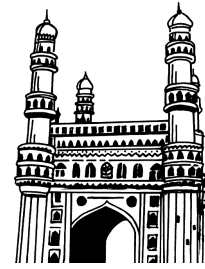


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EMPLOYEE RELATIONS

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INDUSTRIAL RELATIONS :

Concept, Definition, Objectives, Scope, Approaches, Principles. Factors affecting employee stability. Employee Relations at Workplace, Culture.

UNIT - II

INDUSTRIAL CONFLICT :

Causes of Industrial Disputes, Machinery for settling of disputes – Negotiation, Conciliation, Mediation, Arbitration and Adjudication. Grievance Handling: Causes of grievances – Guidelines for grievance handling – Grievances Redressal procedures. Employee Discipline: Causes of indiscipline – Code of discipline – Disciplinary procedure – Code of conduct. Collective Bargaining.

UNIT - II

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UNIT I

INDUSTRIAL RELATIONS :

Concept, Definition, Objectives, Scope, Approaches, Principles. Factors affecting employee stability. Employee Relations at Workplace, Culture.

1.1 INDUSTRIAL RELATIONS

1.1.1 Concept and Definition

Q1. Define Industrial relations. Explain the Nature of Industrial Relations.

Ans : (Dec.-21, June-19)

Introduction

Industrial relations has become one of the most delicate and complex problems of modern industrial society. Industrial progress is impossible without cooperation of labors and harmonious relationships. Therefore, it is in the interest of all to create and maintain good relations between employees (labor) and employers (management).

The term 'Industrial Relations' comprises of two terms: 'Industry' and 'Relations'. "Industry" refers to "any productive activity in which an individual (or a group of individuals) is (are) engaged". By "relations" we mean "the relationships that exist within the industry between the employer and his workmen." The term industrial relations explains the relationship between employees and management which stem directly or indirectly from union-employer relationship.

Definitions

(i) **According to Prof. T.N. Kapoor,** "Industrial relations refers to a dynamic and a developing concept which is not limited to the complex relations between trade unions and management but also refers to the general web of relationships normally obtaining between employers and employees a web much more complex than the simple concept of labour capital conflict."

(ii) **According to Prof. Dunlop,** "Industrial relations may be defined as the complex of interrelations among workers, managers and government".

(iii) **According to Richard A. Lester,** "Industrial relations involve attempts to arrive at workable solutions between the conflicting objectives and values between profit motive and social gains, between discipline and freedom, between authority and industrial democracy, between bargaining and co-operation and interests of the individual, the group and the community".

(iv) **According to Casselman 's Labour Dictionary,** "The relations between employers and employees in industry in the broad sense, the term also includes the relations between the various unions, between the state and the unions as well as those between the employers and the government".

(v) **According to Bethel, Smith and Others,** "Industrial relations is that part of management which is concerned with the manpower of the enterprise whether machines-operator, skilled worker or manager".

(vi) **According to Encyclopedia Britannica,** "The concept of industrial relations has been extended to denote the relations of the state with employers, workers and their organization... the subject, therefore, includes individual relations and joint consultations between employers and work people at their

work place, collective relations between employers and their organizations and trade unions and the part played by the state in regulating these relations".

- (vii) **According to International Labour Organisation**, "Industrial relations in wide sense denote such matters as freedom of association and the right to organize the application of the principle of the right to organize and right of collective bargaining of conciliation and arbitration proceeding, and the machinery for co-operation between the authorities and the occupational organizations at various levels of the economy".

Nature

However much cooperation maybe sought as an organizational objective, some conflict will always remain. There are at least 3 reasons for this:

1. **Mixture of Cooperation and Conflict:** Both labour and management develop different orientations and perceptions of their interests. They also develop generally negative images about each other.
2. **Absence of Norms:** There are no mutually accepted yardsticks or norms to tell to the two groups how far they should go in the pursuit of their objectives. In the absence of norms both groups claim complete rationality for their demands.
3. **No Natural Field :** There is no neutral field for the groups to meet on. Whenever the two groups meet each other for negotiations they bring with them some carry over from the past besides their inherent distrust and suspicion for each other.

Q2. What are the characteristics of Industrial Relations?

Ans :

1. Dynamic and Developing Concept

The concept of "Industrial Relations" is a dynamic and developing concept. It is

described as a relationship between employers and management of the enterprise and the employees or among employees and their organizations or Employers. Employees and their' trade unions and the government.

2. It is a set of functional

Industrial relations do not constitute a simple relationship, but they are set functional inter-dependent complexities involving various factors or various variables such as economic, political, social psychological legal factors or variables.

3. Employee-employers relationship

Without the existence of the minimum two parties, industrial relationship cannot exist such as:

- Workers and their organizations.
- Employers or management of the enterprise.
- Government are the three participants or parties in the industrial relations.

4. It is a product

Industrial relations are the product of economic, social and political system arising out of the employment in the industrial field.

5. Development of healthy labour management

The important purpose of industrial relations is development of healthy labour - management or employee-employer relations, maintenance industrial peace, avoidance of industrial strife, development and growth of industrial democracy etc.

Q3. Explain various participants in Industrial Relations?

Ans :

There are three participants in industrial relations. They are:



(i) Employer and their Associations

Employer plays an important role in industrial relations. He hires the employees, pay them wages, provides allowances, he regulates the working relations through various rules, regulations and laws and at same time expects the workers to follow them. The bargaining power of the employers is weakened in comparison to that of trade unions, though they have high bargaining power when compared to that of employees. So, they form into associations to equate their bargaining power with trade union, and these associations protect the employer by putting pressure on government and trade unions.

(ii) Workers and their Associations

Workers plays a crucial role in industrial relation. Worker as a whole includes his working age. Educational background. Social and family background. Psychological traits. Talents. Skills. Culture, Attitude towards others work. Workers form into their associations called "Trade Unions" to get their problems solved. The trade unions work for workers economic interest through collective bargaining by bringing the pressure on the management through economic and political strategies.

(iii) Government: Government plays a balancing role in industrial relations. Government has its influence on industrial relations through

industrial relations policy. Labour policy. Labour law implementation. Acting as a mediator in the process of conciliation and adjudication. Government regulates the behaviour of both the employer association and workers organizations.

Q4. Briefly explain the evolution of Industrial Relations ?

Ans :

The concept of Industrial Relations has a wide meaning. The expression Industrial Relations by itself means relationship that emerges out of day today working and association of labour and management.

Industrial relations thus when taken in its wide meaning is a "set of functional interdependence, involving historical, economic, social, psychological, technological, occupational, political and legal variables." It also covers the area of quality control, marketing, price fixation and disposition of profit among others.

The evolution of industry has been quite gradual. If we go through the primitive stage of human activities, we find that initially there used to be no industrial activity. The people lived by themselves. Gradually, the people came to stage of exchange of services for goods. This made the background for evolution of industry and initial stage of industrial relations.

Classifying the Stages of Evolution

To have better knowledge, we can classify the stages of evolution of industries as follows :

1. Primitive stage
2. Agrarian economy stage
3. Handicraft stage
4. Guild system
5. Domestic system
6. Industrial revolution

1. Primitive Stage

The families at this stage were self-sufficient. This was because men devoted their time to

activities like hunting, fishing and making of weapon and women were busy in cooking, upbringing the children, domestication of animals and agriculture. Division of labour was limited to family itself.

During this period the barter system developed. The main difficulty of the barter system was lack of double coincidence and common measure of value.

2. Agrarian Economy Stage

The things changed during this stage. Many tribes settled down permanently at some place. Agriculture became the main source of maintenance. With the rise of population and ownership of land, there was split up of the families. The families were not self sufficient because of varied activities. This led to exchange of goods. Later on the traders came into existence. The difference between sale and purchase price was their profit. Diversification of activities was observed during this period.

3. Handicraft Stage

During this stage the craftsman, artisans living in villages produced the products for local population and exchanged them with various things which were required for them.

4. Guild Stage

Under this stage two types of guild were initiated, namely Merchant guild and Craft guild. A merchant guild was association of merchants engaged in trade in a particular locality to enforce equality of opportunity for the members of the guild, to avoid competition, regulate conduct and protect their interest. The craftsman guild was there to regulate the conduct of their members and protect their interest.

5. Putting Out System

During this stage, with the increase in demand, the intermediary played a vital role. The

entrepreneur gave outwork to artisans who worked in their homes. By the passage of time, the artisans faced difficulties because of increase of demand. The process of finding new tools to increase the production was need of the hour. The stage was set for getting the work done by the artisans at the premises of the entrepreneur. This was the beginning industrial activities.

7. Industrial Revolution

During the later part of 18th century and earlier part of 19th century the industrial revolution played a vital role. With the invention of new technique of production, the establishment of industries was taking place, employing workers to complete the task of production. Large-scale employment of workers gave birth to labour problems.

Changes brought about by Industrial Revolution

1. Development of Engineering

The Engineers were required to design and develop new machinery for textile, coal, mines and other industries to meet the requirement of the industries. They were also assigned the job to develop new tools for repairing of machines so that the work may be finished at the earliest.

2. Revolution in iron making

The engineers who were assigned this task, were successful and improving the quality of the cast iron and were able to cast iron in good quantity.

Use of power driven machines: The use of Power Driven machinery was introduced starting from textile and spreading to other industries.

3. Rise of chemical industries

The chemicals, which were used in textile industries give impetus for establishment of chemical industries.

4. Development of coal mining

The coal was need for steam power, refining of pig iron and casting of iron as such attempt were made to increase its production to meet the demand.

5. Development of means of transport

You are aware that for supply of raw material to industries and distribution of finished goods good transport system is need. To meet the requirement, attempts were made to develop good transport system.

Industrial Relations during First World War and before Independence During World War-I, the economic distress of the workers brought them together and an organised movement started in the country. It gave rise to the strikes at Ahmedabad led by Mahatma Gandhi, at Madras led by B.P. Wadia in 1921.

This period gave rise to the Acts,

- The Trade Disputes Act, 1917
- The Workmen's compensation Act, 1923
- Trade Unions Act, 1926

These acts provided protection for accidents on the job, recognized the trade unions and took measures in bringing industrial peace. During World War II, 'Dearnes Allowance' and 'Bonus' were granted. 'Institutions of Tripartite Consultative Machinery, 1942' laid some principles, norms and practices in 1950 and shaped the pattern of Industrial Relations in India. During the period 1946-1947, many strikes, lockouts took place which distributed the pattern of Industrial Relations in India. This period gave rise to the formation of following.

Unions

INTUC, in 1947 Act

- Industrial Employment (Standing Orders) Act, 1946
- Industrial Disputes Act, 1947.

Industrial Relations after Independence

After independence, keeping in mind the growth of national economy, it was felt that strikes and lockouts should be stopped. In the interest of maintaining industrial harmony, many conferences were held during the period 1947-1948 which gave rise to 'Industrial Trace Resolution, 1947' and 'The Employees State Insurance Act, 1948'.

After this period a great importance was given from maintaining industrial peace wherein the First, Second and Third Five Year Plans laid down certain norms and conditions to carry out industrial work. Later, many acts like 'The Bonus Act' etc. came into force for maintaining industrial peace. In this way the Industrial Relations stand up in India but the entry of Multinational companies (MNCs) has created a great hurdle to the Industrial peace.

1.2 OBJECTIVES OF INDUSTRIAL RELATIONS**Q5. Explain the objectives of Industrial Relations.**

Ans :

(Dec.-21, June-19)

1. To Help in the Economic Progress of a Country

The problem of are increase in productivity is essentially the problem of maintaining good industrial relations. That is why they form an important plank of the economic development plan of every civilized nation.

2. To Help Establishing and Maintaining True Industrial Democracy

This is a prerequisite for the establishment of a socialist society.

3. To Help Management

This is both in the formulation of informed labour relations policies and in their translation into action.

4. To Encourage Collective Bargaining

This is a means of self-regulation. The negotiation process as an educational opportunity, a chance both to learn.

5. To Help Government in Making Laws

Laws are about forbidding unfair practices of unions and employers. In good industrial relations every party works for the solidarity of workers' movement. There is no inter-union rivalry. Unions gain more strength and vitality. Employees give unions their rightful recognition. They encourage them to participate in all decisions from fighting and belligerence. Unions divert their activities to increasing the size of the distribution-cake and to making their members more informed on vital issues concerning them.

6. To Boost the Discipline and Morale of Workers

This ensures orderliness, effectiveness and economy in the use of resources. Lack of discipline means waste, accidents, loss and confusion, insubordination and non-operation.

Q6. Explain the factors determining Industrial Relation.

(OR)

What are the factors determining Industrial Relation?

Ans : (Dec.-21)

In fact, Industrial Relation encompasses all such factors that influence behavior of people at work. A few such important factors are details below:

1. Institution

It includes government, employers, trade unions, unions federations or associations, government bodies, labor courts, tribunals and other organizations which have direct or indirect impact on the industrial relations systems.

2. Characters

It aims to study the role of workers unions and employers' federations officials, shop stewards, industrial relations officers/manager, mediator/conciliators / arbitrator, judges of labor court, tribunal etc.

3. Methods

Focus on collective bargaining, workers' participation in the Industrial Relation schemes, discipline procedure, grievance redressal machinery, dispute settlements machinery working of closed shops, union reorganization, organizations of protests through methods like revisions of existing rules, regulations, policies, procedures, hearing of labor courts, tribunals etc.

4. Contents

Includes matter pertaining to employment conditions like pay, hours of works, leave with wages, health, and safety disciplinary actions, lay-off, dismissals retirements etc., laws relating to such activities, regulations governing labor welfare, social security, industrial relations, issues concerning with workers' participation in management, collective bargaining, etc.

Q7. Explain various suggestions to improve Industrial Relations.

Ans :

1. Sound personnel policies

Policies and procedures concerning the compensation, transfer and promotion, etc. of employees should be fair and transparent. All policies and rules relating to Industrial relations should be fair and transparent to everybody in the enterprise and to the union leaders.

2. Participative management

Employees should associate workers and unions in the formulation and implementation of HR policies and practices.

3. Responsible unions

A strong trade union is an asset to the employer. Trade unions should adopt a responsible rather than political approach to industrial relations.

4. Employee welfare

Employers should recognise the need for the welfare of workers. They must ensure reasonable wages, satisfactory working

conditions, and other necessary facilities for labour. Management should have a genuine concern for the welfare and betterment of the working class.

5. **Grievance procedure**

A well-established and properly administered system committed to the timely and satisfactory redressal of employee's grievances can be very helpful in improving Industrial relations. A suggestion scheme will help to satisfy the creative urge of the workers.

6. **Constructive attitude**

Both management and trade unions should adopt positive attitude towards each other. Management must recognise unions as the spokesmen of the workers' grievances and as custodians of their interests. The employer should accept workers as equal partners in a joint endeavour for good Industrial relations.

7. Creating a proper communication channel to avoid grievances and misunderstandings among employees

8. Education and training imparted to the employees.

Q8. **Explain the importance of Industrial Relations.**

Ans :

Importance of industrial relations is as follows:

1. **Reduces Industrial Disputes**

Disputes are reflections of the failure of basic human urges or motivations to secure adequate satisfaction, which are fully cured by good industrial relations.

2. **High Morale**

Sound industrial relations improve the morale of the employees. Employees work with great zeal with the feeling in mind that the interests of employer and employees are the same, i.e., to increase production.

3. **Collective Bargaining**

Good industrial relations are extremely helpful for entering into long-term agreements as regards various issues between labour and management.

4. **Fair Benefits to Workers**

The workers should get sufficient economic and non-economic benefits to lead a happy life. It is possible when relations between workers and management are cordial and productivity is high.

5. **Mental Revolution**

Industrial relations completely transform the outlook of employers and employees.

6. **Reduced Wastage**

Good industrial relations are maintained on the basis of cooperation and recognition of each other. It helps in increasing production.

7. **Uninterrupted Production**

The most important benefit of industrial relations is that this ensures continuity of production.

Q9. **Explain the future of Industrial Relations.**

Ans :

In the following section, we shall discuss the changes and emerging trends in industrial relations.

1. **Changing the Face of the Organization**

In the past, organizations have focused on growing bigger and better. Today, increasingly international competition and the rapid pace of technological change are favouring organizations to become lean, faster and flexible. In fact, most organizations are downsizing, decoupling and disaggregating.

2. **Changing Profiles and Characteristics of the Employees**

The colour of the collar of the worker in the organized sector is changing. New technologies have, in several cases, reduced

the difference between blue-and white collar workers. The proportion of white-collar employees is increasing among the full-time regular employees in the organized sector.

3. Emerging Trends

The emerging industrial relations scenario is complex. The existing regional and social imbalances are being exacerbated in the wake of the far reaching economic changes ushered into the economy without much consultation with the concerned social partners. Some states are waking up to the need for wooing investment, foreign and domestic, and creating jobs. In the process they are resorting to competitive labour policies that are 'investor friendly'.

4. Paradigm Shift in Managing Work and Worker

In the sphere of work organization and workplace governance, the focus is shifting towards managing work rather than managing the worker. Changes in labour policy and labour law in many countries around the world are increasingly focusing on flexibility and competitiveness. As a result, new initiatives in labour market policies include new arrangements for funding skills development.

- (a) Worker involvement and participation
- (b) Collective Bargaining
- (c) Social Security

5. Shifting Roles of Traditional Actors

Over the years, a number of changes have taken place in the industrial relations scenario. Not only have the players changed (the inclusion of consumers and community), techniques, technology, and power structures have been re-examined and alerted time and gain.

- (a) Role of the Government
- (b) Role of Trade Unions
- (c) Role of Employers

6. New Actors on the Horizon

A clear understanding of this changing paradigm and its influence is necessary for all the stakeholders in the industrial relations system.

7. Portents for the Future

In a general way, conventional notions about industrial relations have relations between management and unions will undergo substantial changes. Increasingly, customer focus, both internal and external, will tend to be a decisive factor. Non-union firms are likely to proliferate in the future.

1.3 SCOPE OF INDUSTRIAL RELATIONS

Q10. Explain the scope of Industrial Relations.

Ans : (Dec.-21, June-19)

An industry is a social world in miniature where an association of variety of people like employers, executives and supervisory personnel and workmen interact and create a relationship known as industrial relations. This association of people not only influences labour relations but also the social, economic, political and moral lives of the whole community. In other words, industrial life creates a series of social relationship which regulate the relation and working of a wide variety of people either directly, indirectly or both. The industrial relations are, therefore, part and parcel of industrial life, as such they include.

- (i) Labour relations, i.e., relations between union and management (also known as labour-management relations).
- (ii) Employer-employee relations, i.e., relations between management and employees.
- (iii) Group relation, i.e., relations between various groups of workmen; and
- (iv) Community or public relations, i.e., relations between industry and society.

The last two generally do not fall under purview of industrial relations, but form part of the larger discipline — sociology. Further, the two terms, labour-management relations and employee relations are synonymously used.

Q11. Describe various aspects of Industrial Relations.

Ans :

The main aspects of industrial relations are:

- (i) Promotion and development of healthy labour-management relations;
- (ii) Maintenance of industrial peace and avoidance of industrial strife; and
- (iii) Development of industrial democracy.

(i) Promotion and Development of Healthy Labour-Management Relations: The promotion of healthy labour management relations pre-supposes:

- (a) The existence of strong, well-organised, democratic and responsible trade unions and associations of employers. These organisations enhance the job security of employees, help in increased workers' participation in management (affecting the terms and conditions of their employment) and give labour a dignified role in society. These associations also tend to create vantage grounds for negotiations, consultations and discussions on a mutual basis which ultimately lead to good labour-management relations;
- (b) The spirit of collective bargaining and willingness to take recourse to voluntary arbitration. Collective bargaining recognises equality of status between two conflicting groups and prepares the ground in an atmosphere of trust and goodwill, for discussions, consultations and negotiations on matters of common interest to both industry and labour. In

an industry, collective bargaining, plant discipline and union relations are the principal items which form the core of industrial relations;

- (c) Welfare work, whether statutory or non-statutory, provided by the state, trade unions and employers create, maintain and improve labour-management relations and thereby contribute to industrial peace.

(ii) Maintenance of Industrial Peace and Avoidance of Industrial Strife: Industrial peace pre-supposes the absence of industrial strife which is essential for increased productivity and harmonious labour-management relations.

