministry of Labour, Five Year Plan Documents and Economic Surveys of various years.

If we consider the percentages of the public sector and private sector in the total number of mandays lost, it appears that, though the percentage of mandays lost is substantial in the case of public sector undertakings, nearly 80 per cent of mandays lost happen to be in the private sector industrial establishments.

Let us now turn to assess the role and prospects of Trade Unions in India.

3.6 Trade Unions

3.6.1 Role of Trade Unions in the Industrial Sector

From a review of the normative role assigned to the trade unions by the academics, it appears that these organizations are expected to cooperate in atleast some crucial areas so that the tempo of growth, particularly in the industrial sector, is speeded up. Thus the trade unions are required to

- i) maintain a reasonable degree of peace in industry,
- ii) support technological change, and
- iii) accept a growth-oriented wage payment system.

(i) Industrial Peace : This condition helps in keeping the productive machine moving uninterruptedly. It promotes an uninterrupted flow of industrial output, adds to the national income as also creates the needed investment climate. The history of trade union movement of independent India, by and large, points towards the unions' commitment to industrial peace. The Industrial Truce Resolutions signed by the trade unions during times of

national crises both at the national and state levels along with the employers are part of this commitment. By signing the Code of Discipline at the plant level the unions have committed to a just recognition and a proper discharge of their rights and duties.

Nevertheless, the incidence of disputes leading to work stoppages has been rather on a high side in recent years. For instance, the number of mandays lost on account of industrial disputes reached the all time high of 40.26 millions in 1974. The trade unions make two points with regard to the rising trend in disputes :

(a) Loss of production time due to work stoppage is due not merely to strikes organized by workers but also to lock-outs resorted to by the management. The data on disputes made by the Labour Bureau for 1975 and first half of 1976 show that the intensity of lock-outs as reflected by time-loss due to lock-outs and time loss per lock-out increased.¹⁷ A lacuna of Indian labour policy is that it has failed to have a disaggregated perspective about industrial disputes and to prescribe policy measures which take care of disputes originating from different sources.

(b) A second point usually made by the trade unions is that most of the strikes of the recent past were triggered off by a phenomenal rise in the cost of living

and the refusal (or inability) of the management to comply with trade union's demands for an appropriate adjustment of wages or dearness allowance to changes in the consumer prices index.

(ii) Technological Innovations : The trade unions have often voiced their disappointment at the way rationalization measures are carried out by the management. They allege that the employers hardly honour the agreed provisions particularly those relating to sharing of gains and provisions of alternative job opportunities.

(iii) Growth-oriented Wage Payment System : A growth-oriented wage policy must be such as not to cause diversion of economic resources from development to consumption. One of the objectives of the Indian Wage Policy has been to ensure a rising level of real wages to the working class.¹⁸ Trade Unions in India hold that since wage costs form a very low proportion of total cost, wage increases would not significantly cause price increases. In the academic circles, a view is held that, "the line of causation flows from inflation to unionism and not the opposite."¹⁹ The link between wages and productivity on the one hand acts as means of non-inflationary method of financing wage hikes and, on the other hand, works as an incentive for increased effort and output.

Increased levels of productivity can be achieved in two ways :

- a) by increased physical effort of the workers,
and
- b) by use of non-human sources of energy,
mechanization of productive process, continued
innovation and improved management.

Linking wages to effort is called "productivity bargaining". In India, the scope of productivity bargaining has confined itself to the narrow area of evolving incentive payment schemes (piece-rate system). In general, the union leaders totally oppose incentive payments on the ground that these will pose a threat to unionism particularly by working through workers' motive to earn more and thereby causing loss of work to fellow workers. Frictions, tensions and jealousies that the system is likely to create among different sections of the workers, and the fear that management might cheat them by fixing higher work standards, cutting incentive rates on pretext of changes in methods and materials are considered to be the other evils of the piece-rate system.

The incentive payment apart, the linking of wages to effort could be attempted by evolving a productivity based annual bonus.

3.6.2 Trade Unions in India

The emergence of trade unionism is one of the most powerful and challenging problems of the contemporary social and economic institutions. It is challenging because its practice and policy vitally affects the efficient operation of productive enterprise; it is a major instrument for establishing price relationship and affecting distribution of income; it is a powerful instrument for the re-arrangement of economic rights; it can contribute greatly either to industrial peace and social stability or to the industrial or social conflict; it can help either to make effective processes of democracy or to destroy the processes; and it offers its members a basic adjustment of the economic, social and political problems of working class life.

When Sidney and Beatrice Webbs²⁰ wrote their classic work, they defined the trade union as a continuous association of wage earners for the purpose of maintaining and improving the conditions of their working lives. The essence of trade union is found in the solidarity among its rank and file as a security against the right of hire and fire of the employers. In essence, the fundamentals of trade unionism are freedom of association, right to bargain with employers, right to strike, ethic of mutual co-existence between the conflicting interests in the

industry, forbidding unfair labour practice and the participation of labour in management. In India, the Indian Trade Unions Act 1926, the Indian Trade Union (Amendment) Act 1947, the Code of Discipline in Industry 1958 in spirit embody the rights and privileges of the trade unions which their counterpart in U.K. and U.S.A. secured after a prolonged struggle and suffering. As regards India, the existing law and practice concerning trade unions and the machinery of joint consultation and worker's participation in management is taken mainly from England and the concept of collective bargaining, the notion of one union in one industry, the idea of recognized representative union for collective bargaining is borrowed from U.S.A.

The statutory definition of the term 'trade union' in India is borrowed from the British Trade Union Acts of 1871, 1875 and 1913. The Indian Trade Union Act 1926 defines this expression : "'Trade Union' means any combination whether temporary or permanent formed primarily for the purpose of :

(a) regulating the relations between

- i) workmen and employers, or
- ii) workmen and workmen,
- iii) employers and employers.

(b) for imposing restrictive conditions on the conduct of any trade or business and includes any federation or two or more trade unions. ..."²¹

The term 'trade union' includes not only combinations of workmen but also an employers' federations :
 [Sec. 3(38), Bombay Industrial Relations Act 1947, excludes from the definition of 'union' a trade union of employers].

According to Chamber's Encyclopaedia (Vol. XIII, 725) a trade union is an association of wage earners or salary earners, formed primarily for the purpose of collective action for the forwarding or defence of its professional interests.

It is in the principal objects of a combination which determine whether the combination is a trade union or not. It is in the principal objects of the combination which must be statutory objects, namely, the regulation of relations between workmen and workmen or between workmen and employers or imposing restrictive conditions on the conduct of any trade or business of its members. Thus in the definitions of the term trade union the regulation of relationship contemplated is in regard to the conditions of service of the employees which postulates the existence of an employer who is concerned with the business, trade or industry. The members of a trade union must be 'workmen' of the employer engaged in the conduct of any

trade or business in a commercial undertaking.