The industrial peace can be largely nurtured through the following means:

- (a) Machinery should be set up for the prevention and settlement of industrial disputes: It can be brought about by developing various legislative and administrative enactments like Trade Unions Acts, Industrial Disputes Act, Industrial Employment (Standing Orders) Act, Works Committees and Joint Management Councils; Conciliation Officer and Boards of Conciliation; Labour Courts, Industrial Tribunals, National Tribunals; Courts of Enquiry; and provisions for voluntary arbitration.
- (b) The Government should have the power to refer disputes to adjudication when the situation tends to get out of hand and industry is faced with economic collapse due to continued stoppage of production on account of long strikes/lockouts; or when it is in the public interest to do so during periods of emergency; or when there is fear of foreign attack; or when production needs to be carried on without interruption.

(c) The Government enjoys the power to maintain the status quo: This power is exercised when the government, after referring the dispute to arbitration, finds that either party is continuing the strike or lockout and that strike or lockout is likely to jeopardise the life of the community and to create chaos in industry.

(d) The provision of the bipartite and tripartite forums for the settlement of disputes: These forums act on the basis of the Code of Discipline in industry, the Code of Conduct, the Code of Efficiency and Welfare, Model Standing Orders, Grievance Procedure and the granting of voluntary recognition to trade unions by the employer. These non-statutory measures help to create satisfaction among employers and employees.

Industrial peace can also be attained by the creation and maintenance of implementation cells and evaluation committees which have the power to look into implementation of agreements, settlements and awards and also violations of statutory provisions laid down under various labour laws.

(iii) Development of Industrial Democracy:

The idea of industrial democracy exhorts that the labour should have the right to be associated with the management of an industry. To achieve this objective, the following techniques are usually employed.

(a) Establishment of the Shop Councils and Joint Management Councils at the floor and plant level, which endeavour to improve the working and living conditions of employee, to improve productivity, encourage suggestions from employees, to assist in the administration of laws and agreements, serve as a channel of communication between management and employees, create among the employees a sense of participation in the decision-making

process and a sense of belonging to the industry. These methods and activities provide the necessary climate for the development of industrial democracy in the country.

(b) Recognition of Human Rights in Industry:

This implies that labour is not a commodity of commerce which can be purchased and disposed of at the whims and caprices of employers. The workers are required to be treated as human beings whose sense of self-respect is to be fostered. Certainly better understanding of their role in the organisation by the employer would be brought home to them. Their urge for self-expression (through closer association with management) should be satisfied. These are the basic pre-requisites for achieving industrial democracy.

(c) Increase in Labour Productivity: The factors which contribute to higher productivity are: improvement in the level of efforts and skills of workers; improvement in production process, materials, equipment, layout, work methods etc. It can be brought about by the suggestions of workers, research and development, including special studies and technological development elsewhere; improvement in the output resulting from capital intensification within the frame-work of the same technology; and increasing the productivity of labour by adopting a proper motivational system which may lead to a satisfactory performance of job and maintenance of good industrial relations.

(d) The availability of proper work environment is necessary so that the worker can effectively carry out his assignment, as it is this environment which stimulates or depresses, improves or destroys the relations between labour and management.'

1.4 APPROACHES INDUSTRIAL RELATIONS

Q12. Explain the various Approaches Industrial Relations.

Ans : (Imp.)

The industrial relations can be viewed from the various angles which may range from the economic and social, political to the legal, psychological and managerial.

A few approaches to industrial relations are discussed here in somewhat greater detail.

(A) Psychological Approach to Industrial Relations:

The psychologists are of the view that the problem of industrial relations are deeply rooted in the perception and the attitude of focal participants. The influence of individual's perception on his behaviour has been studied by Mason Harie. He studied the behaviour of two different groups, namely, "Union leaders" and the "Executives" through a test.

For the test a photograph of an ordinary middle-aged person served as input, which both the groups were expected to rate. It is interesting to note that both the groups rated the photograph in different manner, i.e., the Union leaders referred the person in the photograph as "Manager" where the group of "Executives" saw "Union leader" in the photograph. The result of study led Harie to conclude that:

- (i) The general impression about a person is radically different when he is seen as a representative of management from that of the person as a representative of labour.
- (ii) The management and labour see each other as less dependable.
- (iii) The management and labour see each other as deficient in thinking regarding emotional characteristics and inter-personal relations.

This variance in perception of parties is largely because of their individual perception. It is for this

reason that almost invariably some aspect of the situations are glorified, some suppressed or totally distorted by the individual making a judgement in the issue. The conflict between 'labour' and 'management' occurs because every group negatively views/perceives the behaviour of other i.e. even the honest intention of a party is looked with suspicion. In most of industrial conflicts, not only the interest but also the personalities of actors in the system are at stake. The problem is further aggravated by the unfulfilled needs of power, prestige, recognition, economic motives etc. Also strained inter-personal and inter-group relations breed disharmony in the system.

(B) Sociological Approach to Industrial Relations

The industry is a social world in miniature and the workshop is in reality a community made up of various individuals and groups with differing personalities, educational background, family breeding, emotions, likes and dislikes, and a host of other personal factors, such as attitudes and behaviour. These differences in individual attitudes and behaviour create problems of conflict and competition among the members of an industrial society. Since ages, the problems of industrial relations have been looked upon as one basically concerned with wages, employment, conditions, and labour welfare.

But in fact sociological aspects of the problem are more important than others. This largely includes various sociological factors like value system, customs, norms, symbols, attitude and perception of both labour and management that affect the industrial relations in varied ways. Though the workers carry out their jobs in given industrial environment, their work behaviour is largely monitored by aforecited social factors. Further, the social consequences of industrialisation like organisation, social mobility, migration generate many social evils like family disintegration, stress and strain, delinquency, personal and social disorganisation (leading to growing incidence of gambling, drinking, prostitution, drug abuse etc.) do influence workers' efficiency and productivity

that in turn influence industrial relations system of an industry. In fact, as industrialisation gets momentum, a set of new industrial-cum-social patterns emerges and in its wake, new relationships, institutions, behavioural patterns and techniques of handling human resources develop. These influences shape the industrial relations in one or other ways.

In analysing industrial relations, the role of social change cannot be overlooked. As it equally influences both labour and management, which is obvious from the fact that to-day's management has increasingly become professional, there is a greater thrust on the use of behaviour techniques in dealing with human side of enterprise. Decision-making has now been increasingly democratized, ideas about authority, power and control have undergone a sea change.

The profile of the industrial worker has also changed; instead of being a migrant, he has now been stabilised in the industrial centres. In this context, the National Commission on Labour has rightly remarked that the worker has become more urban in taste and outlook than his predecessor. He is no longer unskilled or neglected by society. He has a new personality and shares in the benefits offered by a welfare society. He is secure in his employment once he enters it. A process of the industrial culturisation of the working class has set in social mobility to-day which accounts for the emergence of a mixed industrial workforce.

(C) Human Relations Approach to Industrial Relations

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

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

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

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

Another important factor that is like a common denominator in all conflicts is the dissatisfied needs of the individual. Hence, for maintaining good human relations in general and industrial relations in particular, the study of human needs is of paramount importance. Broadly speaking, there are four types of basic needs, namely, physiological, safety, social and egoistic needs.

The physiological needs are the one's in-born needs that include needs for food, water, clothing, shelter etc. These needs are vital for the very preservation of a human being and maintenance of his efficiency at a particular level.

The safety and security needs refer to the avoidance of any danger which comes in one's life including the need of physical security, financial security and job security. The social needs are largely acquired ones and are the result of one's socialisation. These needs are of companionship belonging, affection. The egoistic needs are higher

order needs, and relates to one's desire for self-esteem and esteem from others. Generally, it is believed that the needs are interdependent and overlapping. Each higher order need emerges only after the lower level needs are satisfied. But in all the cases, the needs do not necessarily follow a fixed pattern as the human behaviour is multivariant and multidimensional. So it is necessary for management to design a suitable motivational strategy to provide environment for their optimum need satisfaction, required for maintaining good human relations in the organisation.

(D) Socio-Ethical Approach to Industrial Relations

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

In India, in this context, a tripartite study group at the behest of the National Commission on Labour studied the sociological aspect of labour-management relations. This group observed that the labour management relations exist within the social, economic and political structures of society. They, therefore, need to be examined in relation to the overall institutional and ideological goals, namely, democratic socialism and economic growth. The study group observed that "The goal of labour-management relations may be stated as maximum productivity, leading to rapid economic development, adequate understanding among employers, workers and the government, of each other's role in industry and willingness among parties to co-operate as partners in the industrial system."

The other important observations of the Study Group are:

- (i) An important aspect of labour relations in industry is the extent to which labour

and management accept the way of life and value system of modern technology. The director of industrial relations should develop for his company a code of ethics and "a management philosophy" for industrial relations in general and for labour relations in particular which "will meet the test of being firm but fair, tough but tender, and hard but human."

- (ii) A better appreciation of management problems by labour can lead to employee acceptance of management's proposed solutions. This can be only brought about when programmes of communication and education are developed in industry and utilised with an awareness of their necessary limitations.
- (iii) Where workers and their employers belong to the same cultural area, state or region, there is a greater mutual understanding and agreement with goals and means in contrast to a situation when they are recruited from different cultural groups or areas. The Study Group is of the opinion that when modern management techniques of labour recruitment are applied by employers, the narrow cultural differences between labour and management have little significance.
- (iv) The Works Committees, designed to promote measures for securing and preserving amity and harmonious relations between the workman and the employer, have not met with success, for they have not played any useful role. The mushroom growth of rival and multiple unions, the frequent nominations of members of the committee by a trade union and the deviation of the Works Committee from its required activities have adversely affected the stability of these Works Committees.

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

(E) Gandhian Approach to Industrial Relations

Gandhiji's views on industrial relations are based on his fundamental principles of truth and non-violence, and non-possession or *aparigraha*. Out of these principles evolved the concepts of non-co-operation and trusteeship on which his philosophy of industrial relations rests.

This philosophy presumes the peaceful co-existence of capital and labour, which calls for the resolution of conflict by non-violent, non-co-operation (i.e. *Satyagraha*), which actually amounts to peaceful strikes in ordinary parlance. Gandhiji has accepted the workers' right to strike, but remarked that this right is to be exercised in a just cause, and in a peaceful and non-violent manner; and it should be resorted to only after employers fail to respond to their moral appeals.

The principle of trusteeship held that the present capitalist order can be transformed into an egalitarian one. It does not recognise the right to property except to the extent permitted by society for its own welfare; the individual does not have any right to hold or use wealth in disregard of the interests of society; and the character of production is to be determined by social necessity rather than by personal whims or greed.

The capitalist is expected to hold industry in trust for the community; and it is envisaged that, as individual workers in collaboration with employers, they, too, are expected to be co-trustees with the latter.

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

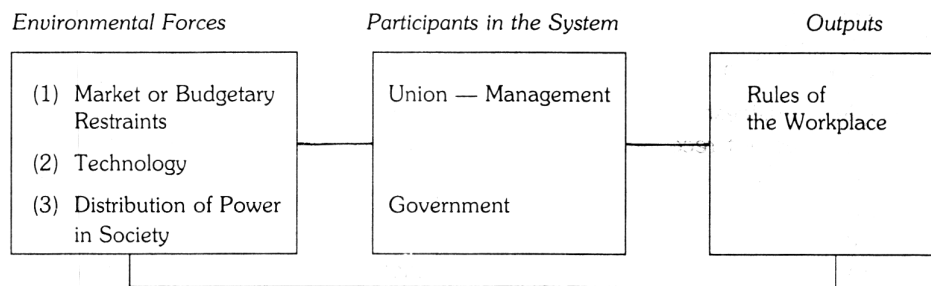
Gandhiji advocated that for resolving disputes the following rules to be observed:

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

- (d) The workers should avoid formation of unions in philanthropic organisations;
- (e) The strikes should be resorted to only as a last resort after all other legitimate measures have failed; and
- (f) As far as possible, workers should take recourse to voluntary arbitration where efforts at direct settlement have not succeeded.

(F) System Approach to Industrial Relations

John Dunlop has developed a system approach to industrial relations. This approach is quite helpful in studying the industrial relations in the sense that it focuses on participants in the process, environmental forces and the output. Further, it studies inter-relations among different facets of industrial relations system. Fig. illustrates the concept.



A simplified version of Dunlop's Approach to Industrial Relations.

The basic elements of the system approach are:

- (A) Participants in the system are :
 - (i) workers and their organisations
 - (ii) management and their representatives
 - (iii) government agencies like labour courts).
- (B) An ideological linking to a considerable extent, regulates the relations among the parties. In the words of Dunlop, an ideology is a "set of ideas and beliefs commonly held by the actors that helps to build or integrate the system together as an entity."
- (C) The context or environment is the ground in which participants interact. Dunlop has identified three types of environment that are relevant to industrial relations.
 - (a) Technological characteristics of the workshop;
 - (b) The market or economic constraints; and
 - (c) The 'locus' and 'balance of power' existing in a society. '

He refers to these components as "a technological sub-system," an economic sub-system, "and" a political sub-system:

- (a) **Technological Characteristics:** Industrial relations would be very different in a labour-intensive industry from those in a capital-intensive one; in an industry planning significant, technical changes from one clinging to less productive primitive technology. Changes in technology enhance the employers' expectations about the skills of workers. The work processes and methods with modern techniques reduce the rigours of manual work and workers acquire greater control over their work; and higher production can be achieved.

- (b) Market or economic constraints also influence industrial relations, because the need for labour is closely associated with the demand for the products. As the competition heats up, the market share of an enterprise becomes uncertain which influences the industrial relations of a unit both in short and long run.
- (c) The locus and balance of power in a society in the form of power centres — the workers' organisations, the employers and the government — also influences the relationship between labour and management. In the initial stages, workers and employers demonstrate their strength to further their interests.

The regulatory role of the government is, therefore, an important part in shaping the pattern of industrial relations. "A conflict emerges strongly when the parties are less mature, are power-conscious and, therefore, aggressive. Contrarily, the conflict tends to recede from the scene when the parties become more mature, responsible and discreet in the use of power and learn to accommodate themselves with each other."

1.5 PRINCIPLES OF INDUSTRIAL RELATIONS

Q13. What are the various principles of Industrial Relations.

Ans :

Dunlop referred to the network of rules as one of the outputs of industrial relations (Dunlop 1958). Flanders considered formulation of rules and their implementation as the bread and butter of industrial relations. Gouldner pointed out the importance of developing rules by consensus. These rules originate from different sources such as the following and are shaped by their legal, political, economic, social, and historical context:

1. Constitutional and Legislative Framework

It is important for both managements and trade unions to abide by the Constitution, the legislation, and gazette notifications.

2. Single Party Unilateral

Employer calling the shots can breed exploitation. In places where the demand for labour is much more than its supply, employers can go out of their way to befriend labour. But India is unlikely to get into such a utopian situation (from labour's point of view) in the foreseeable future. Therefore, unilateral rule-making is anathema from labour's point of view.

3. Two Parties: Collective Bargaining

Collective bargaining is considered the ideal form of rule-making, provided there is balance of power between the parties. In India barely two to three per cent of the labour force is covered by collective bargaining. Even so, the balance of power is usually tilted more in management's favour, specially in areas which are exposed to competition and excess supply of labour in relation to the demand for it.

4. Three Parties: Tripartite Accords

Usually these are non-binding statements, except those signed under Section 19 of the Industrial Disputes Act, 1947. Because of their moralistic tone, they are usually adopted without much questioning or critical appraisal of implementation issues. Since their non-compliance often entails zero consequences, they can be taken lightly.

5. Third Party: Arbitration/Adjudication

India does not have a proper system for arbitration. The government's discretionary powers make adjudication processes suspect in some cases. In any case, when rules are set by a third party and decisions taken by those who are not affected by the consequences, it is possible that neither

labour nor management is happy with the outcomes. In such cases, the locus of control shifts away from the immediate actors - trade unions and workers. It is preferable to establish objective criteria/rules to settle disputes like 'you cut and I choose or vice versa', where both parties have to exercise caution and depend on their own inputs and judgement rather than a third party's.

6. **Multiple Parties: Social Codes, etc.**

These are sometimes entered into under pressure - for example, social labelling, consumer boycotts, etc. are subject to coercion by market forces in regard to compliance with core international labour standards, etc.

7. **Grey Areas**

These are areas where there are no fixed rules. Union recognition is one such area. The rules provide for cooperation and conflict and lay down the policies, procedures, and practices concerning work place relations. The strategies of management to secure cooperation of workers and the efforts of unions to exercise influence are the products of labour and product market circumstances.

The fundamental nature of employment or industrial relations is also influenced by the structural conditions in which managements and workers/their trade unions find themselves within a society. For instance, from the 1920s through 1980s there were striking contrasts in the approaches to relationships in western and eastern Europe and between communist and capitalist societies.

1.6 FACTORS AFFECTING EMPLOYEE STABILITY

Q14. Describe various Factors Affecting Employee Stability.

Ans :

(Imp.)

The industrial relations system of an organization is influenced by a variety of factors. A few important are:

1. Institutional factors.
2. Economic factors.
3. Social factors.
4. Technological factors.
5. Psychological factors.
6. Political factors.
7. Enterprise-related factors.
8. Global factors.

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

1. Institutional Factors

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

2. Economic Factors

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

3. Social Factors

Under social factors items like social group (like caste or joint family) creed, social values, norms, social status (high or low) — influenced industrial relations in the early stages of industrialisation. They gave rise to relationship as master and servant, haves and havenots, high caste and low caste etc. But with the acceleration of industrialisation, these factors gradually lost their force but one cannot overlook their importance.

4. Technological Factors

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

5. Psychological Factors

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

6. Political Factors

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

7. Enterprise-related Factors

Under enterprise-related factors, fall issues like style of management prevailing in the enterprise, its philosophy and value system,

organisational climate, organisational health, extent of competition, adaptability to change and the various human resources management policies.

8. Global Factors

Under global factors, the various issues included are international relations, global conflicts, dominant economic-political ideologies, global cultural milieu, economic and trading policies of power blocks, international trade agreements and relations, international labour agreements (role of I.L.O.) etc.)

1.7 EMPLOYEE RELATIONS AT WORKPLACE, CULTURE

Q15. Elaborate on employee relations at workplace.

Ans : (June-19)

Every individual at the workplace shares a certain relationship with his fellow workers. Human beings are not machines who can start working just at the push of a mere button. They need people to talk to, discuss ideas with each other and share their happiness and sorrows. An individual cannot work on his own, he needs people around. If the organization is all empty, you will not feel like sitting there and working. An isolated environment demotivates an individual and spreads negativity around. It is essential that people are comfortable with each other and work together as a single unit towards a common goal.

It is important that employees share a healthy relation with each other at the work place. Let us find out why employee relations are important in an organization:

- **There are several issues on which an individual cannot take decisions alone.** He needs the guidance and advice of others as well. Sometimes we might miss out on important points, but our fellow workers may come out with a brilliant idea which would help us to achieve our targets at a much faster rate. Before implementing any plan, the pros

and cons must be evaluated on an open forum where every employee has the right to express his opinions freely. On your own, you will never come to know where you are going wrong, you need people who can act as critic and correct you wherever you are wrong. If you do not enjoy a good relation with others no one will ever come to help you.

- **Work becomes easy if it is shared among all.** A healthy relation with your fellow workers would ease the work load on you and in turn increases your productivity. One cannot do everything on his own. Responsibilities must be divided among team members to accomplish the assigned tasks within the stipulated time frame. If you have a good rapport with your colleagues, he will always be eager to assist you in your assignments making your work easier.
- **The organization becomes a happy place to work if the employees work together as a family.** An individual tends to lose focus and concentration if his mind is always clouded with unnecessary tensions and stress. It has been observed that if people talk and discuss things with each other, tensions automatically evaporate and one feels better. Learn to trust others, you will feel relaxed. One doesn't feel like going to office if he is not in talking terms with the person sitting next to him. An individual spends around 8-9 hours in a day at his workplace and practically it is not possible that one works non stop without a break. You should have people with whom you can share your lunch, discuss movies or go out for a stroll once in a while. If you fight with everyone, no one will speak to you and you will be left all alone. It is important to respect others to expect the same from them.
- **An individual feels motivated in the company of others whom he can trust and fall back on whenever needed.** One feels secure and confident and thus delivers his best. It is okay if you share your secrets

with your colleagues but you should know where to draw the line. A sense of trust is important.

- **Healthy employee relations also discourage conflicts and fights among individuals.** People tend to adjust more and stop finding faults in each other. Individuals don't waste their time in meaningless conflicts and disputes, rather concentrate on their work and strive hard to perform better. They start treating each other as friends and try their level best to compromise and make everyone happy.
- **A healthy employee relation reduces the problem of absenteeism at the work place.** Individuals are more serious towards their work and feel like coming to office daily. They do not take frequent leaves and start enjoying their work. Employees stop complaining against each other and give their best
- **It is wise to share a warm relation with your fellow workers, because you never know when you need them.** You may need them any time. They would come to your help only when you are nice to them. You might need leaves for some personal reasons; you must have a trusted colleague who can handle the work on your behalf. Moreover healthy employee relations also spread positivity around.

It is essential that employees are comfortable with each other for better focus and concentration, lesser conflicts and increased productivity.

Q16. Define culture. Explain the characteristics of culture.

Ans :

Meaning of Culture

Culture is the shared patterns of behaviors and interactions, cognitive constructs, and affective understanding that are learned through a process of socialization. These shared patterns identify the members of a culture groups while also distinguishing those of another group.

Nature of Culture

Culture is based on the uniquely human capacity to classify experiences, encode such classifications symbolically and teach such abstractions to others. It is usually acquired through enculturation, the process through which an older generation induces and compels a younger generation to reproduce the established lifestyle; consequently, culture is embedded in a person's way of life. Culture is difficult to quantify, because it frequently exists at an unconscious level, or at least tends to be so pervasive that it escapes everyday thought.

Culture is an integrated pattern of human knowledge belief and behaviour that is both a result of an integral to the human capacity for learning and transmitting knowledge to succeeding generations. Culture thus consists of language, ideas, beliefs, customs, taboos, codes, institutions, tools, techniques, and works of art, rituals, ceremonies, and symbols. It has played a crucial role in human evolution, allowing human beings to adopt the environment to their own purposes rather than depend solely on natural selection to achieve adaptive success. Every human society has its own particular culture or socio-cultural system. An individual's attitudes, values, beliefs and ideas are greatly influenced by the culture in which he or she lives. Culture change takes place as a result of ecological, socioeconomic, political, religious, or other fundamental factors affecting a society. A common way of understanding cultures is as consisting of four elements that are passed on from generation to generation by learning along.

Characteristics of Culture

Some of the characteristics of our culture can be understood under the following headings:

1. The invisible hand of culture
2. Culture Satisfies needs
3. Culture is learned
4. Culture is shared
5. Culture is Dynamic

1. The invisible hand of culture

The culture has a great influence on our behaviour. Even without our knowledge the cultural values have been inhabited in us. From our childhood we are used to certain ways of doing things, we have our own way of perceiving things, so this continues even when we grow older. As we have got used to certain things from the beginning, we like to continue it in same way.

For example: In a Muslim religion, they keep fasting for a month. This they do it willingly without any force. Even if a member is away from the country or family and staying away in other region during this month he follows the prayers and fasting very strictly. This shows how the cultural values and how the cultural system has immersed in the people. The culture also plays its role in selecting and using the products. If the culture doesn't accept a product then those types of products are not used by its members and vice versa.

2. Culture Satisfies needs

Culture exists to satisfy the needs of the people in the society. It offers order, direction and guidance in all phases of human problem solving. It satisfies physiological, personal and social needs. Culture provides guidelines regarding the dress for suitable situation that is what to wear to work, what to wear to marriages etc. It also influences over our food habits like what we eat for breakfast, lunch and dinner and the time we consume the food.

Cultural beliefs, values and customs continue to be followed as long as they yield satisfaction. When a specific standard no longer satisfies the members of a society, they are modified or replaced. Usually when we go to the temples for worship, while coming back we get 'Prasadam'. It might be rice or a laddu which comes in the form of prasadam. But a temple in Rajkot distributes a piece of Pizza and a vadilal ice-cream as a prasadam.

If a product is not doing well in the market because of a value or custom that is related to its use does not adequately satisfy human needs, then the firm producing the product must be ready to revise its product offering. Marketers have to be alert to newly embraced customs and values.

3. Culture is learned

At an early age, from the childhood we begin to learn a set of beliefs, values and customs from our social environment. For children, learning of cultural values and customs happens in the form of listening to the stories by their elders. Anthropologists have identified three distinct forms of cultural learning:

- (i) Formal learning, in which adults teach a child "how to behave".
- (ii) Informal learning, where a child learns by imitating the behaviour of selected members of family, friends etc.
- (iii) Technical learning, here the teachers instruct the child in an educational environment about what should be done, how it should be done, and why it should be done.

We keep learning in all the phases of our life but childhood learning is a different experience where you start seeing or knowing /things for first time. The child is curious to know about many things and mother is the first person to teach the things. It may be to teach the child how to get up and keep the footsteps, or giving a toy and showing it how to play. Apart from mother all the family members involve themselves in giving formal learning to the child. After the child crosses infant hood and enters child hood the child starts learning informally. Child starts noticing the behaviour of family members and also the societal members and tries to imitate them. This shows how the children observe the other people behaviour and learn. Then once they cross 2 yrs they will be getting all

the lessons from the teacher of a play house. Here they are introduced to technical or systematic learning.

Culture is also learnt by acculturating. Acculturation is learning a new or foreign culture. When an individual is exposed to new country he has to learn the norms and culture of that particular country. Number of Indian engineers migrate to US; they have to learn the culture of US to deal with the people there. They have to change their accent, communicating ways, food habits, working habits etc.

4. Culture is shared

Sharing quality is the essence of our culture. We teach the sharing habit to our children from the childhood. Social institutions play a major role in transfer of culture in the society. Even the media is helping a lot to promote the culture of our country. Culture is viewed as a group customs that link together the members of a society. Religious institutions play an important role in spreading the awareness about culture. Some television channels telecast the programmes related to culture. The morals given in the programme tell us how rich our culture is. Our culture is towards sharing, donating the materials to the needy people etc. This is continuing from generations to generations. Sharing brings the happiness, satisfaction and peace of mind.

5. Culture is Dynamic

Business houses have to be responsive to the shifting culture and lifestyle forces. The society is undergoing a drastic change due to new technology, population shifts, employment opportunities, changing family roles etc. Marketers have to understand the shifting sense and produce the products.

Q17. Elaborate on employee relations at culture.

(OR)

Explain various cultural aspects of employee relations.

Ans :

(Imp.)

'Industrial relations' is culture-specific to the extent that the theory and concepts, important though they are, cannot be readily transplanted from one cultural context to another. Such attempts are likely to result in a total failure of the system, and may, in some cases, even result in dysfunctional consequences. Culture can be broadly defined as a system of shared beliefs, values, customs, behaviours and material objects that the members of a society use to cope with their world and with one another.

This definition includes not only patterns of behaviour but also patterns of thought, i.e., shared meanings that the members of a society attach to various phenomena, rites and rituals. In short, culture includes almost any form of behaviour that is learned rather than instinctive or inherited.

The beliefs, perceptions and convictions of the people living in eastern hemisphere are quite different from their western counterparts. These beliefs and perceptions in turn influence their attitudes towards life, work, people, and affect their social behaviours in several ways. Within each of these two broad classifications lie different cultures, which may be specific to the national, social or even religious contexts. Each national culture may be composed of several sub-cultures, which can be different inter se in certain fine aspects. The fact that cultures differ from one another predicates that the beliefs and values considered appropriate in one cultural setting may be considered inappropriate in a different cultural context.

Equity and Fairness

The concept of 'fairness' or 'equity' is implicit in the conduct of industrial relations, it is explicitly most frequently associated with considerations of salary differentials and termination of the contract of employment. In an environment in which collective bargaining agreements are to be replaced by individual, one-to-one bargaining between the employer and the employees, particularly, in matters of wage and salary determination, the whole process may result in a heterogeneous employment relationship coupled with wide disparities among

employees of the same skill level, grade and position. This may eventually affect employee motivation, productivity, and quite often hike the turnover rates due to inequity - perceived or real. Inequity is said to exist in a setting if equals are treated unequally or vice versa.

Power and Authority

The concept of 'power' and 'authority' have a significant influence in industrial relations. The employment relationship is inherently a 'power/authority' relationship. The expressions 'power' and 'authority', though used interchangeably, are different. power is a wider concept and can be defined as the ability to influence others, whereas authority means the formal power possessed by, or delegated to, a person by virtue of the office he holds in an organisational setting. Authority thus implies the right to decide what should be done and includes the right to do it or to get it done by others. In a typical industrial organisation, managerial personnel exercise formal authority in relation to their employees. Extrapolating this to a trade union, the office-bearers exercise certain formal authority vis-à-vis the members, as stipulated in the by-laws and rules of the union. In addition, individual leaders exercise power over the employee-members in the sense they are capable of influencing the behaviour of the latter.

Short Question and Answers

1. Define Industrial relations.

Ans :

Introduction

Industrial relations has become one of the most delicate and complex problems of modern industrial society. Industrial progress is impossible without cooperation of labors and harmonious relationships. Therefore, it is in the interest of all to create and maintain good relations between employees (labor) and employers (management).

The term 'Industrial Relations' comprises of two terms: 'Industry' and 'Relations'. "Industry" refers to "any productive activity in which an individual (or a group of individuals) is (are) engaged". By "relations" we mean "the relationships that exist within the industry between the employer and his workmen." The term industrial relations explains the relationship between employees and management which stem directly or indirectly from union-employer relationship.

Definitions

- (i) **According to Prof. T.N. Kapoor,** "Industrial relations refers to a dynamic and a developing concept which is not limited to the complex relations between trade unions and management but also refers to the general web of relationships normally obtaining between employers and employees a web much more complex than the simple concept of labour capital conflict."
- (ii) **According to Prof. Dunlop,** "Industrial relations may be defined as the complex of interrelations among workers, managers and government".
- (iii) **According to Richard A. Lester,** "Industrial relations involve attempts to arrive at workable solutions between the conflicting objectives and values between profit motive and social gains, between discipline and freedom, between authority and industrial democracy, between bargaining and co-operation and interests of the individual, the group and the community".

- (iv) **According to Casselman 's Labour Dictionary,** "The relations between employers and employees in industry in the broad sense, the term also includes the relations between the various unions, between the state and the unions as well as those between the employers and the government".

2. What are the characteristics of Industrial Relations?

Ans :

(i) Dynamic and Developing Concept

The concept of "Industrial Relations" is a dynamic and developing concept. It is described as a relationship between employers and management of the enterprise and the employees or among employees and their organizations or Employers. Employees and their' trade unions and the government.

(ii) It is a set of functional

Industrial relations do not constitute a simple relationship, but they are set functional inter-dependent complexities involving various factors or various variables such as economic, political, social psychological legal factors or variables.

(iii) Employee-employers relationship

Without the existence of the minimum two parties, industrial relationship cannot exist such as:

- Workers and their organizations.
- Employers or management of the enterprise.
- Government are the three participants or parties in the industrial relations.

(iv) It is a product

Industrial relations are the product of economic, social and political system arising out of the employment in the industrial field.

3. Objectives of Industrial Relations

Ans :

(i) To Help in the Economic Progress of a Country

The problem of increase in productivity is essentially the problem of maintaining good industrial relations. That is why they form an important plank of the economic development plan of every civilized nation.

(ii) To Help Establishing and Maintaining True Industrial Democracy

This is a prerequisite for the establishment of a socialist society.

(iii) To Help Management

This is both in the formulation of informed labour relations policies and in their translation into action.

(iv) To Encourage Collective Bargaining

This is a means of self-regulation. The negotiation process as an educational opportunity, a chance both to learn.

(v) To Help Government in Making Laws

Laws are about forbidding unfair practices of unions and employers. In good industrial relations every party works for the solidarity of workers' movement. There is no inter-union rivalry. Unions gain more strength and vitality. Employees give unions their rightful recognition. They encourage them to participate in all decisions from fighting and belligerence. Unions divert their activities to increasing the size of the distribution-cake and to making their members more informed on vital issues concerning them.

4. Importance of Industrial Relations

Ans :

Importance of industrial relations is as follows:

(i) Reduces Industrial Disputes

Disputes are reflections of the failure of basic human urges or motivations to secure adequate satisfaction, which are fully cured by good industrial relations.

(ii) High Morale

Sound industrial relations improve the morale of the employees. Employees work with great zeal with the feeling in mind that the interests of employer and employees are the same, i.e., to increase production.

(iii) Collective Bargaining

Good industrial relations are extremely helpful for entering into long-term agreements as regards various issues between labour and management.

(iv) Fair Benefits to Workers

The workers should get sufficient economic and non-economic benefits to lead a happy life. It is possible when relations between workers and management are cordial and productivity is high.

(v) Mental Revolution

Industrial relations completely transform the outlook of employers and employees.

5. Psychological Approach to Industrial Relations

Ans :

The psychologists are of the view that the problem of industrial relations are deeply rooted in the perception and the attitude of focal participants. The influence of individual's perception on his behaviour has been studied by Mason Harie. He studied the behaviour of two different groups, namely, "Union leaders" and the "Executives" through a test.

For the test a photograph of an ordinary middle-aged person served as input, which both the groups were expected to rate. It is interesting to note that both the groups rated the photograph in different manner, i.e., the Union leaders referred the person in the photograph as "Manager" where the group of "Executives" saw "Union leader" in the photograph. The result of study led Harie to conclude that:

- (i) The general impression about a person is radically different when he is seen as a representative of management from that of the person as a representative of labour.

- (ii) The management and labour see each other as less dependable.
- (iii) The management and labour see each other as deficient in thinking regarding emotional characteristics and inter-personal relations.

6. Sociological Approach to Industrial Relations

Ans :

The industry is a social world in miniature and the workshop is in reality a community made up of various individuals and groups with differing personalities, educational background, family breeding, emotions, likes and dislikes, and a host of other personal factors, such as attitudes and behaviour. These differences in individual attitudes and behaviour create problems of conflict and competition among the members of an industrial society. Since ages, the problems of industrial relations have been looked upon as one basically concerned with wages, employment, conditions, and labour welfare.

7. Human Relations Approach to Industrial Relations

Ans :

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

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

As the management of people at work is an exclusive prerogative of Human Resources specialists, the various Human Resources

Management policies including those relating to leadership and motivation have profound influence on their work behaviour. Certainly, every style of leadership elicits a peculiar response from the people.

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

Another important factor that is like a common denominator in all conflicts is the dissatisfied needs of the individual. Hence, for maintaining good human relations in general and industrial relations in particular, the study of human needs is of paramount importance. Broadly speaking, there are four types of basic needs, namely, physiological, safety, social and egoistic needs.

8. Principles of Industrial Relations.

Ans :

Dunlop referred to the network of rules as one of the outputs of industrial relations (Dunlop 1958). Flanders considered formulation of rules and their implementation as the bread and butter of industrial relations. Gouldner pointed out the importance of developing rules by consensus. These rules originate from different sources such as the following and are shaped by their legal, political, economic, social, and historical context:

(i) Constitutional and Legislative Framework

It is important for both managements and trade unions to abide by the Constitution, the legislation, and gazette notifications.

(ii) Single Party Unilateral

Employer calling the shots can breed exploitation. In places where the demand for labour is much more than its supply, employers can go out of their way to befriend

labour. But India is unlikely to get into such a utopian situation (from labour's point of view) in the foreseeable future. Therefore, unilateral rule-making is anathema from labour's point of view.

(iii) Two Parties: Collective Bargaining

Collective bargaining is considered the ideal form of rule-making, provided there is balance of power between the parties. In India barely two to three per cent of the labour force is covered by collective bargaining. Even so, the balance of power is usually tilted more in management's favour, specially in areas which are exposed to competition and excess supply of labour in relation to the demand for it.

(iv) Three Parties: Tripartite Accords

Usually these are non-binding statements, except those signed under Section 19 of the Industrial Disputes Act, 1947. Because of their moralistic tone, they are usually adopted without much questioning or critical appraisal of implementation issues. Since their non-compliance often entails zero consequences, they can be taken lightly.

9. Participants in Industrial Relations

Ans :

There are three participants in industrial relations. They are:

(i) Employer and their Associations

Employer plays an important role in industrial relations. He hires the employees, pay them wages, provides allowances, he regulates the working relations through various rules, regulations and laws and at same time expects the workers to follow them. The bargaining power of the employers is weakened in comparison to that of trade unions, though they have high bargaining power when compared to that of employees. So, they form into associations to equate their bargaining power with trade union, and these associations protect the employer by putting pressure on government and trade unions.

(ii) Workers and their Associations

Workers play a crucial role in industrial relation. Worker as a whole includes his working age. Educational background. Social and family background. Psychological traits. Talents. Skills. Culture, Attitude towards others work. Workers form into their associations called "Trade Unions" to get their problems solved. The trade unions work for workers economic interest through collective bargaining by bringing the pressure on the management through economic and political strategies.

(iii) Government: Government plays a balancing role in industrial relations. Government has its influence on industrial relations through industrial relations policy. Labour policy. Labour law implementation. Acting as a mediator in the process of conciliation and adjudication. Government regulates the behaviour of both the employer association and workers organizations.

10. Define culture

Ans :

Meaning of Culture

Culture is the shared patterns of behaviors and interactions, cognitive constructs, and affective understanding that are learned through a process of socialization. These shared patterns identify the members of a culture groups while also distinguishing those of another group.

Nature of Culture

Culture is based on the uniquely human capacity to classify experiences, encode such classifications symbolically and teach such abstractions to others. It is usually acquired through enculturation, the process through which an older generation induces and compels a younger generation to reproduce the established lifestyle; consequently, culture is embedded in a person's way of life. Culture is difficult to quantify, because it frequently exists at an unconscious level, or at least tends to be so pervasive that it escapes everyday thought.

Choose the Correct Answers

1. A complex of interrelations among workers, managers and government. [b]
(a) Workers management (b) Industrial relations
(c) Employee stability (d) Work culture
2. Relations between various industries and society is called _____. [a]
(a) Community relations (b) Group relations
(c) Labour relations (d) Employee relations
3. Industrial relations completely transform the outlook of employers and employees is _____. [c]
(a) Fair benefits (b) High moral
(c) Mental Revolution (d) Collective bargaining
4. At which stage of industrial relations, agriculture became the main source of maintenance _____. [a]
(a) Agrarian economy stage (b) Primitive stage
(c) Handicraft stage (d) Guild system
5. Ability to influence, impose or control is called _____. [d]
(a) Individualism (b) Collectivism
(c) Integrity (d) Power
6. Which of the following factors include economic organizations, structure of labour force, conditions of demand and, supply and other economic forces? [b]
(a) Institutional Factors (b) Economic Factors
(c) Technological Factors (d) All the above
7. Which of the following include automation, mechanization, computerization etc.? [c]
(a) Institutional Factors (b) Economic Factors
(c) Technological Factors (d) All the above
8. Which of the following is a major theory in labor-management relations, which has many powerful advocates? [a]
(a) The Pluralist Approach (b) The Marxist Approach
(c) Weber's Social Action Approach (d) All the above
9. Which of the following is the principle of Good Industrial Relations? [d]
(a) The willingness and ability of management and trade unions to deal with the problems freely, independently and with responsibility
(b) Recognition of collective bargaining
(c) Fair redressal of employee grievances by the management
(d) All the above
10. Which of the following has a very great influence over how people buy and consumer products and services? [a]
(a) Culture (b) Sub-culture
(c) Cross Culture (d) All the above

Fill in the Blanks

1. _____ is the complex of interrelations among workers, managers and government.
2. _____ is the relation between union and management.
3. _____ is the relation between various groups of workmen.
4. The stage when the craftsman artists living in villages produced the products for local population and exchange with other things is _____.
5. Industrial disputes act was introduced in the year _____.
6. _____ relation to equal treatment to or and all under comparable circumstances.
7. Industrial relations are used to denote the collective relationships between management and the _____.
8. The fundamental objective of industrial relations is to maintain sound relations between _____.
9. _____ factors include economic organizations, structure of labour force, condition of demand and supply and other economic forces.
10. Fair redressal of employee grievances by the _____.