The criteria for determining whether a particular association of persons is a trade union or not would depend on some of these factors :

- 1) Existence of employer and employees engaged in the conduct of a trade or business which yields in increasing or satisfying material human wants.
- 2) The association must be formed for the purposes of collective bargaining which is for securing improvements on matters like basic pay, dearness allowance, bonus, provident fund, gratuity, leave and holidays, etc.
- 3) The members of association must be 'workmen',²² employed in the trade or industry.

The framers of the Indian Constitution also fully realized the necessity of incorporating important provisions of labour welfare in the basic law²³ of the country. To achieve the development of organizational ability and capacity of the trade unions for the purposes of collective bargaining the workers have been conferred, as elsewhere, the constitutional guarantee of the benefits of the right [Art. 19(1)(c)] of association. The constitution provides that all citizens shall have the right to

form associations or unions. Under Art. 19(4), however, the legislature can impose reasonable restrictions by law in the interests of public order or morality.

In the next chapter we will look into the various methods of conflict resolutions and the present state of legislations relating to Industrial Disputes in India.

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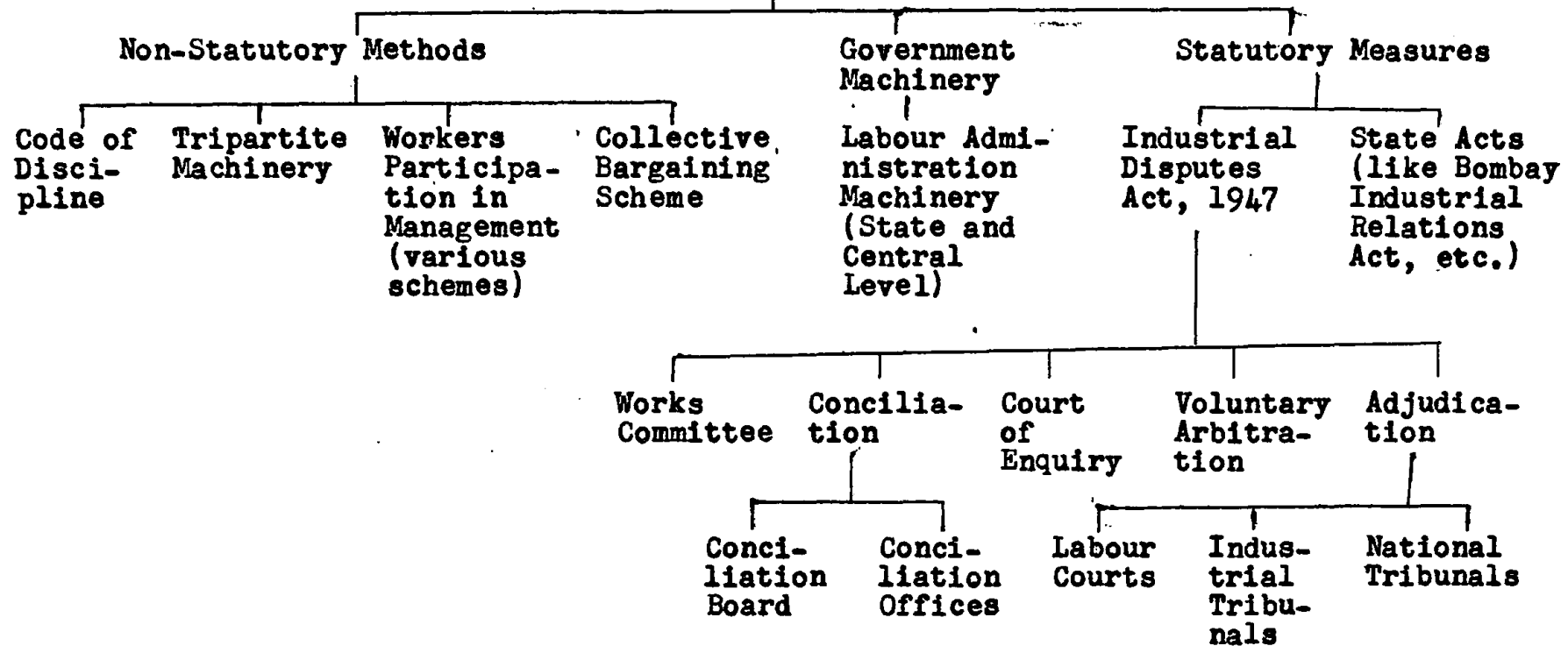
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Measures of Conflict Resolution



CHAPTER IV

CONFLICT RESOLUTION

4.1 Methods of Conflict Resolution

These days not only the employers and workers, but also the Government and the public at large are equally concerned about disputes, since conflicts, if not resolved in time, take the form of strikes and lock-outs resulting in loss of profits, wages, production and supply of goods. There are various ways to cope with industrial conflicts : statutory, non-statutory and government sponsored guidelines.

Statutory measures relate to the various types of machinery set up by the government under the Industrial Disputes Act 1947 (like labour courts, industrial and national tribunals) for specific conflicts which the government refers to the respective authorities. Moreover, formation of Works Committees etc., are also statutorily provided for, to see that the conflict is resolved in time.

Several non-statutory measures like the Code of Discipline, workers' participation in management and collective bargaining, which is voluntary in nature, are

supported by the Government and help in resolving the conflict. These non-statutory measures encourage a resolution through negotiation between the two parties and thus speed up the process and cut short the long procedures. Also intervention by a third party can be considerably minimized or done away with altogether. The government/labour department both at the Centre and the States have a considerable role to play in maintaining industrial harmony.

4.1.1 Non-Statutory Measures

These include : (i) Code of Discipline, (ii) Tripartite Machinery, (iii) Workers' Participation in Management, (iv) Collective Bargaining.

(i) Code of Discipline : It contains self imposed obligations formulated by the central organization of employers and workers voluntarily. It came into effect in June 1958. It provides guidelines for the employers, workers and the unions. It also stipulates that the management and the union should utilize the existing machinery for settlement of their disputes expeditiously and they should neither resort to strikes or lock-outs nor to unfair work practices like go-slow, coercion, intimidation, etc. In order to maintain discipline in the industry, both in the public and private sectors, workers and employers should recognize their rights and

responsibilities defined by law and agreements and both the parties should discharge their obligations properly and willingly.