ANSWERS

1. OR
2. Labour Relation
3. Group Relations
4. Handcraft stage
5. 1947
6. Equity.
7. Worker
8. Employers and Industrials
9. Institutional Factors
10. Management

UNIT II

INDUSTRIAL CONFLICT :

Causes of Industrial Disputes, Machinery for settling of disputes – Negotiation, Conciliation, Mediation, Arbitration and Adjudication. Grievance Handling: Causes of grievances – Guidelines for grievance handling – Grievances Redressal procedures. Employee Discipline: Causes of indiscipline – Code of discipline – Disciplinary procedure – Code of conduct. Collective Bargaining.

2.1 INDUSTRIAL CONFLICT / DISPUTE

Q1. Explain the concept and essentials of industrial dispute.

(OR)

Define Industrial Dispute. Explain the essentials of Industrial Disputes.

Ans :

(Dec.-21)

Industrial conflict is a rather general concept. When it acquires specific dimensions, it becomes an industrial dispute. The various terms, such as "industrial dispute", "labour dispute", or "trade dispute" are used in different countries to identify the differences between employers and workers. In this book, these terms are regarded as equivalent, and for the sake of simplicity only, the expression "industrial dispute" has been used.

Concept and Essentials of a Dispute

The concept of industrial dispute can be best studied if it is looked at from a legalistic angle.

According to the Industrial Disputes Act, 1947, Section 2(k); "industrial disputes mean any dispute or difference between employers and employers, or between employers and workmen or between workmen and workmen, which is connected with the employment or non-employment or terms of employment or with the conditions of labour of any person."

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

Essentials

- (i) There must be a dispute or a difference (a) between employers (such as wage-warfare where 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 conditions of labour of any person (but not with the managers or supervisors), or it must pertain to any industrial matter,
- (iii) A workman does not draw wages exceeding Rs. 1,600 per month.
- (iv) The relationship between the employer and the workman must be in existence and should be the result of a contract and the workman actually employed.

The term "industrial dispute" has been interpreted and analysed differently in different case situations by the courts.

Principles

Some of the principles for judging the nature of a dispute were evolved by the courts as follows:

1. The dispute must affect a large group of workmen who have a community of interest and the rights of these workmen must be affected as a class. In other words, a considerable section of employees should necessarily make common cause within 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, i.e., there must be some nexus between the union which espouses the causes of the workmen and the dispute. Moreover, the union must fairly claim a representative character.
5. If the dispute was in the beginning in an individual's dispute and continued to be such till the date of its reference by the government for adjudication, it cannot be converted into an industrial dispute by support subsequent to the reference even of workmen interested in the dispute.

By incorporating Section 2A in the Industrial Disputes Act, 1947, a right has been given to the individual workman himself to raise an industrial dispute with regard to termination, discharge, dismissal, or retrenchment of his service, even though no other workman or any trade union of workmen raises it or is a party to the dispute.

Patterson observes: "Industrial strikes/disputes constitute militant and organised protests against existing industrial conditions. They are symptoms of a discordant system."

The industrial unrest, thus, takes an organised form when the work people make common cause of their grievances against employers by way of strikes, demonstrations, picketing, morchas, gate meetings, gheraos, etc.

Q2. Describe various forms of Industrial Disputes.

Ans. :

(Imp.)

The basic forms of disputes are

- (a) Gherao
- (b) Lockout
- (c) Layoff
- (d) Retrenchment

(a) Gherao

Gherao is a weapon which introduced in West Bengal in 1967 during the united front regime. The movement reemerged in 1969 and has now been extended from the industrial area to other fields in India.

Like strike, Gherao is also a method to pressurize employer to fulfill union demands.

In Gherao workers force the employer or managers to remain confined in the offices for hours or even days. The employer sometimes is forced to remain without water and food; he is not allowed to go out even for natural calls.

Workers encircle the office of the employer, close all the exits and sit around in batches. A Gherao involves physical coercion i.e., it tends to inflict physical duress on the employer or manager. Thus a gherao besides endangering industrial harmony creates problems of law and order also.

(b) Lockout

Lockout has been defined under the industrial dispute act 1947 as "the closing of a place of employment or the suspension of work, or the refusal by an employer to continue to employ any number of persons by him. As the employer declares a lockout, he tells workers to keep away from the work. Lockout involves an act of belligerency on the part of the employer. It can be described as an antithesis of strike."

(c) Layoff

It means failure, refusal or inability of an employer on account of shortage of coal, power, or raw materials or the accumulation of stocks or the breakdown of machinery or for any other reason to give employment to a workman whose name is borne on the muster roll of his 'industrial establishment and who has not been retrenched.

The failure, refusal or inability of employer to give employment to give a workman whose name is borne on the muster rolls of the industrial establishment within two hours of his presenting himself at the scheduled time is considered to be layoff but it must be on account of shortage of coal, power or raw material, or accumulation of stock or the breakdown of the machinery, or for any other reason.

The expression 'any other reason' must be construed with the words, preceding it and therefore, refers to these reasons which are not subject to control of the employer. The words like pay-off are included in the definition of layoff.

(d) Retrenchment

It is defined as termination by the employer of the service of a workman for any other reason what so ever otherwise than as a punishment inflicted by the way of disciplinary action but does not include the followings :

- (i) Voluntary retirement of the workman, or
- (ii) Retirement of the workman on reaching the age of superannuation if the contract of employment between the employer and the workman concerned contains a stipulation in that behalf, or
- (iii) Termination of the service of a workman on the ground of continued ill health.

A closure of business as a result of winding up order cannot be equated with retrenchment.

2.1.1 Causes of Industrial Disputes**Q3. Describe various Causes of Industrial Disputes.**

Ans :

The causes of industrial disputes are

- (A) Industry-related factors;
- (B) Management-related factors;
- (C) Government-related factors; and
- (D) Other factors.

(A) Industry-Related Factors

- (i) Under this category, some of the causes of a dispute may be: The industry-related factors pertaining to employment, work, wages, hours of work, privileges, the rights and obligations of employees and employers, terms and conditions of employment, including matters pertaining to:
 - (a) Dismissal or non-employment of any person;
 - (b) Registered agreement, settlement or award; and
 - (c) Demarcation of the functions of an employee.

- (ii) An industrial dispute which connotes a difference which has been fairly defined as is of real substance; i.e. a matter in which both parties are directly and substantially interested; or which is a grievance on the part of a worker which the employer is in a position to redress; or which is such as the parties are capable of settling between themselves or referring it to adjudication.

- (iii) Disputes often arise because of: relatively higher working population and labour force. There is sharp increase in the quantum of unemployment from one plan period to another. A high quantum of job-seekers in the employment market would create serious industrial relations problems. Further, the policy of liberalisation that calls for the adoption of high tech in industries would further complicate the problem by reducing employment.

- (iv) The galloping prices of essential commodities, their shortages and/or non-availability, all these, erode the value of money, as a result of which the real wages of the workers go down. The existing inadequate and unjustified wage structure which has been chaotic, confusing and full of anomalies; and failure to pay a "need-based wage" and D.A. all these have created dissatisfaction among workers and constrained them to demand higher wages.

- (v) The attitude and temperament of industrial workers have changed because of their education, their adoption of urban culture and the consequent change in social values, the growth of public opinion and progressive legislation enacted for their benefit. They are, therefore, very conscious of their rights and will not put up with any injustice or wrong done to them.

- (vi) The trade unions at large have failed to safeguard the interest of working class on account of reasons like:

- (a) The growing inter-union rivalry and multiplicity of trade unions have destroyed the solidarity of the working class;
- (b) Non-recognition of some trade unions as “bargaining agents” of their members;
- (c) Increasing compulsory adjudication of disputes has made trade unions indifferent to the wages and working conditions of industrial employees which can now be determined by courts, tribunals, and wage boards;
- (d) The trade unions generally do not bother about any aspect of the lives of industrial labour except their wages;
- (e) The trade union leaders who are not themselves industrial workers have become eye-sore.
- (f) The trade unions generally are organised on the basis of caste, language or communal considerations, which “divide” rather than “unify” workers.

(B) Management Related Factors

The management-related factors that lead to disputes are:

- (i) Management generally is not willing to talk over any dispute with the employees or their representatives or refer it to “arbitration” even when trade unions want it to do so. This enrages the workers.
- (ii) The management’s unwillingness to recognise a particular trade union and the dilatory tactics to which it resorts while verifying the representative character of any trade union have been a very fruitful source of industrial strife.
- (iii) Even when the representative trade unions have been recognised by employers, they do not, in a number of cases, delegate enough authority to their officials to negotiate with their workers, even though the representatives of labour are willing to commit them-selves to a particular settlement.
- (iv) When, during negotiations for the settlement of a dispute, the representatives of employers unnecessarily and unjustifiably take the side of the management, tensions are created, which often lead to strikes, go-slow or lockouts.
- (v) The management’s insistence that it alone is responsible for recruitment, promotion, transfer, merit awards, etc. and there is no need to consult employees in regard to any of these matters, generally annoys workers who in turn become un-co-operative and unhelpful and often resort to strikes.
- (vi) The services and benefits offered by the management to its workers in most of the cases is far from satisfactory, which invariably leads to conflict.
- (vii) The decisions of managements to change their working methods, resulting in surplus of who employees are to be thrown out of employment and some-times close the establishment for various reasons.

(C) Government-Related Factors

The various Government-related factors that breed disputes are as under:

- (i) The changes in economic policies also create many dispute situations. For instance, policies of liberalisation and privatisation has caused many strikes in the country.

- (ii) Though there exists a plethora of enactments for the promotion of harmonious industrial relations, yet their ineffective or unsatisfactory working causes conflicts, a few instances of which are:
 - (a) Most of the labour laws have lost their relevance in the context of the changed industrial climate/culture;
 - (b) Improper and inadequate implementation of labour laws by most of the employers; and
 - (c) Inherent difficulties in monitoring the working of various labour laws.
- (iii) The growing irrelevance of Government's conciliation machinery because:
 - (a) both the employees and the employers have little faith in it;
 - (b) both have become litigation-minded;
 - (c) it is inadequate, for the number of disputes referred to it are very large and the personnel dealing with them is hopelessly inadequate, particularly because in addition to labour disputes, it is called upon to see to it that labour laws are properly implemented; and
 - (d) the officers associated with conciliation proceedings have very little training in handling the problems or disputes which are referred to them.

(D) Other Factors

Among these may be included the following:

- (i) The trade union movement is highly influenced by politics. Quite often, politicians and political parties "engineer" strikes, gheraos and bandhs to demonstrate their political strength. Invariably, the political party which is in power favours that trade union organisation which is affiliated to it, as a result of which a number of disputes often arise.
- (ii) The political instability and sometimes the strained Centre-State relations are reflected in industry, resulting in industrial conflicts.
- (iii) Other potential factors, such as rampant corruption in industry and public life, easy money, conspicuous consumption, permissive society, character crisis and general breakdown in national morale have brought, in their train, debasement of social values and social norms — all these can and have perpetuated all kinds of unrest, including industrial unrest.
- (iv) The tense inter-union rivalry among less important and dominant trade unions invariably sparks off disputes,

2.2 MACHINERY FOR SETTLING OF DISPUTES

Q4. Explain about the prevention and settlement of industrial disputes in India.

Ans :

(Dec.-21, Imp.)

The preventive machinery has been set up with a view to creating harmonious relations between labour and management so that disputes do not arise. It comprises of various measures which are as follows :

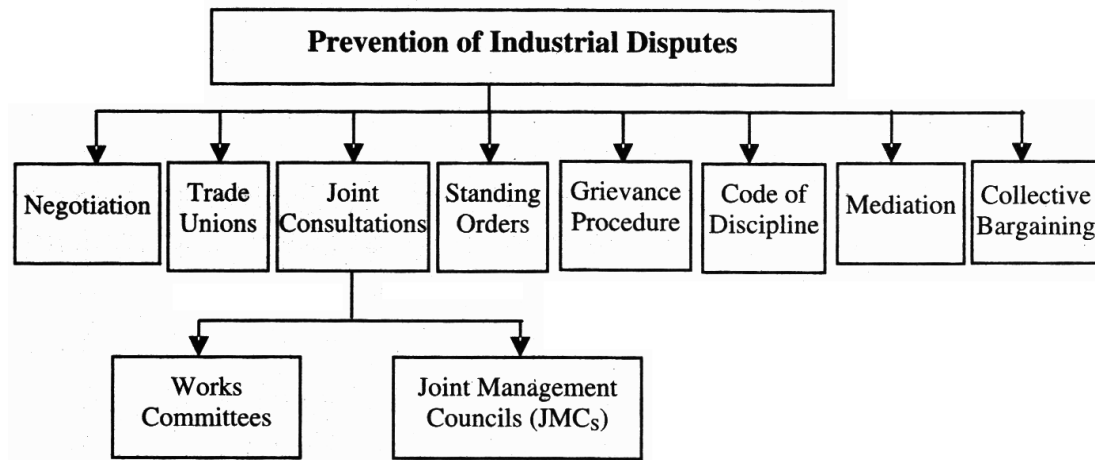


Fig. : Prevention of Industrial Disputes

1. Negotiation

Negotiation is a process of bargaining in which two parties, each of whom have something that the other wants, try to reach an agreement, on mutually accepted terms. It is a dialogue intended to resolve disputes, to produce an agreement upon courses of action, to bargain for individual or collective advantage, or to craft outcomes to satisfy various interests. It is usually regarded as a form of alternative dispute resolution. In organisation, supervisor making a suggestion to his manager or a salesperson trying to arrange a meeting with a prospective wholesaler/dealer is an example of negotiation.

2. Trade Unions

Trade unions are a major component of the modern industrial relations system. Though trade unions occupy a unique position, yet their role is variously interpreted and understood by different groups in the society. Trade unions play an important role in resolving industrial disputes.

3. Joint Consultation

For resolving industrial disputes, following types of joint consultations are adopted:

i) Works Committees

Though Works Committee is preventive machinery, it is a statutory body too. The Industrial Dispute Act, 1947 requires the employer to constitute a Works Committee consisting of equal representatives of employers and workmen.

ii) Joint Management Councils (JMCs)

In the Industrial policy Resolution 1956, the need for Joint Management Council consisting of representatives of management, technicians and workers was emphasised.

4. Standing Order

Another preventive measure is certification of standing orders by enterprises under the Industrial Employment Standing Orders Act, 1946. These standing orders require enterprises to lay down uniform terms and conditions for the employment of workers.

5. Grievance Procedure

A grievance procedure is a means of dispute resolution by which an employee may have his or her grievances addressed. The aim of grievance procedure is to provide the rights, and means to resolve workplace problems quickly and fairly.

6. Code of Discipline

Code of Discipline provides guidelines for the employers, workers and the unions. It also stipulates that the management and the union should utilise 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. The Code of Discipline also specifies the various steps for dealing with industrial relations problems.

7. Mediation

When disputes occur between employees and management due to difference in opinions on matters related to the decision of working conditions such as wage, working hours, welfare, dismissal or treatment of workers, etc., in principle, employees and management themselves should resolve the disputes autonomously. However, in the event disputes cannot be resolved autonomously by employees and management themselves, the parties can receive help from dispute mediation mechanism for settling the disputes. The dispute mediation system can be statutory mediation system as well as private mediation system.

8. Collective Bargaining

Collective bargaining plays a vital role in preventing industrial disputes through compromises of concessions made by both the parties.

Settlement for Industrial Disputes

Before independence, Government was not concerned over the settlement of industrial disputes as conflicts were looked upon as a problem of law and order. But since independence, Government

paid attention in this direction and passed the Industrial Disputes Act 1947. It was amended several times under which was outlined machinery for the prevention and settlement of disputes. These provisions are as under :

1. Establishment of Works Committees

In every industrial establishment employing 100 or more workers, it is compulsory to establish a works committee to promote the measures for securing and preserving unity and good relations between the parties.

The main function of the committee is not remove causes of friction between the two parties which concern the factory life of workers. No mention of functions of works committee has been made in the Act. However, in 1960 a tripartite committee of Indian Labour Conference prepared two lists of functions one for works to be dealt with and the other for works not is dealt with by the works committees.

The works committee is to discuss such problems relating to grievances, complaints, matters of discipline, welfare problems such as health, safety, training, education and other personal problems which vitally affect the interests, of the workers in general.

The functions of these committees are purely of advisory character. No legal obligation is imposed upon the employers to carry out the decisions arrived at in the meeting of the works committee.

2. Grievance Settlement Authority

The Industrial Disputes (Amendment) Act 1982 has provided for the setting up of a Grievance Settlement Authority and for reference of certain individual disputes to such authorities. Any employer employing 50 or more workers is required to provide for a Grievance Settlement Authority for settlement of industrial dispute relating to an individual.

Where such dispute arises, the concerned worker or the trade union, of which he is a member, may refer the dispute to the Authority for settlement. Any such reference shall not be referred to Board or Tribunal.

3. Conciliation Officer

The appointment of conciliation officer is made by the State Government for a particular region or industries in the state. This officer is to bring the two parties together and help them resolve their differences. He can do everything to settle the dispute between the two parties amicably. He is bound to take decision within 14 days or such period as extended by the State Government from the date of registration of dispute.

If the dispute is settled through his good offices and an agreement is reached, he should send a report to the Government along with a memorandum of settlement signed by the parties to the dispute. If the dispute is not settled he should inform the Government about his failure, steps taken and the reasons for not being successful.

4. Conciliation Board

In case, the conciliation officer fails to resolve the dispute, the Government appoints a board of conciliation on adhoc basis for a particular dispute consisting of a chairman and two to four persons representing the employer and the employees to bring the parties to disputes to sit together and thrash out their differences as referred by the Government.

The board reports the Government about the success or failure of its efforts, steps taken and reasons for its failure to bring about a settlement within 2 months from the date of reference of the dispute.

5. Court of Inquiry

Whenever an industrial dispute remains unresolved by the conciliation officer and the board of conciliation, the matter is referred to a court of inquiry. The court may consist of one or more independent persons. It will investigate the whole dispute and submit its report to the Government on the matters referred to it ordinarily within 6 months from the date of commencement of inquiry.

If settlement is not arrived at by the efforts of the above machinery, three-tier machinery for compulsory adjudication is provided under the Act. These are three types of semi-judicial bodies, i.e., labour courts, industrial tribunals and National Tribunals.

i) Labour Courts

Labour courts have been set up by the state Governments to go into the disputed orders of the employer's dismissal, discharge and suspensions of employees by the management, legality or otherwise of any order passed by an employer under the standing order, withdrawal of any concession or privilege, legality or otherwise of any strike or lockout etc. These courts will award decisions and send report to the Government.

ii) Industrial Tribunals

The State Government have been empowered to appoint as many industrial tribunals as they think proper, for the adjudication of disputes selecting to wages, hours of work and rest, intervals, leave with pay, holidays, compensatory and other allowances, bonus, profit sharing, provident fund, gratuity, discipline, retrenchment, closure of establishment etc. The tribunal will consist of a person of the rank of a high court judge. The adjudication of these tribunals is binding on both the parties.

iii) National Tribunal

National tribunal is set up by the Central Government for the adjudication of industrial disputes which involve questions of national importance or which affect industrial establishments situated in more than one state. It gives decisions on matters referred to it by the Central Government.

If any matter is referred to the National Tribunal by the Central Government the labour

courts and industrial courts are barred from entertaining such disputes and if any such dispute is pending before labour courts or tribunals, it shall be deemed to be quashed.

2.2.1 Negotiation

Q5. Define Negotiation. Explain the key activities of negotiation.

Ans. : (Dec.-21)

Negotiation is a process in which two or more parties who have common and conflicting interests come together and talk with a view to reaching an agreement. Negotiation is concerned with purposeful persuasion and constructive compromise. It involves five key activities:

1. Obtaining substantial results, dividing the cost and benefits, and achieving the goals dictated by the interests of both the company and the members of the trade union.
2. Influencing the balance of power between parties. Balancing the interests of the company and the workers/members or making it a little more favourable to the workers/members.
3. Influencing the atmosphere. Promoting a constructive climate and positive personal relations between the trade union and members on the one hand and between the trade union and the management on the other.
4. Influencing the constituency. Reinforcing the position of trade union leadership with respect to the members on whose behalf the trade union leaders negotiate.
5. Influencing the procedures. Developing procedures that allow people to be flexible while increasing the chances of reaching a favourable compromise. This is possible when one is able to distinguish between the interests of trade union members and taking positions on their behalf. Interests can be safeguarded in more than one way. If one takes a position, one limits the options.
 - Processes rather than outcomes are important to maintain long-term relationships. Temporary gains would be

short-lived. But if the processes are appropriate, the trust and understanding generated will prove useful to all concerned over a period of time.