(ii) Tripartite Machinery : It consists of the Indian Labour Conference, the Standing Labour Committee and the Industrial Committees at the Centre. Similar bodies have also been set up to deal with specific subjects - the National Council on Training in Vocational Trades and the Central Committee on Employment deal with training and employment respectively. The Standing Labour Committee advises the Government on labour matters referred to it. Generally these committees include Government representatives from the State and the Centre, and an equal number of representatives from workers' and employers' organizations. Apart from legal proposals, other important issues like workers' education, workers' participation in management, training within industry, etc., are discussed by such tripartite bodies, and recommendations are made. When unanimous conclusions and recommendations are reached, they are treated as commitments by the parties concerned. Thus over the years, these institutions have become a powerful instrument in the formulation of labour policy.

(iii) Worker's Participation in Management (WPM) :
WPM is desirable for the following reasons :

- (a) It is a means of promoting the satisfaction and personal development of the individual worker.
- (b) Workers should have a greater say in decision-making at work, as a means of extending democracy from the political to the industrial sphere.
- (c) It is a means of improving industrial relations.
- (d) It is a means of increasing efficiency.

Worker's participation, in its broadest sense, involves any personal or institutional process by which subordinate employees exert a countervailing and upward pressure on ultimate managerial control within organizations. The nature of this control is determined by three key variables.

(1) The Form of Participation

(a) Direct Participation : Each worker can take decisions and exert control. "Under direct participation the worker himself contributes to and influences managerial decision-making or executes himself, functions previously carried out by the management."¹ Direct participation is said to take place, for example, when an individual's job responsibilities are enlarged. This can be done through the re-designing of jobs within work

organization through the delegation of managerial functions within them. By the method of more job autonomy, subordinate employees are then able to make their own decisions as they affect their immediate work environment.

(b) Indirect Participation : Indirect participation is power based. In this form, participation is done on behalf of the worker by a representative. Its main methods are more collective bargaining and more representative machinery in industry. It includes all those methods of participation through which employee representatives influence organizational decision-making, usually at its intermediate or highest levels, on behalf of the workers concerned. Indirect participation can also be distinguished according to whether the employee representatives are trade union members or not. Collective bargaining, for instance, is exclusively dealt with through trade union representative. Employee representatives on Works Councils or on boards of directors can be either trade union representatives or not, depending on what is provided for by the legal requirements of the country in question.

(2) The Content of Participation

Participation can be concerned with the ownership and government of an enterprise. It generally focuses

upon either legislative decisions, such as those concerning the terms and conditions of employment, or upon executive decisions, which relate to the day to day running of the enterprise. Different types of enterprise ownership have an impact on worker's participation. The ownership of private capital can be democratized in either of two ways : by profit sharing and share ownership amongst employees in the company in which they work; or by nationalization and public ownership. Profit-sharing gives employees a financial stake in the company in which they are employed and this is likely to be beneficial to their attitudes to work. For potentially, such schemes not only allow subordinate workers to accumulate capital in their employer's business, but also to receive, in addition to their pay, some share in the final profits of the enterprise.

(3) The Purpose of Participation

The distributive orientation views conflict as inevitable and calls for a more even distribution of power between management and worker and rejects forms of participation which try to evade these issues. The integrative orientation minimizes the significance of conflict and views participation as a means of increasing job satisfaction and productivity.²

India in its commitment to establish a socialist

pattern of society through mixed economy has adopted the system of WPM which has been an important part of its labour policy since it attained independence. WPM in India can also be traced to one other factor, namely, the Gandhian approach to management of industrial relations which is based on the concept of trusteeship. Gandhiji considered that both the worker and the owner are dependent upon one another and the employer and employee should further act as trustees for the society.

WPM falls into several categories. These are :

(a) Informative Participation : There is a sharing of information - for instance, the information regarding production figures, the Balance Sheet of the Company and economic conditions, etc.

(b) Consultative Participation : Workers' representatives are consulted on matters relating to welfare facilities by the management. Here, the workers representatives act in an advisory capacity and the final decision rests with management.

(c) Associate Participation : The management accepts the suggestions of the council for solving a problem on hand. The management is obliged to accept and implement if the committees take unanimous decisions regarding a problem.

(d) Administrative Participation : The decision is already taken and the councils (Joint Bodies) have the right to choose the method of implementing it. This may include administration of welfare measures, operation of vocational training and apprentice schemes and preparation of work schedules. This involves higher degrees of delegation of authority and responsibility to the lower rank and file of the organization.

(e) Decisive Participation : This is the highest form of participation where all matters, economic, financial and administrative are brought under the scrutiny of the council and the decisions are taken jointly.

Determinants of WPM

The success of WPM is determined by two types of factors.

(1) Situational

This refers to the peculiar characteristics of each enterprise which determine its participation potential, such as its autonomy, its size and organizational structure as well as technological factors. The autonomy of the enterprise refers to the extent to which it is free to make managerial decisions. This affects the potential for worker's participation. Technology refers to the nature of work done and the working conditions

under which it is done. The more complex the technology the lesser it is possible for workers to contribute to managerial decision. The size of an enterprise has an influence on the potential for WPM. The organizational structure is influenced by autonomy, size, technology and by legal provisions. Organizational structure refers to the authority and power one has to undertake, managerial functions and the distribution of authority and power within the enterprise.

(2) Human Factors

This has three aspects :

- (i) Workers' attitude to participation, i.e., whether he has a desire to participate or not.
- (ii) The worker's perceived power to participate; if he sees and believes that he has the power, then he makes efforts to participate.
- (iii) His capacity to participate, i.e., his ability to understand the managerial functions and the issues involved in participation and the ability to express himself clearly. Human factors also relate to manager's attitude, which is dependent upon the kind of approach he adopts for running an enterprise. This can be either authoritarian, paternalistic, constitutional

or democratic. These determine not only his acceptance of worker participation schemes but also the form that they may take. These two human factors interact to determine the participation potential, the form and type of participation.

WPM Schemes in India

The Industrial Disputes Act 1947 provides for the setting up of Works Committees which consists of representatives of employers and employees. The aim of setting up of these bodies is to promote measures for maintaining harmonious relations in the work place and to sort out differences of opinion in respect of matters of common interest to employers and employees. These Works Committees or joint committees are consultative bodies. Their functions include discussion of conditions of work like lighting, ventilation, temperature, sanitation, etc., amenities like water supply for drinking purposes, provision of canteens, medical services, safe working conditions, administration of welfare funds, educational and recreational activities and encouragement of thrift and savings.

Joint Management Councils (JMCs)

The Second Five Year Plan recommended the setting up of Joint Councils of management consisting of representatives of workers and management. The JMC scheme

had the following objectives :

- i) to increase the association of employers and employees thereby promoting cordial relations between them,
- ii) to improve the operational efficiency of the workers,
- iii) to provide welfare facilities to them,
- iv) to educate workers so that they are well equipped to participate in these schemes, and
- v) to satisfy his psychological needs.

Some of the organizations which were successful with experiments of worker's participation in India are TISCO, Indian Aluminium Company, and the Aluminium Industries of Kundara.

The evaluation reports of the National Commission on Labour (1969) and the Report of the Central Ministry of Labour (1974-75) observed that the schemes of JMCs did not meet with success. A recent study by Gupta³ made a critical analysis of various worker participation schemes in public enterprises in India and suggested measures to improve the working of these schemes. He observed that Works Committees and JMCs, wherever formed, appeared to be in the form of 'welfare' organs, participating in the sharing of information than of consultative bodies.

In 1971, the Government introduced the scheme of worker's representation on the Board of Directors of public enterprises in two manufacturing units (under the control of the Central Government) namely, Hindustan Antibiotics Ltd., and Hindustan Organic Chemicals Ltd., and in 14 nationalized banks and port trusts. This scheme also did not have favourable response due to unsatisfactory industrial relations in public enterprises, multiplicity and rivalry of trade unions and lack of support from management.

On 30th October 1975 the Government announced a scheme for workers' participation in industry, as part of its 20-point economic programme. This scheme had to evolve patterns (of worker's participation) suitable to their units. The scheme provided for :

(a) Shop Councils at the Shop or Departmental Levels : The main functions are to improve production, productivity and efficiency; to study problems of absenteeism, low productivity and recommend measures to reduce them; to look after safety measures and other physical working conditions, welfare and health conditions of the shop or department and to ensure flow of two way communication between management and workers especially with regard to matters of meeting production targets and matters relating to production figures and

schedules. The decisions are taken on consensus. The Chairman is a nominee of management and the Vice-Chairman is elected from workers.

(b) Joint Councils : The functions are to fix productivity norms for men and machines for the unit; to resolve matters which are unresolved by the shop councils; to see that the production targets are achieved to make optimum use of raw materials and quality of finished product, to look after the general health and safety measures of the unit as a whole. An important characteristic of this scheme is that a good deal of flexibility has been permitted in the implementation of the scheme. As a result, different patterns of worker's participation have emerged as far as levels of participation, size of councils, selection of worker's representatives and the duration of the scheme are concerned. The decisions are taken by consensus. The Chairman is the chief executive of the unit and the Vice-Chairman is nominated by the worker-members of the council.

(iv) Collective Bargaining : This concept was first identified by Sidney and Beatrice Webb in Britain and also by Gompers in U.S.A.

The I.L.O. Workers Manual defines collective bargaining as : "negotiation about working conditions and terms of employment between an employer, a group of

employers or one or more employers' organizations, on the one hand, and one or more representative workers' organizations on the other with a view to reaching agreement."⁴

Some of the salient features of collective bargaining are :

1. It is a 'group' process, wherein one group representing employees sit together to negotiate terms of employment.
2. It consists of a number of steps. The starting point is the presentation of the charter of demands and the last stage is the reaching of an agreement, or a contract which would serve as the basic law governing labour management relations over a period of time in an enterprise.
3. Negotiations form an important aspect of the process of collective bargaining, i.e., there is considerable scope for discussion, compromise or mutual give-and-take in the collective bargaining deliberations rather than confrontation.
4. It is a bipartite process. The employers and the employees are the only parties involved in the bargaining process. There is no third party intervention.

Flanders⁵ identifies the distinctive nature of collective bargaining to be basically a political institution in which the rules are made by the trade unions of workers, employers and corporations or organizations.

Secondly, since the two aspects of administration and legislation are interlinked, there is a considerable degree of joint regulation by both the parties, governed by the conventions and customs that prevail at the enterprise level.

Thirdly, collective bargaining is not merely an economic process, but more a socio-economic one. The values, aspirations and expectations also play a significant role.

An important goal of the system of collective bargaining is to lead the representatives of workers and employers to appreciate one another's view points resulting in responsible conduct especially on matters where their interests conflict and to create an environment that would generate acceptable compromises. But this goal can be achieved if the essential prerequisites are present.

(1) Trade Union Recognition : Adequacy of procedures by which trade unions are recognized by employers

is central to the development of strong labour organizations. There are no statutory guidelines in India for the employer recognition of labour unions, and a great deal depends on the status, political affiliation, bargaining and militancy image of the union, and the dominant philosophy of the employer in question.

The membership support of contending unions can be assessed primarily by the method known as membership verification, as opposed to secret ballot. The protagonists of the membership verification argue that this is a more stable and accurate method; that the ballot system "would not reflect the true choice of workers, it is likely to be accompanied by such features as propaganda and whipping up of emotions on religious, caste, parochial or ideological grounds leading to disruption of the smooth running of the undertakings."⁶

The advocates of the secret ballot approach, on the other hand, contend that it is the most democratic way of expressing choice; that only through secret ballot can workers offer uninhibited expression of preference.

The National Commission on Labour (NCL) recognized the difficulty in this area and suggested a compromise. It recommended the creation of National/State Industrial Relations Commissions which will have the power to decide

the representative character of a trade union by membership verification or secret ballot and only the commission will be the sole judge of the appropriateness of the method in individual cases. The NCL also underlined the need for providing a statutory basis for certifying unions to function as bargaining agents in the collective bargaining process.

(2) Employers' Organizations : Collective bargaining cannot acquire much functional viability without the presence of strong and motivated employers' organizations. There are individual organizations in industries such as steel, textile, automobile in which employers have brought to the negotiation, over wages and working conditions, various collective bargaining skills. But, on a national scale, only the Employers' Federation of India (EFI) has provided significant leadership to the employer groups in wage setting and other aspects of employment conditions. If collective bargaining is to become a major force, this leadership needs to be strengthened and broadened.

(3) Consensus and Procedural Rules : Promotion of the collective bargaining concepts requires a major departure from the strong presence of the adjudication machinery. Governmental leadership must put their weight behind the establishment of a consensus which all

industrial relations "actors" share without major reservations. Government's attitudes would be far more helpful if it was based on a clear recognition that, while some amount of State presence in labour relations may be desirable, in the final analysis, a clear statement of emphasis and directions is imperative for the guidance of labour unions and employers.

Collective bargaining is generally structured and conducted at three levels.

(i) Plant Level : This is the basic or the micro level unit where negotiations are conducted between the management of the plant and union(s) of the plant. Generally the unions are centred around the plant, with little or no involvement in other bodies. The pioneers in this field, are TISCO Ltd. and Tata Workers' Union (Jamshedpur), for their agreements of 1956 and 1959 which contained many novel features, including WPM.

(ii) Industry Level : Several units in the same industry band together and form an association, which negotiates with a union having a similar status. The agreements are somewhat broader in scope and delineation than the plant level settlements which are very specific. The iron and steel industry (mostly public sector corporations) has concluded industrywide settlements.

(iii) National Level : Here the terms of reference and scope are much wider, though such agreements are not so common in India.