- Results, not activities are important.
- Give and take is important, not giving in or surprising.

A negotiation could result in any one of the following situations:

- **Win-lose** : Herein, the negotiating parties think that 'winning is everything' or 'winning is the only thing'.
- **Lose-win**: One party achieves most and the other party loses or gains very little. Here either party may consider that the 'relationship is paramount'.
- **Lose-Lose**: Both parties lose or do not get what they want and reflect an attitude of 'take it or leave it' or 'nothing for nothing'.
- **Win-Win**: Both parties get what they want. Instead of adopting an attitude of 'winning is everything' or 'winning is the only thing', the parties believe in mutual gain.

Achieving win-win agreements requires integrating the interests of both/all the parties.

This means that the parties should keep the following points in mind while negotiating.

1. Focus on their interests, not take positions

For an employer to say, 'I cannot pay you more' is taking a position. If the employer says, 'I can pay you more if the unit labour cost remains the same' it means safeguarding one's interest.

2. Focus on the problem, not the person

It is easy to take things personally even in the professional world, but that is a state of mind that needs to be eliminated, especially during negotiations. Getting personal or disparaging only shows a lack of respect and trust, which can result in the failure of the negotiation process.

For example, let us consider the old cats-and-monkey story. Two cats are quarrelling over sharing a load of bread. Neither would trust the other. They trusted the monkey and lost the whole bread. If they focused on the problem, they could have agreed that one would cut into two halves and the other would choose. The question of trust or the lack of trust would not have come in the way of solving the problem.

3. Invent multiple solutions

If the parties in a negotiation think selfishly, the negotiation process can fail. Instead, it is essential that all the interests of all the parties are discussed and solutions are sought that lead to the satisfaction of either all or a majority of the parties. The following example will help in driving the point home. Two young daughters were quarrelling over the only orange left in the house. Both wanted the whole orange. The mother spoke to both of them separately. The elder one wanted the perfect for making the Christmas pudding. The younger one wanted to eat the orange. The mother skilfully peeled the orange and gave the orange peel to the elder daughter and the fruit to the younger one. Both were happy.

4. Be creative

Sometimes problematic situations seem too far advanced to be helped by negotiations. When things are tough, it is time to employ some creativity. Creative handling of negotiations and creative solutions can make sure that all the parties are happy with the outcome(s). In the King Solomon story, when two mothers were claiming the motherhood of a young boy, the king asked the butcher to cut the child into two halves and distribute among the two ladies. The real mother panicked and asked the king to give the child to the other lady so that her child may live. Thus, the king was able to find the real mother.

5. Expand the pie

Employers should think of paying more wages to their employees without increasing

costs. Savings need not come from labour, but the creative use of labour does reduce non-labour costs. In most cases, labour costs are less than 15% of the total ex-factory costs and 5% or so of the final price that the consumer pays.

6. Non-specific compensation

Give the other parties something that is valued more by them but not much by you.

7. Log rolling

Where the agenda or the charter of demands and counter demands is long and complex with differing priorities, go over the list and begin with those points which the parties have a common interest to resolve. Building on the understanding gained in the process, it is possible to move forward towards an amicable solution.

8. Bridge the gap in perceptions through reformulation of the issue

Usually, how an issue is framed makes a difference to the negotiation. Look at both the giving end and the receiving end rather than taking one side. Consider the consequences of agreeing or not agreeing to a proposal. In case of technological changes, one must look at both the consequences of change and the consequences of no change.

Q6. What are the various stages of negotiation.

Ans :

There are four stages of negotiation- preparation, discussion, bargaining, and agreement.

1. Preparation

To fail to prepare is to prepare to fail. Preparations entail the following.

(i) Collecting Information

Facts on relevant aspects are needed to produce enough evidence to substantiate one's demands/arguments.

(ii) Setting Objectives

Ideal, targeted, and resistance positions should be decided upon. For instance,

15% wage rises ideal, 12% target, but wage rise below the rate of inflation is the resistance point because it will mean erosion of real earnings.

(iii) Establishing Priorities

Distinguish between what must be achieved and what might be achieved.

(iv) Assessing the Other Party and its Case

To counter the other party's arguments, it is necessary to study its needs, strengths, and compulsions well enough in advance.

(v) Noting Details

Take precise notes of who said what at every stage of the negotiation process. Leave space for details and to record your arguments.

2. Bargaining

Negotiations should yield something for all the concerned parties. While bargaining, it would be best to keep the following pointers in mind:

- (i) There cannot be any bargaining if either party takes a fixed stand and is unwilling to move from a set position.
- (ii) Parties should be willing to make compromises, offer concessions, and develop packages that are mutually beneficial.
- (iii) If there is a stalemate or deadlock in negotiations because either party does not agree to what the other says or resorts to threats and bluffs—consider different ways of dealing with these situations.
- (iv) Try to understand the issues rather than be emotional about them or take things personally.
- (v) Focus on the problem and interests rather than focusing on the person(s) and taking positions.

2.2.2 Conciliation

Q7. Explain briefly about conciliation.

Ans :

Meaning

Conciliation is a process by which representatives of workers and employers are brought together before a third person or a group of persons with a view to persuade them to come to a mutually satisfying agreement.

Definition

According to the International Labour Organisation, "Conciliation is the practice by which the services of a neutral third party are used in a dispute as a means of helping the disputing parties to reduce the extent of their differences and to arrive at an amicable settlement or agreed solution. It is a process of rational and orderly discussion of differences between the parties to a dispute under the guidance of a conciliator".

Objectives

The following are the objectives of conciliation:

1. The conciliator tries to bridge the gap between the parties, if possible.
2. If he does succeed, he tries to reduce the differences to the extent possible.
3. He persuades parties to take a fresh look at the whole issue.
4. He only advances possible lines of solution for consideration by the disputants.
5. The conciliator need not follow the same path in each case.

Conciliation Machinery in India

The conciliation machinery in India consists of the following:

1. Conciliation Officer [Section 4]

According to the Industrial Disputes Act, 1947 the Central and State Governments can appoint a Conciliation Officer to mediate in all disputes brought to his notice. The Appropriate Government has been

empowered under the Industrial Disputes Act to appoint such number persons as it thinks fit to be Conciliation Officers. The Government may appoint such officers either for a specified area or for specified industries in a specified area or for one or more specified industries charged with the duty of mediating in and promoting the settlement of industrial disputes. The appointment is made by notification in the Official Gazette either permanently or for a limited period.

The officer enjoys the powers as a Civil Court. He is expected to give judgment within 14 days of the commencement of the conciliation proceedings. His judgment is binding on all the parties to the dispute. The Conciliation Officer has a lot of discretion over the ways and means to be followed to bring about settlement between the disputants. He "may do all such things as he thinks fit for the purpose of including the parties to come to a fair and amicable settlement of disputes."

2. Board of Conciliation [Section 5]

The Board of Conciliation is not a permanent institution like the conciliation Officer. It is an ad hoc, tripartite body having the powers of a Civil Court created for a specific dispute. It consists of a Chairman and two or four other members nominated in equal numbers by the parties to the dispute. The chairman who is appointed by the government should not be connected with the dispute or with any industry directly affected by such dispute. The board cannot admit a dispute, is referred to it, by the Government.

The board conducts conciliation proceedings in the same way as conducted by Conciliation Officer. The board however is expected to submit its report within two months of the date on which the dispute was referred to it. The Board of Conciliation is rarely constituted by the government these days. In actual practice, settling disputes through a Conciliation Officer was found to be more flexible when compared to the Board of Conciliation.

3. Court of Inquiry [Section 6]

In case the conciliation proceedings fail to resolve a dispute, a Court of Inquiry is constituted by the government to investigate the dispute and submit the report within six months. It is merely a fact-finding body and its findings are not binding on the parties to the dispute. The Appropriate Government may as occasion arises by notification in the Official Gazette constitute a Court of inquiry for enquiring into any matter appearing to be connected with or relevant to an industrial dispute. A Court of Inquiry consists of one independent person or of such number of independent persons as the Appropriate Government thinks fit. Where such court consists of two or more members, one of them is appointed as the Chairman.

Q8. Explain briefly about Powers, Duties of Conciliation Machinery?

Ans :

Powers of Conciliation Machinery

Powers of conciliation machinery viz., Conciliation Officers, Board of Conciliation, and Court of Inquiry are as follows :

1. Powers to Enter Premises

A Conciliation Officer or a member of a Board, or Court may for the purpose of inquiry into any existing or apprehended industrial dispute, after giving reasonable notice, enter the premises occupied by any establishment to which the dispute relates.

2. Powers of Civil Court

Every Board of Conciliation and Court of Inquiry shall have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908, when trying a suit, in respect of the following matters, namely :

- (i) Enforcing the attendance of any person and examining him on oath;
- (ii) Compelling the production of documents and material objects;
- (iii) Issuing commissions for the examination of witnesses;

- (iv) In respect of such other matters as may be prescribed;

And every inquiry or investigation by a Board and Court shall be deemed to be a judicial proceeding within the meaning of Sections 193 and 228 of the Indian Penal Code.

3. Power to Call for and Inspect Documents

A Conciliation Officer may enforce the attendance of any person for the purpose of examination of such person or call for and inspect any document which he has ground for considering to be relevant to the industrial dispute or to be necessary for the purpose of verifying the implementation of any award or carrying out any other duty imposed on him under this Act, and for the aforesaid purposes, the Conciliation Officer shall have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908, in respect of enforcing the attendance of any person and examining him or of compelling the production of documents.

4. Power to Appoint Assessors

A Court of Inquiry, may, if it so thinks fit, appoint one or more persons having special knowledge of the matter under consideration as assessor or assessors to advise it in the proceeding before it.

Duties of Conciliation Machinery

Duties of Conciliation Officers, Board of Conciliation, and Courts of Inquiry are as follows :

1. Duties of Conciliation Officer

The duties of Conciliation Officer are as follows:

(i) To Hold Conciliation Proceedings

Where any industrial dispute exists or is apprehended, the Conciliation Officer may hold conciliation proceedings. Where the dispute relates to a public utility service and a notice under Section 22 has been given, he shall hold conciliation proceedings in the prescribed manner.

(ii) To Investigate the Dispute

For the purpose of bringing about a settlement of the dispute, without delay, investigate the dispute and all matters affecting the merits and the right settlement thereof He may do all such things as he thinks fit for the purpose of inducing the parties to come to a fair and cordial settlement of the dispute. But he has no authority to make a final decision.

(iii) To Send a Report and Memorandum of Settlement to Appropriate Government

If a settlement of the dispute is arrived at, in the course of the conciliation proceedings, the Conciliation Officer shall send a report thereof to the Appropriate Government or an officer authorised in this behalf by the Appropriate Government.

(iv) Where no Settlement is Arrived at

If no settlement is arrived at, the Conciliation Officer shall as soon as after the close of the investigation, send to the Appropriate Government a full report setting forth the steps taken by him for ascertaining the facts and circumstances relating to the dispute and for bringing about a settlement thereof. The report shall be accompanied with a full statement of such facts and circumstances, and the reasons on account of which, in his opinion, a settlement could not be arrived at.

2. Duties of Board of Conciliation

It shall be the duty of the Board:

(i) To Bring about a Settlement of the Dispute

Where a dispute has been referred to a Board under this Act, it shall be the duty of the Board to endeavour to bring about a settlement of the same and for this purpose, the Board shall, in such manner as it thinks fit and without delay,

investigate the dispute and all matters affecting the merits and right settlement thereof and may do all such things as it thinks fit for the purpose of inducing the parties to come to a fair and cordial settlement of the dispute.

(ii) To Send a Report and Memorandum of Settlement to the Appropriate Government

If a settlement of the dispute or of any of the matters in dispute is arrived at in the course of the conciliation proceedings, the Board shall send a report thereof to the Appropriate Government together with a Memorandum of the settlement signed by the parties to the dispute.

(iii) To Send a Full Report to the Appropriate Government Setting forth the Steps taken by the Board in Case

If no such settlement is arrived at, the Board shall, as soon as practicable after the close of the investigation, send to the Appropriate Government a full report setting forth the proceedings and steps taken by the Board for ascertaining the facts and circumstances relating to the dispute and for bringing about a settlement thereof, together with a full statement of such facts and circumstances, its findings thereon, the reasons on account of which in its opinion, a settlement could not be arrived at and its recommendations for the determination of the dispute.

(iv) To Communicate Reasons to the Parties if no Further Reference Made

If, on the receipt or a report in respect of a dispute relating to a public utility service, the Appropriate Government does not make a reference to a Labour Court, Tribunal or National Tribunal under Section 10, it shall record and communicate its reasons to the parties concerned.

(v) To Submit Report within 2 Months

The Board shall submit its report under this section within two months of the date, on which the dispute was referred to it or within such shorter period as may be fixed by the Appropriate Government.

It is provided that the Appropriate Government may from time to time extend the time for the submission of the report by such further periods not exceeding two months in the aggregate. It is provided further that the time for the submission of the report may be extended by such period as may be agreed on in writing by all the parties to the dispute.

3. Duties of Court of Inquiry

A Court shall inquire into the matters referred to it and report thereon to the Appropriate Government ordinarily within a period of 6 months from the commencement of its inquiry.

The report of the Court shall be in writing and signed by all the members of the Court. Any member or the Court may record any minute of dissent from a report or from any recommendation therein. The report together with any minute of dissent recorded therewith shall be published within a period of 30 days receipt by the Appropriate Government.

Q9. Explain Weaknesses of Conciliation Machinery.

Ans :

Weaknesses of conciliation machinery in settling disputes are as follows :

1. Delays

Ineffectiveness of conciliation machinery is sought to be established both by employers and workers because of delays involved in the process. For workers "justice delayed is justice denied". On the employer's side, delay becomes objectionable because it allows pressures to be built-up and in a way coerces the employer into a settlement.

2. Attitude of Parties towards Conciliation

The common complaint has been the conciliation proceedings are merely a hurdle to be crossed over for reaching the next stage of the industrial relations machinery. This attitude to conciliation is not uncommon, it is argued, within the conciliation machinery itself.

It is also stated that the width of interest and depth of understanding which can make conciliation a success is conspicuous by its absence in the personnel handling conciliation proceedings. The parties to the dispute, many times, do not attend conciliation meetings on the described dates.

3. Inadequacy of Conciliation

Conciliation is treated as a preliminary step leading to adjudication through the Labour Courts or Tribunals. Workload has also to be judged in relation to the increase in other responsibilities of these officers as well as the intricacy or cases they have to handle as well as the demand content of each. If some assessment of this aspect is readily available. It will be useful.

4. Quality of Personnel

It is alleged that most conciliation officers lack training and competence in conciliation work. Conciliation tends to be mechanical, because the officer does not have any important suggestion to offer during the course of the proceedings.

He has inadequate knowledge of the industry as also of law, though in fairness to conciliation officers it has been said that for the law which they are required to administer, i.e., the labour law in general, the knowledge of the officers is not inadequate.

Q10. Explain the code of conciliator in settlement of Industrial Disputes.

Ans :

The role of a conciliator may be discussed under following heads:

1. As a Discussion Leader

As a discussion leader, the conciliator reduces irrationality and antagonism between the parties. He guides them towards a problem-solving approach to their dispute; he ensures that they discuss their differences in as friendly a manner as possible; he helps them to analyse their problem, always striving to keep the analysis on a rational plane; he identifies the elements of the problem, both for the parties' benefit and for his own.

2. As a Safety Valve

The conciliator places himself in the position of an alternative target when he feels that the parties are in an aggressive mood. By setting a substitute target, the parties can achieve an emotional release without direct and immediate damage to the negotiations.

3. As a Communication Link

The conciliator fulfils an important function as a communication link between the parties: serving as a communication link may either constitute his main conciliatory effort or be a contribution to it. He not only works as a conduit through which messages are relayed from one side to the other, but he also provides a thorough explanation and interprets the intentions of either party.

4. As an Innovator

The conciliator acts as an invaluable source of new information and new thoughts, particularly in providing the parties with different views of the issues, with possible alternative solutions and possibly an entirely new approach.

5. As a Sounding Board

He is often described as a "flying ambulance squad" appearing whenever or wherever a collision or conflict, which threatens to disturb harmonious relations, occurs or is apprehended to occur between the interests of the parties. He may indicate the parties which of their own arguments, defences and supports cannot stand under a rational searching enquiry.

6. As a Protector

The conciliator plays a protecting role, for he readies the parties for collective bargaining positions by exploring alternative solutions during separate meetings.

7. As a Fail-Safe Device

The conciliator often assists a party which has overstated its position to the extent of bluff or exaggeration of its reaction to some move on the part of the other; or taken a clearly untenable stance to withdraw gracefully under the banner of reason.

8. As a Stimulator

Sensing the need for positive action, the conciliator can provide the necessary impulse to a settlement; he makes a concise statement, supplies some data, gives a hint or suggestion. He crystallises changes of opinion in the course of discussions by intervening at the appropriate moment and giving such ideas a concrete form.

9. As an Adviser

The conciliator tries to remove misunderstandings regarding the other's position, intentions and capabilities. He tries to see that misinterpretations do not occur and that each side thoroughly understands the other's point of view, obtains a picture of the opponent's strength and realises its own limitations and weaknesses.

10. As a Face Saver

The conciliator often functions as a face saver. When a party knows at the outset or realises during the course of proceedings that it has a weak case and can hope for little success in pursuing the dispute. The people concerned are often reluctant to admit defeat, because they feel that this will involve them in a loss of face, or prestige, with their members or with the public. In such situations, the conciliator may devise a form of announcing settlement, which apparently makes some small concession to the party concerned but which in reality gives it little or nothing.

2.2.3 Mediation

Q11. Define Mediation. Explain the functions and process of Mediation.

Ans :

(Imp.)

Meaning

Mediation is the ancient art of the peace-maker. It has been practised in a number of areas where people disagree. It is an ancient and honourable process for the settlement of disputes — disputes between two warring nations, disputes between litigants, disputes between labour and management, and in general, disputes between people. It has been most usefully employed to smooth out serious disagreements which threaten the rupture of established relations, such as those between husbands and wives, among associates and friends, and among partners in common endeavours.

As a formalised activity, its justification lies in the danger that the consequences of disagreement will have an adverse effect on bystanders, whether as individuals or as a community. Warren (a former Director of the United States Conciliation Service) has stated: "Despite the fact that other forms of settlement of labour disputes are more dramatic and have captured the headlines more often, the process of mediation has proved successful in reaching settlement in the great majority of those cases in which agreement had not been reached by direct negotiation between the parties."

Functions and Process of Mediation

Mediation is a process by which a third party brings together the opposing groups not only to iron out the differences between them but also to find an answer to problems or specified proposals and offer alternative suggestions.

Mediation is an attempt at settling disputes with the help of an outsider who assists the parties in their negotiations. It takes place at the invitation, or at least with the consent, of both parties. The mediator has been described as a confidential adviser and an industrial diplomat. He performs a messenger's service for the parties, and neither imposes his will nor his judgement upon them. He gives each party his evaluation of its position, and

by doing so, he influences these positions. He helps the two parties to come to an agreement of their own accord rather than to render an award or a decision of his own. He suggests solutions based on knowledge and experience, which both parties, if they have confidence in him, may agree to accept. He has a wide range for manoeuvre. At one end of the range, mediation means simply getting the parties to talk to each other until they reach a settlement. At the other extreme, mediation means the deliberate effort to introduce and explore proposals which might lead to settlement.

Thus, mediation is the exercise of good offices by a third party in order to avert an impending rupture between the disputants, or if the rupture has already taken place, to bring them together as soon as possible without resorting to arbitration. He may, however, sometimes make and even publish recommendations for the best course to be followed so as to facilitate voluntary agreement.

Mediation contemplates affirmative and positive action by a third party to bring about a settlement of disputes. It encourages the employers and the union to come to a decision without any force or orders from the mediator. He only brings the parties together in his presence and, by formulating substantive proposals for settlement, tries to iron out their differences. "He does not exercise any compulsion; he cannot and should not undertake to decide what parties should do; he may advance various considerations, but certain evaluations and judgements must be left to the parties themselves."

Q12. What are the different kinds of Mediators?

Ans :

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

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

These are not mutually incompatible but can be advantageously used to supplement one another. For a certain class of disputes, the eminent

outsider cannot be dispensed with, provided that his services are available as and when needed. The non-governmental board has the advantage over the eminent outsider that, on being constituted as an ad hoc body, it is more readily brought into play and has a better chance of making its voice heard in that breathing space before a strike or lockout actually begins. There are various advantages inaccessible to non-governmental boards but which are readily available to the boards attached with the governmental machinery of the country, because:

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

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

Q13. What are the essentials of successful Mediators?

Ans :

However, there is sufficient scope for mediation in disputes between two parties because in the presence of a mediator, the element of 'proper pride' and 'courage never to submit or yield' is eliminated by the suggestion that the effort at reconciliation is made as a favour to one party and not as a concession to another party.

Mediation can be made more effective and successful device if the following measures are adopted:

- (i) Mediation can work only in a climate of consent. Trotta has rightly observed: "A mediator has to be acceptable to both parties. If and when parties negotiate, the mediator only acts to avoid an impasse. If the impasse

occurs, then his task is to restore negotiation. If a strike is imminent, the mediator tries to prevent it; if the strike breaks out, his job is to end it. At each end of these points, the consent of the parties is crucial."

- (ii) The mediator must be an impartial and unprejudiced person, having influence on the parties, and must infuse confidence in them. He must have full knowledge of the case and an extraordinary patience and willingness to hear both parties patiently.
- (iii) Mediation should take place in a proper setting. It should be available not as a substitute for bargaining by the parties but as a supplement thereto when such bargaining reaches an impasse. It should strengthen collective bargaining.

2.2.4 Arbitration

Q14. Define arbitration and Explain different types of arbitration.

Ans :

Meaning

Arbitration is the process in which a neutral third party listens to the disputing parties, gathers information about the dispute, and makes a decision to be binding on both the parties. It differs from conciliation in the sense that in arbitration, the arbitrator gives a decision on a dispute while in conciliation; the conciliator merely facilitates the disputing parties to arrive at a decision.

Qualities of an arbitrator concern the individual's attributes. There are a number of generic attributes relevant to most good arbitrators, such as language abilities and experience, reputation for professionalism, integrity impartiality and decisiveness.

Types

In India, there are two types of arbitration which are as follows :

1. Voluntary Arbitration

In voluntary arbitration, the arbitrator is appointed by both the parties through mutual

consent. The arbitrator acts when the dispute is referred to him. In order to promote voluntary arbitration, Government of India constituted National Arbitration Promotion Board in 1967. The Board promotes the concept of voluntary arbitration by providing updated list of arbitrators, booklets containing procedures and positive sides of voluntary arbitration.

2. Compulsory Arbitration

When the disputing parties exhaust other means of settling their disputes, the Government can force the parties for compulsory arbitration, or the Government may refer the dispute for arbitration on the written request of both the parties. The award of the compulsory arbitration is binding on both the parties. Where the dispute has been referred to arbitration, the Government may prohibit any unilateral action by any of the competing parties.

Q15. Explain various Approaches of Arbitration.

Ans :

(Imp.)

According to Kurt Brenn, "the objective of arbitration is not compromisebut adjudication, though the parties are at liberty to compromise. A wise arbitrator will certainly promote such agreements; but, as a rule, there is no place for compromise in the awards." This basic difference between the settlement approach and the quasi-judicial approach must be appreciated.

- A) The judicial approach** emphasises that arbitration should not be confused with conciliation and mediation. The parties submit a dispute for arbitration, not for reaching a compromise solution but the vindication of the stand taken by them. It is a quasi-judicial process and the arbitrator should confine himself only to an interpretation of existing agreement. The arbitrator's job, here, is to find a settlement that the disputants can with advantage accept, and not impose a solution that seems to him fair and just. In arbitration, legalism is a bias.

B) The non-judicial approach emphasises that the "arbitrator cannot isolate himself from the reality of the need for a workable solution." The most important consideration is that the decision should reduce the conflict between the contending parties and should be conducive to harmonious industrial relations.

The arbitrator, while giving his decision, takes into consideration the fact that the decision must be based upon some sound principle of natural justice; it must be workable, and it must be based upon a "split the difference" approach.

This system has enjoyed a constantly growing importance in recent years. Professor Updegraff is of the view that if high integrity, understanding and strict impartiality, coupled with adequate knowledge of labour law and economics, characterise the actions of the great majority of persons selected to act as arbitrators during coming years, the resulting confidence that interested parties will repose in the arbitral process would soon largely eliminate the waste and bitterness, incident to strikes, lockouts and similar pressure steps which, in the past, have affected dealings between the organisations of employers and employees."

This is an old concept and there has been an element consisting of the older and more responsible people in society who opposed use of force and advocated settlement of controversies through the application of logic, principles and practices of customs, ethics, law and public opinion.

Q16. Explain the Importance of Arbitration.

Ans :

(Imp.)

Arbitration is important in following ways :

1. Since it is established by the parties themselves, arbitration has the particular advantages of bringing - dispute settlement procedure down to the level of the parties to the dispute. Workers and management tend to have greater faith and confidence in settlement machinery which is in effect of their own.
2. Since arbitration is established by agreement, it is more flexible than other procedures and can be adjusted to the views, desires and

experience of the parties and to the circumstances obtaining in the undertaking or industry.

3. Arbitration procedure, its operation at the level closest to the parties to the disputes, has the advantage of enabling the arbitrators to acquire a much greater familiarity with the characteristics of the particular industry or undertaking than most courts or tribunals.
4. The procedure is relatively expeditious when compared to that in ordinary courts or labour tribunals. It cuts down delays and results in a prompt settlement of differences.
5. It is informal in character and on that account as well as because the disputes are handled by the parties themselves often without recourse to lawyers, it tends to be less expensive than other procedures.
6. Awards are capable of implementation without any grudge on the part of both the parties at dispute and do not lead to further chances of litigation.
7. Since it is based on the consent of both the parties it helps building-up a sound base for healthy industrial relations, mutual understanding, and cooperation.
8. It is popular because it is suitable and compelling, it is far better than a costly work stoppage, even though not wholly satisfactory from either party's point of views.

Q17. Explain the Limitations of Arbitration.

Ans :

Following are the limitations of arbitration are:

1. It deprives of its right to go on a strike, for there is often a provision in the agreement that the trade unions and workers will refrain from a strike during the continuance of the agreements.
2. Judgment is often arbitrary and ill-advised as the arbitrators are not well-versed in the economic and technical aspects of industry.
3. Arbitrators, are often biased against labour and their award is, therefore, usually not in its favour.

4. Delay often occurs in arriving at the award and settlement of disputes. This leads to a breakdown in the morale of member.
5. Though arbitration is an essential element in the creation of better labour-management relations, its availability may lead to less dependence on negotiation and conditions imposed by a third party may be resented."

Criticism of Compulsory Arbitration

The system of compulsory arbitration has been tried in Australia, New Zealand and America; but, in the last country, it has now been inoperative because of severe opposition by workers, who consider compulsory arbitration equivalent to involuntary servitude and denial of civil liberty and loss of personnel freedom.

The American labour movement is opposed to compulsory arbitration because:

- (i) Resort to compulsory arbitration promotes and prolongs industrial disputes.
- (ii) Compulsory arbitration undermines self-government in industry, i.e., it hampers the development of industrial democracy.
- (iii) It takes away from the employers and unions the responsibility of working out their mutual problems and transfers it to government-created tribunals.
- (iv) It kills collective bargaining and replaces it with litigation; it allows the parties to avoid unpleasant confrontation of their difficulties, creating a dependency upon public authority.
- (v) By requiring even an air of compulsory labour, it subjects workers to involuntary servitude.
- (vi) It exposes workers to arbitrary restraints and penalties before trial and correction.
- (vii) It denies the working people the right to protect themselves and resist a wrong, and to strive peacefully for improvement in their conditions.
- (viii) Decisions handed down through arbitration might be coloured by political expediency. Thus, both employers and the unions would become deeply involved in political pressures and efforts to win favours.

- (ix) It means loss of personal freedom, loss of mobility, loss of power of initiative, loss of hope and aspiration for self-betterment.
- (x) The prohibition of strikes is not readily enforceable; fines levied on the workers depreciate workers' morale, cause slow-downs, lower productive efficiency, and shuts off all productive possibilities.

Alexander Frey has criticised compulsory arbitration on the following four main grounds:

- (i) The minimising effect which it exercises upon genuine bargaining by disputants.
- (ii) The absence of standards without which the adjudicator cannot avoid being either arbitrary or reactionary.
- (iii) Its tendency to increase rather than to diminish disputes because of the probable reluctance of at least one of the parties to live with the adjudicator's order.
- (iv) The impracticability of enforcing decrees.

Compulsory arbitration, unless sparingly resorted to with considerable caution, may amount to an unjustified imposition of terms unacceptable to one or both parties to the dispute, and may pave the way for a complete negation of the principle of democracy and social justice.

The workers increasingly begin to depend upon a state machinery rather than on themselves. The organisations of workers and the employers become litigation-minded, and less reliance is placed on their own organisational strength. The process of collective bargaining is weakened by the existence of compulsory arbitration as an alternative. It is not conducive to lasting industrial peace.

2.2.5 Adjudication

Q18. Discuss briefly about Adjudication.

Ans :

(Imp.)

Meaning

Adjudication means a mandatory settlement of an industrial dispute by a labour court or a tribunal. Generally, the government refers a dispute or adjudication depending on the failure of

conciliation proceedings. Section 10 of the Industrial Disputes Act, 1947, provides for reference of a dispute to labour court or tribunal. The Act also lays down rules regarding the composition and powers of labour courts and tribunals.

Disputes are generally referred to adjudication on the recommendation of the conciliation officer who had dealt with them earlier. However, the government has discretionary powers to accept or reject recommendations of the conciliation officer. It is obvious that once a dispute is referred for adjudication, the verdict of a labour court or tribunal is binding on both the parties.

The system of adjudication is the most significant instrument of resolving disputes. But, it has been criticized because of the delay involved in resolving conflicts. Continued dependence on adjudication deprives the trade unions of their right to recognize and consolidate their strength.

Adjudication proceedings with hearings

The process is very similar to a fast track arbitral hearing with strict time limits imposed on submissions and cross questioning.

Immediately enforceable

The adjudicator is given the authority by the parties to a dispute (or by Statute if applicable) to make a determination which is immediately enforceable, subject to the terms of the award. Typically the losing party is ordered to pay the winning party a sum of money within a specific period of time. The settlement of the dispute at an early stage enables the parties to get on with business.

Non-binding

The decision is non-binding in that having complied with the order; the losing party is free to commence arbitration or litigation. Judging from the experience so far, it is rare for the parties to so dissatisfy with the adjudication decision that they decide to continue the dispute. Assuming that both parties are completely satisfied with the decision the dispute is at an end. Even if one of the parties is dissatisfied with the decision award the parties are able to continue their business relationship, on the basis of the decision, pending arbitration or litigation.

Q19. Explain the Powers of Adjudication Machinery ?

Ans :

Powers of Labour Courts, Industrial Tribunals and National Tribunals are as follows :

1. Powers to Enter Premises

The Presiding Officer of a Labour Courts, Industrial Tribunals and National Tribunals may for the purpose of inquiry into any existing or apprehended industrial dispute, after giving reasonable notice, enter the premises occupied by any establishment to which the dispute relates.

2. Powers of Civil Court

Every Labour Court, Industrial Tribunal and National Tribunal, shall have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908, when trying a suit, in respect of the following matters, namely :

- (i) Enforcing the attendance of any person and examining him on oath;
- (ii) Compelling the production of documents and material objects;
- (iii) Issuing commissions for the examination of witnesses;
- (iv) In respect of such other matters as may be prescribed;

And every inquiry or investigation by Labour Court, Tribunal or National Tribunal, shall be deemed to be a judicial proceeding within the meaning of Sections 193 and 228 of the Indian Penal Code.

3. Power to Appoint Assessors

Industrial Tribunal or National Tribunal may, if it so thinks fit appoint one or more persons having special knowledge of the matter under consideration as assessors to advise it in the proceeding before it.

4. Power to Determine the Costs

Subject to any rules made under this Act, the costs of, and incidental to, any proceeding

before a Labour Court, Tribunal or National Tribunal shall be in the discretion of that Labour Court, Tribunal or National Tribunal and the Labour Court, Tribunal or National Tribunal, as the case may be, shall have full power to determine by and to whom and to what extent and subject to what conditions, if any, such costs are to be paid, and to give all necessary directions for the purposes aforesaid and such costs may, on application made to the Appropriate Government by the person entitled, be recovered by that government in the same manner as an arrear of land revenue.

Every Labour Court, Tribunal or National Tribunal shall be deemed to be Civil Court for the purposes of Sections 345, 346 and 348 of the Code of Criminal Procedure, 1973.

Every award made, order issued or settlement arrived at by or before Labour Court or Tribunal or National Tribunal shall be executed in accordance with the procedure laid down for execution of orders and decree of a Civil Court under Order 21 of the Code of Civil Procedure, 1908.

The Labour Court or Tribunal or National Tribunal, as the case may be, shall transmit any award, order or settlement to a Civil Court having jurisdiction and such Civil Court shall execute the award, order or settlement as if it were a decree passed by it.

5. Power in case of Discharge and Dismissal

Where an industrial dispute relating to the discharge or dismissal of a workman has been referred to a Labour Court, Tribunal or National Tribunal for adjudication and, in the course of the adjudication proceedings, the Labour Court, Tribunal or National Tribunal, as the case may be, is satisfied that the order of discharge or dismissal was not justified, it may, by its award, set aside the order of discharge or dismissal and direct reinstatement of the workman on such terms and conditions, if any, as it thinks fit, or give

such other relief to the workman including the award of any lesser punishment in lieu of discharge or dismissal as the circumstances of the case may require :

Provided that in any proceeding under this section the Labour Court, Tribunal or National Tribunal, as the case may be, shall rely only on the materials on record and shall not take any fresh evidence in relation to the matter.

Q20. Discuss three tier system of Adjudication.

Ans :

The Industrial Disputes Act, 1947 provides for a three-tier system of adjudication:

1. Labour Courts;
2. Industrial Tribunals; and
3. National Tribunals.

1. Labour Courts

One or more labour courts may be constituted by the appropriate government for adjudicating on industrial disputes relating to any matter specified in the Second Schedule to the Act, and for performing such other functions as may be assigned to them.

Constitution

A labour court shall consist of one person only, who:

- (a) Is or has been a judge of a High Court; or
- (b) Has been, for a period of not less than 3 years, a District Judge; or
- (c) Has held any judicial office in India for not less than 7 years.

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

The duties of the labour court are:

- (i) To hold adjudication proceedings expeditiously; and

- (ii) Submit its award to the appropriate government as soon as practicable on the conclusion of the proceedings.

The labour court usually deals with matters which arise out of the day-to-day working of an undertaking.

Jurisdiction

The jurisdiction of labour courts extends to the adjudication of the following disputes relating to matters specified in the Second Schedule:

- (1) The propriety or legality of an order passed by an employer under the Standing Orders.
- (2) The application and interpretation of Standing Orders.
- (3) Discharge or dismissal of workers, including reinstatement of, or grant of relief to, workers wrongfully dismissed.
- (4) Withdrawal of any customary concession or privilege.
- (5) Illegality or otherwise of a strike or lockout.
- (6) All matters other than those specified in the Third Schedule of the Act (i.e., those matters which are within the jurisdiction of industrial tribunals).

2. Industrial Tribunals

The appropriate government may appoint one or more industrial tribunals for the adjudication of industrial disputes relating to any matter, whether specified in the Second Schedule or the Third Schedule. The matters which are in the form of new demands and give rise to industrial disputes which affect the working of a company or industry are usually referred to an industrial tribunal. The industrial tribunal may be appointed for a limited period on an ad hoc basis or permanently.

Constitution

A tribunal shall consist of one or more persons, such as

- (a) Are or have been judge(s) of a High Court;

- (b) Are or have been District Judge(s) for a period of not less than 3 years;
- (c) Hold or have held the office of the chairman or any other member of the Labour Appellate Tribunal or any tribunal for a period of not less than 2 years.

The government may, if it thinks fit, also appoint two persons as assessors to advise the tribunal in the proceedings before it.

The functions and duties of the industrial tribunal are very similar to those of a body discharging judicial functions. Although it is not a court, it has all the necessary attributes of a court of justice. It may create new obligations or modify contracts in the interest of industrial peace; protect legitimate trade union activities and prevent unfair practices and victimisation. The tribunals are required to give awards based on circumstances peculiar to each dispute; and they are, to a large extent, free from restrictions of technical consideration or rules of evidence imposed on courts.

Jurisdiction

An industrial tribunal has a wider jurisdiction than labour courts. It has jurisdiction over any matter specified in the Second Schedule or Third Schedule. The jurisdiction covers the promotion of social justice, that is, fairness in the adjudication proceedings to all concerned parties.

The matters specified in the Third Schedule are:

1. Wages, including the period and mode of payment.
2. Compensatory and other allowances.
3. Hours of work and rest intervals.
4. Leave with wages and holidays.
5. Bonus, profit-sharing, provident fund and gratuity.
6. Shift working, otherwise than in accordance with the standing orders.
7. Classification of grades.
8. Rules of discipline.

9. Rationalisation.
10. Retrenchment of workmen and closure of an establishment.
11. Any other matter that may be prescribed.

3. National Tribunals

The Central Government may, by a Notification in the Official Gazette, constitute one or more national tribunals for the adjudication of industrial disputes which, in the opinion of the Central Government, involve questions of national importance or are of such nature that industrial establishments situated in more than one state are likely to be interested in, or affected by, such disputes.

Constitution

A national tribunal shall consist of one person only to be appointed by the Central Government, who: (a) is or has been a judge of a High Court or (b) has held the office of the Chairman or any other member of the Labour Appellate Tribunal for a period of not less than 2 years.

If the Central Government thinks fit, it may appoint two persons as assessors to advise the national tribunal on the proceedings before it.

2.3 GRIEVANCE HANDLING

Q21. Define Grievance. State the features of Grievance.

Ans : (Dec.-21)

Meaning

"Grievance is a type of discontent which must always be expressed. A grievance is usually more formal in character than a complaint. It can be valid or ridiculous and must grow out of something connected with the company operations or policy. It must involve an interpretation or application of the provisions of the labour contract"

Definitions

A grievance procedure is a formal process which is preliminary to an arbitration which enables the parties involved to attempt to resolve their differences in a

peaceful, orderly and expeditious manner. When the grievance handling procedure works effectively, it is satisfactorily resolves most of the disputes between labour and management.

- (i) **According to Davis**, "grievance is any real or imagined feeling of a personal injustice which an employee has concerning his employment relationship."
- (ii) **According to Beach**, "Grievance is any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the attention of management"
- (iii) **Richard P. Calhoon defines** " a grievance as anything that an employee thinks or feels is wrong, generally accompanied by an activity disturbing feeling."

Features

Following are features which a grievance procedure should incorporate :

1. Conformity with existing Legislation

The procedure should be designed to supplement the existing statutory provisions. Where practicable, the procedure can make use of such machinery as the law might have already provided for.

2. Acceptability

The grievance procedure must be accepted by everybody. In order to be generally acceptable it must ensure – (a) a sense of fair-play and justice to the worker, (b) reasonable exercise of authority to the manager, and (c) adequate participation of the union.

3. Simplicity

The procedure should be simple enough to be understood by every employee. The steps should be few as possible. Channels for handling grievances should be carefully developed. Employees must know the authorities to be contacted at various levels. Information about the procedure can be thoroughly disseminated among all through pictures, charts, diagrams, etc.

4. Promptness

Speedy settlement of a grievance is the cornerstone of a sound personnel policy. Justice delayed is justice denied. The procedure should aim at a rapid disposal of the grievance.

5. Training

In order to ensure effective working of the grievance procedure it is necessary that supervisors and the union representatives are given training in grievance handling.