The scope of collective bargaining agreements cover issues such as wages, bonus, overtime, paid holidays, paid sick leave, safety wear, production norms, hours of work, performance appraisal, WPM, hiring, fixing of job evaluation norms and modernization. Although the scope of collective bargaining is expanding, wages remain their main concern.

4.1.2 Government Machinery (Labour Administration Machinery)

In India, both Central and State Governments enact and administer labour laws. It is the Centre which plays the main role in laying down laws, making provisions and the State Government, with the assistance of their labour departments, are in charge of law enforcement. The Centre, in addition, has the functions of coordination through a variety of offices.

The Ministry of Labour and Employment of the Central Government is the main agency for policy formulation and administration in all labour matters. Together with the State Governments, the local bodies and the statutory corporations or Boards, it sees to the implementation of these policies and the decisions of

the Tripartite Committees. These four agencies are also responsible for the enforcement of the labour laws. The Ministry of Labour and Employment at the Centre discharges the functions entrusted to it through a number of Directorates.

(i) Directorate General of Employment and Training (DGET)

It lays down policy for the running of the employment exchanges and the Industrial Training Institutes.

(ii) Office of the Chief Labour Commissioner (CLC) (Central)

This is also called the Central Industrial Relations Machinery (CIRM). It is concerned with the administration of labour laws, verification of membership of registered unions for granting recognition under the Code of Industries which come under the purview of the Central Government, duties relating to resolving disputes.

(iii) The Director General of Mines Safety (DGMS)

It is concerned with the working conditions and implementation of the Mines Act 1952 and the Maternity Benefit Act 1961 in mines other than coal mines.

(iv) The Directorate General of
Factory Advice Service and
Labour Institutes

It provides advisory service to the factory inspectors of different states; conducts research in problems relating to safety, health, welfare and productivity.

Other offices connected with the Central Labour Ministry are the Industrial Tribunal set up in different centres for industries, Wage Boards, Commissions, committees of enquiry, ESI corporation, the Central Board of Workers' Education, Safety Council, which are adhoc bodies.

While the labour secretary is overall in charge of both policy and administration, the Commissioner of Labour in the States is the operative arm for the implementation of labour laws. He is the Registrar of Trade Unions. In some States, he has the function of the State Director of the National Employment Service or of the Chief Inspector of Factories. In States where there is no separate authority for labour welfare, the Commissioner (State) looks after this function.

4.1.3 Statutory Measures

Since labour falls in the concurrent list, the State Governments are free to legislate their own labour

laws. For example, Uttar Pradesh, Madhya Pradesh, Gujarat, Rajasthan and Maharashtra have their own laws to resolve industrial conflicts. For the States which have their own acts, the Industrial Disputes Act (IDA) 1947 is applicable to industries not covered by the State legislations. Though the IDA 1947 is a Central legislation it is administered by the Central and State Governments in their respective spheres.

(i) Industrial Disputes Act 1947 : (It has been amended many times. The Industrial Disputes Act, Amendment Bill 1982 proposed amendments for speedier resolution of conflicts. The Industrial Disputes (Amendment) Bill 1988 proposes changes in the structure of the Industrial Disputes Act in order to create a better climate of industrial relations).

This was enacted to promote industrial peace by providing appropriate machinery for amicable settlement of disputes arising between employees and employers. The principal objects of this Act are as follows :

- (a) The promotion of measures to secure cordial relations between labour and management.
- (b) Investigation and settlement of industrial disputes (for which machinery is provided).
- (c) Prevention of illegal strikes and lock-outs.
- (d) Provision of relief in matters of lay-off and retrenchment.

Several authorities are named for purposes of investigation and settlement of disputes. They are :

1. Works Committee (discussed earlier),
2. Conciliation Officers.

Conciliation Officers : Conciliation can be defined as "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 solutions."⁷ In India the IDA 1947 and the Bombay Industrial Relations Act provide for conciliation.

Conciliation Under the IDA 1947 : The appropriate government, after notifying in the official gazette, can either appoint conciliation officers (permanently or for a limited period) or constitute a board of conciliation.

(a) The conciliation officer, in conciliation proceedings, tries to bring the two parties together, towards a settlement of their disputes. The conciliation officer has to mediate on a particular case within 14 days and then send a report to the government giving details of the steps taken to settle the disputes, listing the reasons for success or failure in reaching an agreement.

(b) The Board of Conciliation is a higher forum. It is

not a permanent institution. It is set up for a specific dispute. It consists of an equal number of representatives of employers and employees and an independent chairman who is selected and appointed by the Government. It is on the basis of their (conciliation officers and Board of Conciliation) report that the Government refers the dispute for adjudication. Conciliation is not judicial in character but an administrative activity.

At the State level, it is usually the Commissioners of Labour, Additional Commissioners and the Deputy Commissioners of Labour who are notified as conciliation officers, for disputes arising in undertakings employing more than 20 workmen. Labour officers act as conciliation officer for disputes arising in undertakings employing less than 20 workmen. If the efforts of the conciliation process result in a settlement, then due to the process of consensus, it is binding on all the parties to the industrial dispute, and it will come into operation on the date agreed upon by the parties to the dispute and will be binding for such period as is agreed upon by them.

3. Court of Enquiry : This is another authority set up by the Government under IDA for enquiring into any matter connected with a dispute. It is meant for voluntary settlement of disputes. It has to submit its report in

writing to the Government within six months from the commencement of its enquiry. This report is published by the government. Its proceedings are judicial in nature.

4. Arbitration (Voluntary) : This is different from conciliation - (i) its decisions are binding on the parties, (ii) the arbitrator gives his judgement on the basis of the evidence submitted to him by employers and employees (Unions).

Arbitration is either voluntary or compulsory. In voluntary process, both the parties show willingness to go to an arbitrator and submit to his decision whereas in compulsory process the parties are forced to arbitration by the power of the State. This method of settling disputes is used when the parties fail to solve them by voluntary method. This is called adjudication. The award of arbitration cannot be appealed against in any court except under Article 226 of the Constitution, in a High Court. To encourage this process the Government of India has set up National Arbitration Promotion Boards in all the States. It is resorted to before the dispute is referred to a labour court, industrial tribunal or national tribunal. The power to refer an industrial dispute to an arbitrator is derived from the written agreement made by the employer and the workmen together and it is these two parties together who agree

to refer a dispute to arbitration. The number of arbitrators are specified in the written agreement. The appropriate government can issue notification to the parties who are not bound by the arbitration agreement but are concerned in the dispute to present their case before the arbitrators. Its decisions are quasi judicial in nature.