6. Follow-up

The working of the procedure should be reviewed periodically by the personnel department and necessary structural changes introduced to make it more effective.

A good grievance procedure attacks problems as they arise, excellent grievance procedure anticipates them and prevents them from occurring. A manager can know about the simmering even before they turn into actual grievances through several means such as opinion surveys, open door policy, suggestion schemes and exit interviews.

- (ii) Leave
- (iii) Overtime
- (iv) Seniority
- (v) Transfer
- (vi) Promotion, demotion and discharges
- (vii) Lack of career planning and employee development plan.
- (viii) Lack of role clarity, delegation etc. (or) Lack of regard for collective agreement.
- (ix) Hostility towards a labour union.

C) Grievances Resulting from Personal Maladjustment

- (i) Over-ambition
- (ii) Excessive self-esteem
- (iii) Impractical attitude to life, etc.

2.3.1 Causes of Grievances**Q22. What are the various causes of Grievances?**

Ans :

The causes of grievances may broadly be classified in the following categories :

A) Grievances Resulting from Working Conditions

- (i) Improper matching of the worker with the job.
- (ii) Changes in schedules or procedures.
- (iii) Non-availability of proper tools, machines and equipment for doing the job.
- (iv) Tight production standards.
- (v) Bad physical conditions of workplace.
- (vi) Failure to maintain proper discipline (excessive discipline or lack of it. Both are equally harmful.
- (vii) Poor relationship with the supervisor.

B) Grievances Resulting from Management Policy

- (i) Wage payment and job rates.

2.3.2 Guidelines for Grievance Handling**Q23. What are the various guidelines for grievance handling?**

Ans :

The step-ladder procedure of grievance handling is a widely used technique. The stages are as follows :

1. The aggrieved employee approaches the immediate supervisor either in person or through a written application in a standard form within a week's time of the grievance occurring. The immediate supervisor (in accordance with the delegated authority and the type of grievance) discusses the grievance with the employee and gives his decision. A time limit of two weeks can be given for this stage.
2. If the employee is not satisfied with the decision in the first stage, he/she may approach the departmental head with a written application in a standard form, for reconsidering the case. The employee may be allowed to personally represent the case along with the co-worker. The departmental head should give his or her decision in 15 days' time.

3. The appeals at this stage would be handled by a joint committee consisting of an equal number of representatives of the union and management. A secretariat is provided to process the cases at this stage. This committee should also have a time-limit for appeals as well as for disposal of the grievance referred to it.

This committee shall give its recommendation by consensus and agreement. Unanimous recommendations of the committee shall be accepted by the management, who must issue the orders accordingly. The union and management may also reserve the right not to accept the recommendations.

Otherwise, it should be deemed to have been accepted by both. In the event of a non-acceptance of the recommendations by either party or a non-unanimity in the committee at this stage, the grievance may be forwarded by the committee to a high-level joint commitment.

4. At this stage the joint committee shall consist of the top management and union representatives. Cases spilling over from the above stage, as well as those brought up by either side will be considered and decisions will be taken for implementation. If disagreements still prevail, both the sides may refer it for arbitration. With a sincerity of purpose and an intention to resolve disagreements across the table, a formalized procedure as indicated above is bound to result in the achievement of industrial harmony.

The above model of grievance handling procedure was adopted in the 16th Session of the Indian Labour Conference in 1958 as part of the Code of Discipline in a voluntary measure. Many progressive organizations have adopted the system with suitable modifications.

2.3.3 Grievances Redressal Procedures

Q24. What is Grievance Redressal ? Discuss the Procedure of Grievance Redressal Procedure.

Ans : (Dec.-21, June-19, Imp.)

Meaning

Grievance redressal or handling procedure is the formal mechanism for dealing with employee grievances. It can also be defined as a formal system of several steps through which an affected employee can take his grievance to successively higher levels of management for redressal. It is also a means available to management to keep a check on relevant diagnostic data on the state of the organisation's health. A grievance handling procedure is necessary in a large organisation which has numerous personnel and many different levels with the result that the manager is unable to keep a check on each individual, or be involved in every aspect of the working of the organisation. In a small organisation, communication, knowledge and contact is possible to a much greater extent, thus reducing the need for a formal grievance procedure.

Steps in Grievance Redressal Procedure

Steps involved in grievance redressal procedure.

1. Identify Grievances

Employee dissatisfaction or grievance should be identified by the management if they are not expressed. If they are ventilated, management has to promptly acknowledge them.

2. Define Correctly

The management has to define the problem properly and accurately after it is identified/acknowledged.

3. Collect Data

Complete information should be collected from all the parties relating to the grievance. Information should be classified as facts data, opinions, etc.

4. Analyse and Solve

The information should be analysed, alternative solutions to the problem should be developed and the best solution should be selected.

5. Prompt Redressal

The grievance should be redressed by implementing the solution.

6. Implement and Follow-Up

Implementation of the solution must be followed up at every stage in order to ensure effective and speed) implementation.

Q25. What are the Essentials of Grievance Redressal Procedure? Discuss its advantages and disadvantages.

Ans :

Essentials related to grievance redressal are as follows:

1. Legal Sanctity

The procedure should be in conformity with the existing law. It should be designed to supplement the statutory provisions. Wherever possible, the procedure should make use of the machinery provided under legislation. The procedure may be incorporated in the standing orders or collective bargaining agreement of the organisation.

2. Acceptability

The grievance procedure must be acceptable to all and should, therefore, be developed with mutual consultation among management, workers and the union. In order to be generally acceptable, the procedure must ensure:

- (i) A sense of fair play and justice to workers,
- (ii) Reasonable exercise of authority to managers, and
- (iii) Reasonable participation to the union.

3. Promptness

The grievance procedure must aim at speedy redressal of grievances. This can be ensured in the following ways:

- (i) As far as possible, the grievance should be settled at the lowest level,
- (ii) There should be only one appeal,
- (iii) Time limits should be prescribed and rigidly enforced at each level, and
- (iv) Different types of grievances may be referred to appropriate authorities.

4. Simplicity

The procedure should consist of as few steps as possible. Channels for handling grievances should be carefully developed. Employees must know the officers to be contacted at each level. Information about the procedure should be communicated to the employees.

5. Training

Supervisors and union representatives should be given training in grievance handling. This will help to ensure effective working of the grievance procedure.

6. Follow-Up

The working of the grievance procedure should be reviewed at periodical intervals. Necessary improvements should be made to make the procedure more effective.

Advantages

Grievance redressal procedure offers following advantages:

1. It brings grievances into the open so that management can learn about them and try corrective action.
2. It helps in preventing grievances from assuming big proportions. The management catches and solves a grievance before it becomes a dispute.
3. It provides employees a formalised means of emotional release for their dissatisfactions.

Even if a worker does not use the grievance system for his own emotional release in a particular situation, he feels better because he knows the system is there to use if he wants to do so. It builds within him a sense of emotional security.

4. It helps in establishing and maintaining a work culture or way of life. As problems are interpreted in the grievance procedure, the group learns how it is expected to respond to the policies that have been set up.
5. It enables the management to know the attitudes and feelings of employee concerning the policies, rules and practices of the organisation. With such knowledge necessary improvements in policies and rules can be made.
6. It acts as a check upon arbitrary and capricious management action. When a manager knows that his actions are subject to challenge and review in a grievance system he becomes more careful in taking his decisions.

Disadvantages

Disadvantages of grievance redressal procedure are as follows:

1. It can be time-consuming and costly.
2. Human relations skills may be lacking to deal with the grievances at successive steps.
3. Procedures may vary from organisation to organisation. Reprisals by management against grievant employees can happen.
4. Management can delay a final decision, frustrating members and putting economic pressure on those affected, particularly in discharge cases.
5. Instead of being involved in actions to solve problems, members learn to sit back and expect "the union" to take care of everything.

2.4 EMPLOYEE DISCIPLINE

Q26. Define Employee Discipline. Explain various stages of Employee Discipline.

Ans : (June-19)

Employee Discipline is a procedure that corrects or punishes a subordinate because a rule of procedure has been violated.

The Stages are as follows:

(a) Issuing Notice (Letter of Charge)

The Management should issue notice when it has discovered that an employee's action constitutes misconduct.

(b) Consideration of the Explanation

If the employer is satisfied with the explanation given by the employee, there is no need of conducting further enquiry.

(c) Show-Cause Notice

If the management is not satisfied with the explanation they can issue show cause notice to the employee to provide an opportunity for rebuttal.

(d) Enquiry

The enquiry in the matter should be based on principles of natural justice. The employee should be given opportunity to defend himself against the said charges.

(e) Findings from the enquiry proceedings and Order of Punishment

When the misconduct of the employee is proved, management should take action against the employee. The employee should be allowed to make an appeal in relation to the decision of management.

(f) Follow-up

After taking disciplinary action, there should be proper follow-up whereby the employee should not repeat the mistake or the act of indiscipline.

2.4.1 Causes of Indiscipline

Q27. Define Indiscipline. Explain various causes of Indiscipline.

Ans : (June-19)

- (i) Webster's Dictionary has defined discipline thus: "first, it is the training that corrects, moulds, strengthens or perfects individual behaviour; second, it is control gained by enforcing obedience; and third, it is punishment or chastisement."
- (ii) According to Bremblett, "discipline does not mean a strict and technical observance of rigid rules and regulations. It simply means working, co-operating, and behaving in a normal and orderly way, as any responsible person would expect an employee to do."
- (iii) In other words, it may be noted that discipline is employee self-control which prompts him to willingly co-operate with the organisational standards, rules, objectives, etc.

Misconduct is a transgression of some established and definite rules where no discrimination is left to the employee. It is violation of rules. Any breach of these rules and discipline may amount to misconduct. It is an act or conduct which is prejudicial to the interest of the employer or is likely to impair the reputation of the employer or create unrest and can be performed even outside the premises of the establishment and beyond duty hours.

Causes of Misconduct

Indiscipline generally arises because of:

- (a) Unfair labour practices and victimisation on the part of employers, like wage differences, unreasonable declaration of payment or non-payment of bonus, wrongful works assignment, defective grievance procedure, etc.
- (b) Bad service conditions, defective communication by superiors and ineffective leadership lead to indiscipline.
- (c) Poverty, frustration, indebtedness, generally overshadow the minds of the workers. These agitate his minds and often results in indiscipline.

- (d) Generally speaking absenteeism, insubordination, dishonesty and disloyalty, violation of plant rules, gambling, incompetence, damage to machine and property, strikes, etc., all lead to industrial indiscipline.

2.5 CODE OF DISCIPLINE

Q28. Explain various features of Code of Discipline.

Ans : (Dec.-21, June-19)

Code of discipline forms the Gandhian approach to industrial relations to bind employees and trade unions to a moral agreement for promoting peace and harmony. It was an outcome of the efforts of Guljari Lal Nanda, the then Union Labour Minister in 1957 to 1958. G.L. Nanda was the true Gandhian. It was at his instance that code was formulated. It was formally adopted at the 16th session of the Indian labour conference (1958). National representatives of both employers and trade unions were parties to it. This code was a unique formulation to voluntarily regulate labour management relations. Indian Labour Conference discussed three draft codes including:

1. A 'code of Conduct' to regulate inter-union relations.
2. A 'code of Discipline' to regulate labour management relations.
3. A 'code of Efficiency and Welfare' for laying down norms of productivity and labour welfare.

The third code was never formally adopted and did not take off. The inter union 'code of conduct' was voluntarily adopted, after a great deal of persuasion by G.L. Nanda on May 21, 1958. The four central organisations of labour then representing on the Indian Labour conference (including INTUC, AITUC, HMS and UTUC) agreed to comply with the code.

The adoption of the 'code of Discipline' was announced in June, 1958. All the representative central organizations of employers and labour accepted it. There were difficulties in persuading the ministries, defense and railways, employing a large

number of industrial workers to accept it in toto. Some adaptations were later on agreed to here and there.

The main features of this code are:

1. Both employer and employees should recognise the rights and responsibilities of each other and should willingly discharge their respective obligations.
2. There should be no strike or lockout without proper notice and efforts should be made to settle all disputes through existing machinery.
3. A mutual agreed grievance procedure will be setup and both the parties will abide by it without taking arbitrary
4. Both employers and trade unions will educate their member regarding their mutual obligations.
5. Management will not increase workloads without prior agreement or settlement with the workers.
6. Employer will take prompt for the settlement of grievances and for the implementation of all awards and agreements.
7. Management will take immediate action against all officers found guilty of provoking indiscipline among workers
8. Union will avoid demonstrations, rowdyism all form of physical duress and workers will not indulge in union activity during working hours.
9. Union will discourage negligence of duty, damage to property, careless operation, insubordination and other unfair labour practices on the part of workers.

Thus, the 'code of discipline' consists of three sets of principles, namely (a) obligation to be observed by management, (b) obligations to be observed by trade unions, and (c) principles binding on both the parties.

The code of discipline has been helpful in improving industrial relation in the country. It has focused the attention of employers and workers on their respective obligations. In 1967 the Central Implementation and Review Committee of the

Union Ministry of Labour and Employment made an evolution of the code. With the passage of time the spirit of the code has been lost and the code has not been very effective in ensuring harmonious relations among employers and employees due to their self-discipline and selfcommitment.

The National Commission on Labour recommended that the following provisions of the code should be made statutory: (a) recognition of the representative union as the sole bargaining agent; (b) setting up of a grievance machinery; (c) prohibition on strikes and lockouts without prior notice; (d) penalties for unfair labour practices; and (e) provision for voluntary arbitration.

However, the code by itself cannot maintain discipline in industry unless the parties subscribing to it have full faith in it.

2.6 DISCIPLINARY PROCEDURE

Q29. Explain the procedure for Disciplinary action.

Ans :

The procedure for taking disciplinary action involves the following steps:

1. Preliminary Investigation

First of all a preliminary enquiry should be held to find out the misconduct behaviour or situation.

2. Issue of a Charge Sheet

Once a misconduct or indiscipline is identified, the authority should proceed to issue of charge sheet to the employee. Charge sheet is merely a notice of the charge and provides the employee an opportunity to explain his conduct. Therefore, charge sheet generally called as show cause notice. In the charge sheet each charge should be clearly defined and specified.

3. Suspension Pending Enquiry

In case the charge is grave a suspension order may be given to the employee along with the charge sheet. According to the industrial employment (Standing orders) Act, 1946, the

suspended worker is to be paid a subsistence allowance equal to one-half of the wages for the first 90 days of suspensions and three-fourths of the wages for the remaining period of suspension if the delay in the completion of disciplinary proceedings are not due to the workers' conduct.

4. Notice of Enquiry

In case the worker admits the charge, in his reply to the charge sheet, without any qualification, the employer can go ahead in awarding the punishment without further enquiry. But if the worker does not admit the charge and the charge merits major penalty, the employer must hold enquiry to investigate into the charge. Proper and sufficient advance notice should be given to the worker of the enquiry.

5. Conduct of Inquiry

The inquiry should be conducted by an impartial and responsible officer. He should proceed in a proper manner and examine witnesses. Fair opportunity should be given to the worker to cross-examine the management witnesses.

6. Recording the findings

The enquiry officer must record all the conclusion and findings. As far as possible he should refrain from recommending punishment and leave it to the decision of the appropriate authority.

7. Awarding Punishment

The management should decide the punishment on the basis of finding of an enquiry, past record of worker and gravity of the misconduct.

8. Communicating Punishment

The punishment awarded to the worker should be communicated to him quickly. The letter of communication should contain reference to the charge sheet, the enquiry and the findings. The date from which the punishment is to be effective should also be mentioned.

2.7 CODE OF CONDUCT

Q30. Explain the purpose of Code of conduct?

Ans :

The purpose of the Code was "to reduce inter-union rivalry, to achieve trade union amity, and to remove the ills which had developed in the labour-management relations and in the labour movement."

The four central organisations of labour agreed on the following issues for the purpose of maintaining harmonious inter-union relations. The Code says:

1. Every employee in an industry or unit shall have the freedom and right to join a union of his choice. No coercion shall be exercised in this matter.
2. There shall be no dual membership of unions. (In the case of representative unions, this principle needs further examination.)
3. There shall be unreserved acceptance of, and respect for, the democratic functioning of trade unions.
4. There shall be regular and domestic elections of executive bodies and office-bearers of trade unions.
5. Ignorance and/or backwardness of workers shall not be exploited by any organisation. No organisation shall make excessive or extravagant demands.
6. Casteism, communalism and provincialism shall be eschewed by all unions.
7. There shall be no violence, coercion, intimidation or personal vilification in inter-union dealings.
8. All central organisations shall assist in the formation or continuance of company unions.

2.8 COLLECTIVE BARGAINING

Q31. Define Collective Bargaining. Explain the evolution of Collective Bargaining in India.

Ans :

Meaning

Collective bargaining is that arrangement whereby the wages components of remuneration and conditions of employment of workman are settled through a bargain between the employer and the workmen collectively whether represented through their union or by some of them on behalf of all them

History of Collective Bargaining in India

Collective bargaining as a term came in existence and gained importance in the writings of Beatrice and Sydney. This movement started in Great Britain and found traces of its use as early as 1874 among coal miners. It has been used in different forms and has also undergone major modifications from time to time. It has acquired different characteristics and patterns in different countries.

As the process of industrialization started late in India the history of collective bargaining also is not very big compared to its history in developed countries specially Great Britain or USA. Collective bargaining in India gained ground only after independence, but it started very much before in the 1920's in the textile mills of Ahmedabad with the initiative of our great leader Mahatma Gandhi. The importance of collective bargaining came into existence when the unions realized that settlement of disputes through industrial courts was wasteful in terms of time, energy and money and also a hinderence to industrial peace and harmony.

The Royal Commission on labour in 1931 made it clear that collective in true sense was practiced only in the textile mills of Ahmedabad. The first collective agreement was made by Dunlop Rubber Company in West Bengal in 1947, then came the Bata Shoe Company in West Bengal and in 1951, the Indian Aluminium Company made its five year agreement with employees union in Belur.

The Imperial Tobacco company started with this concept in 1952 and by 1955 many big companies in India like Tata Iron and Steel Company, Hindustan Lever and many small companies .started with this concept of collective bargaining. By the end of 1961, 49 companies involving 4.5 lakhs of employees had started this practice of collective bargaining as a tool for maintaining, peace and harmony in industrial organisations.

The history of collective bargaining in India shows that the practice of collective bargaining in true sense was done in private sector, no real attempt was made in public sector except in the case of Indian Railways. In 1978, Bharat Heavy Electricals Limited made an experiment by workers representatives.

There has been very little legal support for the growth of this practice. Even after independence no legal provisions were made for the practice of collective bargaining. There is still no law which enforces the use of collective bargaining as a tool for the peace of industrial relations. The I.L.O. convention number 98 gives importance to the "Rights of Collective Bargaining".

Q32. Explain the Features of collective bargaining.

Ans :

Features

The main features of collective bargaining are:

(i) Group Action

On the management side are its delegates at the bargaining table; on the side of the workers is their trade union, which may represent the local plant, the city membership or nationwide membership.

(ii) Flexible and Mobile

It has fluidity and scope for compromise, for a mutual give-and-take before the final agreement is reached or the final settlement is arrived at.

(iii) Two-party Process

It is a mutual give-and-take rather than a take-it-or-leave-it method of arriving at the settlement of a dispute. Both parties are involved in it.

(iv) Continuous Process

Collective bargaining is a continuous process that provides mechanism for continuing and organised relationships between management and trade unions.

(v) Dynamic

Collective bargaining is dynamic because it is a relatively new concept, and is growing, expanding, and changing. In the past, it used to be emotional, turbulent and sentimental; but now it is scientific, factual and systematic. Its coverage and style have changed.

(vi) Industrial Democracy at Work

Industrial democracy is the government of labour with the consent of the governed - the workers. The principle of arbitrary unilateralism has given way to that of self-government in industry.

(vii) Not a Competitive Process

Collective bargaining is not a competitive process, but it is essentially a complementary process, i.e., each party needs something that the other party has, namely labour can make a greater productive effort and management has the capacity to pay for that effort and to organise and guide it for achieving its objectives.

(viii) An Art

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

Q33. Explain various principles of collective bargaining.

Ans :

(Imp.)