5. Compulsory Arbitration or Adjudication : In this the Government submits the case to a competent authority and enforces its award on the parties. The procedure of adjudication involves "compulsory attendance of witnesses, compulsory powers of investigation and compulsory enforcement of awards with penalties for breaches of these awards."⁸

If a dispute is not settled by any other method (such as conciliation or voluntary arbitration) the Government may refer it for adjudication. The Act provides the machinery for adjudication, namely :

(a) Labour Courts : This is one of the adjudicating bodies provided by the IDA which empowers the appropriate government to constitute Labour Courts, consisting of one person who is also called the Presiding Officer and who is or has been a judge of a High Court.

(b) Industrial Tribunals : It is a one-man body

who is known as a presiding officer. The industrial tribunals have wider jurisdiction than the Labour Courts. In addition to the presiding officer, it can have two assessors to advise him in the proceedings and the appropriate government is empowered to appoint the assessors.

(c) National Tribunals : Only the Central Government is empowered to constitute this body, if in its opinion (i) the industrial dispute on hand involved "questions of national importance," (ii) "the industrial dispute is of such a nature that undertakings established in more than one State are likely to be affected by such a dispute." Two Assessors may be appointed by the Central Government to assist the national tribunals. The national tribunals are under the control of the labour department of the respective State Government or the Union Government.

In spite of this legal framework and increasing intervention by the government in the field of industrial relations we still find that the machinery is not able to cope with the demands made on it.⁹ Its record proves it to be far from successful in effective conflict resolution. Partly this could be attributed to red-tapism and bureaucratic delays and complicated procedures which are inherent in the Government organization. These

delays make the parties concerned impatient and they often resort to other measures to resolve their conflict.

4.2 Present State of Laws Relating to Industrial Disputes in India

4.2.1 Proposed Changes in Industrial Disputes, 1947

The Trade Unions and the Industrial Disputes (Amendment) Bill 1988 introduced in the Rajya Sabha on the 13th May 1988 proposes amendments to (i) the Trade Unions Act 1926, and (ii) the Industrial Disputes Act 1947, with the objectives of promoting healthy industrial relations; effective bargaining councils at unit, industry or national levels; and, finally expeditious settlement of industrial disputes through a system of Industrial Relations Commissions (with Labour Courts working under them) from whose decisions appeals would lie only with the supreme court. The Act has proposed to change the title of "The Industrial Disputes Act" to "The Industrial Relations Act." Some of the important amendments to Industrial Disputes Act 1947 are :

(i) The terms Industrial Tribunal and National Tribunal are being replaced by Industrial Relations Commission and Special Industrial Relations Commission.

(ii) "Go-slow" is to be defined as any conduct by a body of persons employed in an industry which is likely

to result in, or results in cessation or substantial retardation of work.

(iii) "Public Utility Services" definition in S. 2(n) is being significantly amended. Cement, cotton textiles and iron and steel are included in this new schedule.

(iv) "Change in the conditions of service of a workman" is also now deemed to be an industrial dispute.

(v) An employer is under an obligation to establish for his establishment a bargaining council if there are trade unions or a workmen's council. If there are no trade unions in the establishment, each trade union with the highest membership of workmen employed in the establishment and having in no case less than 40 per cent of the total membership will be known as the principal bargaining agent. The State and Central Government are being empowered respectively to establish State level and national level bargaining councils in respect of a class of industry.

(vi) There is to be an authority in favour of the appropriate government to issue orders regarding terms and conditions of employment generally pending settlement of disputes. Such orders may prohibit strikes or lock-outs.

(vii) A settlement between the employer and the bargaining council shall be binding on the parties to the settlement. An industrywise settlement shall generally override the settlement at the unit level and a national level settlement shall generally override the terms of any other settlement.

(viii) The employer can declare, in the event of imminent threat of violence or damage to property, a lock-out without prescribed 14 days notice and seek ex-post facto approval from the appropriate government within 14 days. The government order is appealable before a Labour Court.

(ix) New Sec. 23 provides for prohibition of strikes and lock-outs unless certain conditions for compliance by workmen and employers are attended to.

(x) Failure to pay legitimate dues to workmen concerned at the time of closure or retrenchment will be punishable with imprisonment and a fine of an amount equal to the amount of such unpaid compensation and wages.

The proposed amendments stress the need to undertake (before resorting to any direct action of a strike or lock-out) all modes of settlement like bipartite discussions, conciliation, voluntary arbitration, etc.

The proposed amendments have not only been opposed by the workers but employers have also expressed their reservations on various counts. While workers have opposed the bill as draconian and anti-labour, employers are concerned that the bill needs to be specific on several counts and stricter in the imposition of penalties on workers.

Various employers' associations in the country have objected to the setting up of the Industrial Relations Commission (IRCs) as they are not in consonance with the recommendations of the National Commission on Labour (NCL) and the Sanat Mehta Committee, both in respect of their functions and compositions. NCL had recommended that IRCs should derive their authority independent of the executive, with the functions of :
(a) conciliation, (b) adjudication of industrial disputes, and (c) certification of unions as representative.

The employers have pointed out that the Bill had kept the conciliation function and the certification of representative unions out of IRC's purview and instead rendered them as mere industrial tribunals. The employers also demand that once IRCs are set up, the Union and the State Governments should cease to interfere on matters in IRC's jurisdiction.

The "bargaining councils" are also not in consonance

with the NCL recommendation, according to employers. In their view, a union should be recognized as the sole bargaining agent only in the case of the largest membership. This should not be less than 40 per cent in the case of an establishment and 30 per cent in the case of an industry. In the case of no single union having the minimum requisite membership, workmen should elect by secret ballot, five worker's representatives to set up the 'bargaining council'.

Employers have also expressed their opinion in the matter of settlement of dispute. If disputes are not settled through conciliation or arbitration, either party should have the right to approach the labour court or IRC directly. Moreover, the "appropriate Government" should not have the power to take a dispute to labour court or an industrial tribunal. The power to prohibit continuance of strike or lock-out, should be vested in IRCs.

The grant of interim relief by labour courts should be done away with, according to employers. Instead a time limit should be set at every stage of adjudication, for a speedy and timely disposal of cases. Further, in the event of reinstatement of a worker by the employer, the question of interim relief should be decided by IRC or the Supreme Court, as the case may be, according to employers.

The government is likely to abandon its controversial move to amend the industrial relations laws. All central trade union organizations are arrayed against the bill. Only the Indian National Trade Union Congress (INTUC) has extended its support. However, this support also means nothing, since it is conditional. INTUC has proposed 14 major changes in the bill, which, if accepted, will change the very character of the amending bill.

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CHAPTER V

SUMMARY AND CONCLUSIONS

5.1 S u m m a r y

The two important aspects of industrial relations scene in a modern industrial society are :

- (i) Cooperation between labour and capital which is one of the basic requirements for the functioning of modern industries and the growth of industrialization.
- (ii) Conflict which like cooperation is inherent in the industrial relations set-up of today. It is a general concept and when it acquires a concrete and specific manifestation, it becomes an industrial dispute.

A closer look into the concept of industrial relations shows that it is a subject which includes in its purview all types of relationships that arise in the process of production between employers and employees or employers and trade union workers or among the unions themselves.

For the evaluation of the state of industrial relations, some determinants most frequently used by researchers are :

- 1) Interpersonal relations
- 2) Attitudes
- 3) Job satisfaction
- 4) Employee's opinion
- 5) Labour turnover
- 6) Industrial absenteeism
- 7) Strikes and lock-outs
- 8) Worker's participation
- 9) Grievances.

The 'trusteeship' principle is the cornerstone of the economic system which Gandhiji envisaged. A basic element of the industrial relations system which has been borrowed from Gandhian thought is the emphasis on peaceful settlement of disputes.

The determinants of the industrial relations system of J.T. Dunlop are :

(1) Technological context which includes the characteristics of the work place, the development of technology, etc.

(2) The market context or the economic factors which include the competitive position of the industry in the market, the scope of the market as also the size of the enterprise and the labour cost and the capacity of the industry to pay, etc.

(3) The power context which include the policy of the Government, the attitudes of employers, the status of industrial workers, the question of recognition of union, etc.

Anyone who is interested in industrial relations is concerned with the effects of technology as it is related to labour management issues such as man-power, job security, redundancy, training, etc. Rationalization and automation are different forms of technical change and they have been systematically introduced in the Indian industrial relations system in the sixties. In the developed capitalist economies, the substitution of capital for labour is stimulated by rising labour costs. In the socialist countries it is shortages of labour and the underestimation of the cost of capital that are responsible for increasing capital-labour ratio. However, in less developed countries the equipment and technologies available from the industrial economies produces an irrational situation of resources, substituting the already scarce capital for cheap, abundant and under-employed labour. Technological unemployment is caused by the replacement of labour by capital and improvements in the methods of production, work organization or management leading to the elimination of certain jobs, occupations, work place and even industries. Intermediate

technology denotes a stage between the backward and the advanced.

E.F. Schumacher led a body of opinion towards the development of a technology which would be appropriate to the conditions found in the countries where it was being introduced. The ILO has been prompting the member countries to introduce protective and compensatory schemes to tackle technological redundancy.

In the sphere of industrial relations, the State has to watch and understand the attitudes of unions and employers in regulating their mutual relations in so far as they concern collective bargaining and the consequent direct action which either party may resort to for the realization of its claims. The State concerns itself not only with the content of work rules, but also with the framing of rules relating to industrial discipline, training, employment and adoption of modern technology. It strives to propagate a social system through the content of its industrial relations policy. At times it has to provide for an arbitration machinery to settle industrial disputes. The role of the State is made especially complex by a number of circumstances, some of them peculiarly Indian.

Evidences throw light on the fact that many of

the government policies have received cold reactions from the workers and from the management in India in the past. The Study Groups appointed by the National Commission on Labour in 1968 have revealed that the existing conciliation machinery functions just only like a post office without any concrete contribution to cordial industrial relations. Among the various governmental efforts towards an increase in the role of State in industrial relations, mention may be made of evolving the Code of Discipline and conduct, encouraging worker's participation in management, productivity and worker's education.

One of the most influential explanations of industrial conflict is that of the Human Relations School which stresses the importance of informal relationship, good communication and supervision.

Important principles have been evolved by the Supreme Court of India to judge the nature of a dispute.

The International Labour Organization (ILO) refers to two main types of disputes relating to terms of employment. They are (a) Interest disputes, (b) Grievance or rights disputes. In addition, there are two other types of disputes relating to organizational rights, namely, (c) Disputes over unfair labour practices, (d) Recognition disputes.

In general, the sources which give rise to industrial disputes can be broadly divided into :

I. Internal Causes which can be further divided into :

(1) Economic sources which include :

- (a) Wages
- (b) Working conditions
- (c) Fear of insecurity.

(2) Personnel sources

(3) Psychological sources

(4) Sociological sources.

II. External Causes include :

(1) Political causes

(2) Teachings of political philosophers like
Karl Marx.

Industrial unrest mainly takes two forms :

I. Strikes : This is a temporary cessation of work by a group of employees in order to express grievance. This can be classified into :

- (a) Primary strikes
- (b) Secondary strikes.

On the basis of the nature of initiation strikes may be classified as :

- (a) Authorized strikes
- (b) Unauthorized strikes.

On the basis of workers and areas covered (scope), strikes may be classified as :

- (a) General strike
- (b) Particular strike.

On the basis of the techniques adopted, strikes may be classified as :

- (a) Slow-down strike
- (b) Quickie strike
- (c) Sit-down strike
- (d) Work-to-rule
- (e) Picketing
- (f) Boycott
- (g) Gherao.

On the basis of the generic purposes for which the strikes are undertaken, they can be classified as :

- (a) Sympathetic strike
- (b) Jurisdictional strike
- (c) Political strike
- (d) General strike.

II. Lock-outs : The action of an employer in temporarily closing down or shutting down his undertaking with

the intention of forcing his employees either to accept demands made by him or to withdraw demands made by them on him.

Strike is one of the most dramatic manifestations of industrial conflict. It may be described as industrial relations fever. K.G.J.C. Knowles argued that the causes of strikes as recorded by the Ministry of Labour in United Kingdom could be grouped under three headings :

- (1) Basic Issues
- (2) Frictional Issues
- (3) Solidarity Issues.

Economists, psychologists, and sociologists have their own theories about strikes and their own favourite remedies for avoiding them. It is difficult to draw up a balance sheet of a strike. Apart from workers and employers, the society is also affected by strikes. The social costs of strikes cannot be assessed in monetary terms. Today, in India, while the right to strike is recognized as a legitimate economic weapon of trade union its exercise is so circumscribed so as to give to the Government ^{the power} to determine its legal or illegal character. Strike is permissible provided it is exercised judiciously, peacefully, reasonably and as a last resort within the framework of statutory industrial laws.

Trade unions have an important role to play in the industrial sector. They are required to :

- i) Maintain a reasonable degree of peace in industry,
- ii) Support technological change, and
- iii) Accept a growth-oriented wage payment system.

In India the Indian Trade Union Act 1926, the Indian Trade Union (Amendment) Act 1947, the Code of Discipline in Industry 1958, in spirit embody the rights and privileges of the trade union. The statutory definition of the term 'trade union' in India is borrowed from the British Trade Union Acts of 1871, 1875 and 1913. There are important factors which determine whether a particular association of persons is a trade union or not. The Constitution of India provides that all citizens have the right to form associations or unions. However, the legislature can impose reasonable restrictions by law in the interest of public order or morality.

In India there are three ways to cope with industrial conflicts :

(1) Statutory measures which relate to the various types of machinery set up by the Government under the Industrial Disputes Act 1947 like Labour Courts, Industrial and National Tribunals and authorities like Works

Committees, Conciliation Officers, Court of Enquiry, Arbitration (Voluntary) and Adjudication (Compulsory Arbitration).

(2) Non-statutory measures like the Code of Discipline, worker's participation in management, Tripartite machinery, collective bargaining are supported by the Government and help in resolving the conflict. These non-statutory measures encourage a resolution through negotiation between the two parties (employer and employee) and thus speed up the process and cut short the long procedures.

(3) The Government machinery which includes the Labour Departments both at the Centre and the States have a considerable role to play in maintaining industrial harmony.

The Trade Unions and the Industrial Disputes (Amendment) Bill 1988 proposes amendments to the Trade Union Act 1926 and the Industrial Disputes Act 1947 with the objectives of promoting healthy industrial relations, effective bargaining council at unit, industry or national levels and finally expeditious settlement of industrial disputes through a system of Industrial Relations Commissions. The proposed amendments has not only been opposed by the workers but employers have also expressed their reservations on

various counts. Thus the Government is likely to abandon its controversial move to amend the industrial relations laws.

5.2 Conclusions

There exists a rudiment of a well-conceived mechanism for the maintenance of peaceful industrial relations. On the face of it, it has at least well-intended components, which can be read meaningfully in the following sequence : day to day grievances to be looked after through predetermined procedures; avoidance of recourse to direct action; involvement of workers in the management decision at certain levels, and in certain establishments, to create peaceful industrial relations; minimizing the chances of disputes occurring on account of lack of information about service conditions; and training personnel for efficient and sympathetic handling of industrial relations in case of disputes; settlement of the same through mutual negotiations, failing which by conciliation, initiated voluntarily and/or compulsorily, failing which adjudication/arbitration. Pieced together, it boils down to resolving disputes, avoiding direct action and creating an atmosphere conducive to sound industrial relations.

It is a truism to say that India needs healthy industrial relations for the development of the economy,

as also for the welfare of the people engaged in productive activities. The relations should be both peaceful and healthy between the labour and the management. This requires improving the machinery for the settlement of disputes, proper collective bargaining, and more importantly the promotion of an industrial culture that eliminates resort to work-stoppages but promotes cooperation between the parties associated with production.

One important thing to do is to improve the existing machinery, rather than replace it. The changes in the machinery should be such as gives directional push to it in favour of negotiations/bargaining between the parties, and thus by implication exclude the presence of the third party, be it Government or any political party.

Within this broad framework, certain improvements can be suitably incorporated in the existing legislative measures.

(1) First are improvements that concern trade unions. For example, new norms can be laid down with regard to the number of persons required for registration as trade unions. Rights and duties of recognized trade unions can be specified more explicitly. Similarly, further restrictions can be spelt out in regard to the outsiders holding offices in trade unions. Employers can be obliged to recognize trade unions compulsorily.

(2) The second set of improvements need to be related to the conditions of service of the workers and the obligation of the employers in this matter. Supervisory and managerial staff can also be covered separately from this angle.

(3) The third set of changes concerns the devices to be used for the settlement of different disputes. Depending upon the nature of disputes and the causes thereof, it can be laid down as to the machinery (collective bargaining, adjudication, reference to grievance committee etc.) that should immediately swing into action.

Apart from the legislative improvements in the machinery for the settlement of disputes, there is the need to tone up the working of the settlement machinery. This needs to be done along the following two lines.

(1) First it must be ensured through some check-in-procedure that arrangements between labour and management are implemented and that these are renewed at appropriate time and modified if the circumstances surrounding these arrangements so change as to warrant new agreements/modified agreements.

(2) Secondly its working should be made speedy, and the delivery of judgement quick. The dilatory functioning of the machinery can be improved by such measures as the appointment of younger and more energetic men in

courts and tribunals, establishment of special bench in every High Court to deal with labour matters, as well as the setting up of a circuit bench of the Supreme Court in major industrial centres.

The centrepiece of the settlement of disputes, but more importantly of the efforts at avoidance of disputes, is the collective bargaining that takes place between the labour and the management. In case of the emergence of a problem or straining of industrial relations, work-stoppage can be avoided if both the parties start negotiating and bargaining. In this connection two suggestions are important for promoting effective bargaining.

1. It is important to ensure that the Government intervention in the disputes is minimized. It is no doubt true that Government being the single biggest employer and under the moral obligation of becoming a model employer, has a large stake in settlements. But it is equally necessary to ensure that the Government does not become a substitute for collective bargaining, bringing in all the evils of bureaucracy, red-tapism, time-consuming procedures etc. In a mixed economy, collective bargaining is necessary to keep 'even' the contending forces, and to promote industrial democracy. The role of Government should, however, be enlarged in the unorganized sector where trade unionism is almost non-existent.

2. It is necessary that the bargaining agent of workers is properly identified. Largely because of the overplaying of the regulatory role of the State, the criteria for the recognition of trade unions have been distorted. As a result, employers both in public and private sectors, have propped one or the other unions, depending upon exigencies. Political parties, too, are in the fray. As a result, there has been a mushrooming of trade unions and artificiality of relations between labour and employers. There is thus a clear need for adopting a firm and unambiguous formula for determining the bargaining agent for workers. In this connection, one may refer to the recommendations of the National Commission of Labour (1969) requiring the use of secret ballot of workers to resolve this knotty problem of choosing the representative trade unions.

While the role of the Government is to be properly shaped and there is the need to improve worker's bargaining, it is also very important that the question of fair compensation to workers is solved on a just footing. This necessitates measures along two lines :

1. The components of wage packet like wages, bonus etc., should be properly defined and changes in them linked to definite and appropriate indicators like minimum needs, cost of living, production, productivity,

etc. Further, the wage-packet should be of a size that guarantees to the workers his needs in real terms i.e., price changes should be taken care of in this mechanism.

2. There is the need to align the wage-packet to other incomes in the economy, so that in relative terms workers gain no less, and lose no more, than others, with ups and downs in the economy.

While legislative and administrative measures for the settlement of disputes, as also the promotion of collective bargaining and ensuring fair compensation to workers is important, these cannot by themselves create a congenial atmosphere for healthy relations. The need is for promoting an industrial culture that keeps the relations in the best possible shape. The problem of industrial relations is one of value and approach towards the immediate and more remote social relations. All the laws and the administrative measures will be of little avail in the absence of a spirit of mutual trust and confidence, and a faith in the efficiency of healthy human relations.

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