Collective bargaining plays a vital role in settling and preventing industrial disputes. It is an important tool for maintaining industrial peace and so the responsibility of its proper implementation should be of both the employers as well as the employees. Collective bargaining should enable the union leaders to present to the management their demands and desires and also create a ground for

the management to explain to the union leaders their problems and difficulties. There must be an honest attempt of solving problems and giving solutions to problematic issues. To make collective bargaining effective in practice, faith and confidence in each other should be developed. There should be respect for each other. The representatives of labour and management should be honest and behave with responsibility.

1. The management must periodically examine the rules and regulations which govern the labour force and the industrial relations this will promote the interest of the employees and thereby management will gain the goodwill and trust of its employees.
2. The management should give recognition to the unions without any reservations and must assume the workforce as a constructive and co-operative force in its organisation. This will elevate their status as well as their responsibility.
3. The management must develop and follow a realistic labour policy which should not only be accepted at all levels of the organisation but should also be implemented to support the effectiveness of collective bargaining.
4. Management must be involved in an organised effort and exercise to establish a strong and satisfactory relationship with the employees union and their representatives so the confidence level of the unions in the management increases which restricts the unions from doing anything drastic and one which is capable of disturbing industrial relations.
5. Management must make efforts to educate the unions or its members regarding the importance and advantages of collective bargaining. Management must make the employees understand that collective bargaining is not only a bargaining process but it also brings with it the understanding of flexibility and adjustment.
6. The management should recognize, notice, understand and solve the problems and grievances as soon as possible and at the level which the problem has taken place rather

than the trade union bringing it to the notice of the management. This action of management not only save industrial relations from being complicated but also saves time and energy in long negotiations.

7. While bargaining with the unions the management should not only think from the point of economic considerations but should also have greater emphasis on social considerations. Consideration of economic and social view together will help the management to have a more rational and balanced negotiation.
8. The most important principle from the management point of view is that it should have the willing acceptance to recognize representative union for joint bargaining efforts and should also establish uniform conditions of employment with a view to avoid industrial disputes and maintain peace and harmony in the industry.
9. One of the principles to be implemented for establishing and promoting collective bargaining is to give voluntary recognition to the trade unions as one of the contracting parties. This will give a positive impact on improving industrial relations, production and productivity. Management must have the awareness of the nature of the union as a political institution operating in an economic environment.

Q34. Explain the scope of collective bargaining.

Ans : (Imp.)

The scope of collective bargaining is quite vast because of the delicacy of the employer, employee relationship, changing necessity of the organization and its employees, changes in the business environment and competition with in the industry and across industry.

According to Monappa, the scope of collective bargaining agreements now covers issues such as wages, bonus, overtime, paid holidays, paid sick leave, safety wear, production norms, hours of

work, performance appraisal, workers participation in management, hiring, fixing of job evaluation norms and modernization. The scope of collective bargaining varies from organization to organization and industry to industry depending upon existence of strong and matured union and its leadership trust and confidence between union and management, past history and present status of organization with respect to negotiation and their implementation.

Q35. Explain various levels of collective bargaining.

Ans : (Imp.)

Collective bargaining at National level generally takes place between employer's organisation and the national union. The representatives from both sides come together to bargain on very important and basic issues. At National Level bargaining issues can be wages, D.A., or shift allowances. When bargaining takes place at national level issues are accepted by all industries and by all industrial workers. The advantages of bargaining at this level is that there is uniformity and standardisation of wages and wage structure. It avoids disputes and disparity.

This level of bargaining is very much accepted when the size of the work force is small and homogenous. The problem with this type of bargaining is that it is not possible under Indian conditions because of the large size of the country and lack of homogeneity of the work force.

1. Industry Level Bargaining

When collective bargaining takes place at the industry level the employers organisations of one industry jointly bargain with unions in that industry. These unions are organized as industry federations on industry basis. The negotiations and bargaining include issues like basic wages, allowances, production capacity, production norms and working conditions related to that industry. Bargaining at industry level gives uniformity in labour cost and working conditions in one industry. Bargaining at industry level can also come in combination of industry and region wise.

Many times industry level bargaining agreements are being supplemented by plant

level agreements. Industry level bargaining over a period by time have become less effective because of the different levels of performance, different levels of technology and productivity and so standard wages and allowances are not possible as issues at industry-level bargaining.

The two tier bargaining or a combination of industry level and plant level bargaining has become a common practice in the steel and jute industry where industry level bargaining has been supplemented by plant level agreements. This has also been the case with Indian Banks Association (IBA).

2. Corporate Level Bargaining

Collective bargaining at corporate level takes place when the management of a corporate with multi-plant enterprise negotiates one agreement with various unions for all its plants. The collective bargaining is usually conducted by corporate management with its representatives from different plants. The advantage of corporate level bargaining is that it gives uniformity in its various establishments and avoids disputes which arises out of disparity. This type of collective bargaining is common in most public sector under takings which have several establishments in various regions of the country for example. BHEL, HMT, ONGC.

When collective bargaining takes place at the corporate level with its multi plant structure there is always a possibility to neglect certain issues of prime importance at plant level. Further when this is done for large public sector units like HMT, ONGC or BHEL the management is not very free to negotiate specially in the Indian environment because they are restricted in their negotiation due to political interference. Bureau of Public Enterprises (BPE) and also by the ministry guidelines. The corporate management cannot enter into a genuine negotiation, at the same time many aspects relevant to various plants may not be taken into consideration. The above problems can become a major stumbling block in improving industrial relations.

3. Plant Level Bargaining

Collective bargaining at plant level is very common with most of the private sector enterprises in India. Collective bargaining at plant level takes place between the management of particular plant or of a factory establishment. The issues are relevant to that plant or factory only. The basis and foundation of such negotiations are performance related or pay productivity linked.

The other advantage of plant level bargaining is that negotiations take place independently. These negotiations can take the advantage of the difference in cost of living from region to region and thereby it can have a rational base for bargaining, it is for the above reasons many national level and corporate level bargaining are supported by plant level bargaining.

4. Craft Level Bargaining

Collective bargaining at craft level is possible when an enterprise has many craft unions. Collective bargaining at craft level takes place between the representatives of the management and the representatives of the craft union. Collective bargaining at this level was very common in the early year of industrialization in many countries and is still common in U.S.A. In India it is not so common except for airlines industry like Air India and Indian Airlines where they have pilots association, engineers association, cabin crew association and ground staff union. They have different agreements for different category of employees.

The advantage of craft level bargaining is that their representatives themselves to their problems and their job profile only and so they know exactly what are the difficulties and what should be demanded while entering into agreements through collective bargaining.

Short Question and Answers

1. Define Negotiation.

Ans :

Negotiation is a process in which two or more parties who have common and conflicting interests come together and talk with a view to reaching an agreement. Negotiation is concerned with purposeful persuasion and constructive compromise. It involves five key activities:

1. Obtaining substantial results, dividing the cost and benefits, and achieving the goals dictated by the interests of both the company and the members of the trade union.
2. Influencing the balance of power between parties. Balancing the interests of the company and the workers/members or making it a little more favourable to the workers/members.
3. Influencing the atmosphere. Promoting a constructive climate and positive personal relations between the trade union and members on the one hand and between the trade union and the management on the other.
4. Influencing the constituency. Reinforcing the position of trade union leadership with respect to the members on whose behalf the trade union leaders negotiate.

2. Code of Discipline

Ans :

Code of discipline forms the Gandhian approach to industrial relations to bind employees and trade unions to a moral agreement for promoting peace and harmony. It was an outcome of the efforts of Guljari Lal Nanda, the then Union Labour Minister in 1957 to 1958. G.L. Nanda was the true Gandhian. It was at his instance that code was formulated. It was formally adopted at the 16th session of the Indian labour conference (1958). National representatives of both employers and trade unions were parties to it. This code was a

unique formulation to voluntarily regulate labour management relations. Indian Labour Conference discussed three draft codes including:

- (i) A 'code of Conduct' to regulate inter-union relations.
- (ii) A 'code of Discipline' to regulate labour management relations.
- (iii) A 'code of Efficiency and Welfare' for laying down norms of productivity and labour welfare.

3. Define Grievance.

Ans :

Meaning

"Grievance is a type of discontent which must always be expressed. A grievance is usually more formal in character than a complaint. It can be valid or ridiculous and must grow out of something connected with the company operations or policy. It must involve an interpretation or application of the provisions of the labour contract"

Definitions

A grievance procedure is a formal process which is preliminary to an arbitration which enables the parties involved to attempt to resolve their differences in a peaceful, orderly and expeditious manner. When the grievance handling procedure works effectively, it is satisfactorily resolves most of the disputes between labour and management.

- (i) **According to Davis**, "grievance is any real or imagined feeling of a personal injustice which an employee has concerning his employment relationship."
- (ii) **According to Beach**, "Grievance is any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the attention of management"
- (iii) **Richard P. Calhoon defines** " a grievance as anything that an employee thinks or feels is wrong, generally accompanied by an activity disturbing feeling."

4. Industrial Disputes

Ans :

The concept of industrial dispute can be best studied if it is looked at from a legalistic angle.

According to the Industrial Disputes Act, 1947, Section 2(k); "industrial disputes mean any dispute or difference between employers and employers, or between employers and workmen or between workmen and workmen, which is connected with the employment or non-employment or terms of employment or with the conditions of labour of any person."

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

Essentials

- (i) There must be a dispute or a difference (a) between employers (such as wage-warfare where 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 conditions of labour of any person (but not with the managers or supervisors), or it must pertain to any industrial matter,
- (iii) A workman does not draw wages exceeding Rs. 1,600 per month.
- (iv) The relationship between the employer and the workman must be in existence and should be the result of a contract and the workman actually employed.

The term "industrial dispute" has been interpreted and analysed differently in different case situations by the courts.

5. Lockout

Ans :

Lockout has been defined under the industrial dispute act 1947 as "the closing of a place of employment or the suspension of work, or the refusal by an employer to continue to employ any number of persons by him. As the employer declares

a lockout, he tells workers to keep away from the work. Lockout involves an act of belligerency on the part of the employer. It can be described as an antithesis of strike.

6. Retrenchment

Ans :

It is defined as termination by the employer of the service of a workman for any other reason what so ever otherwise than as a punishment inflicted by the way of disciplinary action but does not include the followings :

- (i) Voluntary retirement of the workman, or
- (ii) Retirement of the workman on reaching the age of superannuation if the contract of employment between the employer and the workman concerned contains a stipulation in that behalf, or
- (iii) Termination of the service of a workman on the ground of continued ill health.

A closure of business as a result of winding up order cannot be equated with retrenchment.

7. Conciliation

Ans :

Meaning

Conciliation is a process by which representatives of workers and employers are brought together before a third person or a group of persons with a view to persuade them to come to a mutually satisfying agreement.

Definition

According to the International Labour Organisation, "Conciliation is the practice by which the services of a neutral third party are used in a dispute as a means of helping the disputing parties to reduce the extent of their differences and to arrive at an amicable settlement or agreed solution. It is a process of rational and orderly discussion of differences between the parties to a dispute under the guidance of a conciliator".

8. Objectives Conciliation*Ans :*

1. The conciliator tries to bridge the gulf between the parties, if possible.
2. If he does succeed, he tries to reduce the differences to the extent possible.
3. He persuades parties to take a fresh look at the whole issue.
4. He only advances possible lines of solution for consideration by the disputants.
5. The conciliator need not follow the same path in each case.

9. Define Mediation.*Ans :*

Mediation' is the ancient art of the peace-maker. It has been practised in a number of areas where people disagree. It is an ancient and honourable process for the settlement of disputes — disputes between two warring nations, disputes between litigants, disputes between labour and management, and in general, disputes between people. It has been most usefully employed to smooth out serious disagreements which threaten the rupture of established relations, such as those between husbands and wives, among associates and friends, and among partners in common endeavours.

As a formalised activity, its justification lies in the danger that the consequences of disagreement will have an adverse effect on bystanders, whether as individuals or as a community. Warren (a former Director of the United States Conciliation Service) has stated: "Despite the fact that other forms of settlement of labour disputes are more dramatic and have captured the headlines more often, the process of mediation has proved successful in reaching settlement in the great majority of those cases in which agreement had not been reached by direct negotiation between the parties."

10. Arbitration*Ans :*

Arbitration is the process in which a neutral third party listens to the disputing parties, gathers

information about the dispute, and makes a decision to be binding on both the parties. It differs from conciliation in the sense that in arbitration, the arbitrator gives a decision on a dispute while in conciliation; the conciliator merely facilitates the disputing parties to arrive at a decision.

Qualities of an arbitrator concern the individual's attributes. There are a number of generic attributes relevant to most good arbitrators, such as language abilities and experience, reputation for professionalism, integrity impartiality and decisiveness.

11. Adjudication*Ans :*

Adjudication means a mandatory settlement of an industrial dispute by a labour court or a tribunal. Generally, the government refers a dispute or adjudication depending on the failure of conciliation proceedings. Section 10 of the Industrial Disputes Act, 1947, provides for reference of a dispute to labour court or tribunal. The Act also lays down rules regarding the composition and powers of labour courts and tribunals.

Disputes are generally referred to adjudication on the recommendation of the conciliation officer who had dealt with them earlier. However, the government has discretionary powers to accept or reject recommendations of the conciliation officer. It is obvious that once a dispute is referred for adjudication, the verdict of a labour court or tribunal is binding on both the parties.

The system of adjudication is the most significant instrument of resolving disputes. But, it has been criticized because of the delay involved in resolving conflicts. Continued dependence on adjudication deprives the trade unions of their right to recognize and consolidate their strength.

12. Causes of Grievances*Ans :*

The causes of grievances may broadly be classified in the following categories :

A) Grievances Resulting from Working Conditions

- (i) Improper matching of the worker with the job.

- (ii) Changes in schedules or procedures.
- (iii) Non-availability of proper tools, machines and equipment for doing the job.
- (iv) Tight production standards.
- (v) Bad physical conditions of workplace.
- (vi) Failure to maintain proper discipline (excessive discipline or lack of it. Both are equally harmful.
- (vii) Poor relationship with the supervisor.

B) Grievances Resulting from Management Policy

- (i) Wage payment and job rates.
- (ii) Leave
- (iii) Overtime
- (iv) Seniority
- (v) Transfer
- (vi) Promotion, demotion and discharges
- (vii) Lack of career planning and employee development plan.
- (viii) Lack of role clarity, delegation etc. (or) Lack of regard for collective agreement.
- (ix) Hostility towards a labour union.

C) Grievances Resulting from Personal Maladjustment

- (i) Over-ambition
- (ii) Excessive self-esteem
- (iii) Impractical attitude to life, etc.

13. What is Grievance Redressal?

Ans :

Grievance redressal or handling procedure is the formal mechanism for dealing with employee grievances. It can also be defined as a formal system of several steps through which an affected employee can take his grievance to successively higher levels of management for redressal. It is also a means available to management to keep a check on relevant diagnostic data on the state of the organisation's

health. A grievance handling procedure is necessary in a large organisation which has numerous personnel and many different levels with the result that the manager is unable to keep a check on each individual, or be involved in every aspect of the working of the organisation. In a small organisation, communication, knowledge and contact is possible to a much greater extent, thus reducing the need for a formal grievance procedure.

14. Define Employee Discipline.

Ans :

Employee Discipline is a procedure that corrects or punishes a subordinate because a rule of procedure has been violated.

The Stages are as follows:

(a) Issuing Notice (Letter of Charge)

The Management should issue notice when it has discovered that an employee's action constitutes misconduct.

(b) Consideration of the Explanation

If the employer is satisfied with the explanation given by the employee, there is no need of conducting further enquiry.

(c) Show-Cause Notice

If the management is not satisfied with the explanation they can issue show cause notice to the employee to provide an opportunity for rebuttal.

(d) Enquiry

The enquiry in the matter should be based on principles of natural justice. The employee should be given opportunity to defend himself against the said charges.

15. Purpose of Code of Conduct

Ans :

The purpose of the Code was "to reduce inter-union rivalry, to achieve trade union amity, and to remove the ills which had developed in the labour-management relations and in the labour movement."

The four central organisations of labour agreed on the following issues for the purpose of maintaining harmonious inter-union relations. The Code says:

- (i) Every employee in an industry or unit shall have the freedom and right to join a union of his choice. No coercion shall be exercised in this matter.
 - (ii) There shall be no dual membership of unions. (In the case of representative unions, this principle needs further examination.)
 - (iii) There shall be unreserved acceptance of, and respect for, the democratic functioning of trade unions.
-

16. Define Collective Bargaining.

Ans :

Collective bargaining is that arrangement whereby the wages components of remuneration and conditions of employment of workman are settled through a bargain between the employer and the workmen collectively whether represented through their union or by some of them on behalf of all them.

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Choose the Correct Answers

1. _____ is defined as termination by the employer of the service of a workmen for any other reason. [d]
(a) Lock out (b) Lay off
(c) Retrenchment (d) Gherao
2. Arbitration can be classified into _____ types [b]
(a) 3 (b) 2
(c) 4 (d) 5
3. _____ approach emphasises that arbitration should not be confused with conciliation and mediation. [a]
(a) Judicial (b) Non - Judicial
(c) Both (d) None
4. _____ Refers to any form of discontent (or) dissatisfaction with any aspect of the organization. [a]
(a) Grievance (b) Mediation
(c) Lay off (d) Retrenchment
5. _____ is the key to success [a]
(a) Discipline (b) Training
(c) Motivating (d) All of the above
6. _____ is an important part of the discipline [a]
(a) Counseling (b) Knowledge
(c) Wisdom (d) All of the above
7. The functions of trade unions are, [d]
(a) Collective bargaining (b) Legislation
(c) Grievance redressal (d) All the above
8. The union which aims at destroying the present economic system through revolutionary method is, [a]
(a) Anarchist unions (b) Political unions
(c) Hold - up - union (d) Guerrilla union
9. Trade unions in India are weak due to, [d]
(a) Political leadership (b) Irregular growth
(c) Inter-union rivalry (d) All the above
10. In this method, labour bargains for wages as usual but goes a step further demanding equity is, [c]
(a) Integrative bargaining (b) Productivity bargaining
(c) Composite bargaining (d) Unit bargaining

Fill in the Blanks

1. _____ is a weapon which introduced in West Bengal in 1967.
2. _____ It means failure, refusal or inability of an employer on account of shortage of coal, power, or raw materials or the accumulation of stocks.
3. _____ is a process in which two or more parties who have common and conflicting interests come together and talk with a view to reaching an agreement.
4. _____ is a process by which representatives of workers and employers are brought together before a third person.
5. _____ is the ancient art of the peace-maker.
6. _____ is the process in which a neutral third party listens to the disputing parties, gathers information about the dispute, and makes a decision to be binding on both the parties.
7. _____ means a mandatory settlement of an industrial dispute by a labour court or a tribunal.
8. _____ is a type of discontent which must always be expressed.
9. _____ or handling procedure is the formal mechanism for dealing with employee grievances.
10. _____ Employee Discipline is a procedure that corrects or punishes a subordinate because a rule of procedure hasn't been violated.

ANSWER

1. Gherao
2. Layoff
3. Negotiation
4. Conciliation
5. Mediation
6. Arbitration
7. Adjudication
8. Grievance
9. Grievance redressal
10. Employee Discipline

UNIT III

EMPLOYEE RELATIONS :

Changing concept of management and labour relations; Laws, development of the idea of social justice, limitation of management prerogatives, increasing labour responsibility in productivity. Joint consultation in India. The employment relationship, Employee relations, Managing employee relations, Employee voice.

3.1 EMPLOYEE RELATIONS

Q1. What is employee relations? Explain the nature of employee relations.

Ans :

Employee Relations

The term 'employee relations' refers to a company's efforts to manage relationships between employers and employees. An organization with a good employee relations program provides fair and consistent treatment to all employees so they will be committed to their jobs and loyal to the company.

Nature

1. Employer-employee relations are the outcome of the employment relationship in industry. These relations cannot exist without the two parties—employer and employees." It is the industry which provides the setting for employer-employee relations.
2. Employer-employee relations include both individual relations as well as collective relations. Individual relations imply relations between employer and employees. Collective relations mean, relations between employers' associations and trade unions as well as the role of the State in regulating these relations.
3. The concept of employer-employee relations is complex and multi-dimensional. The concept is not limited to relations between trade unions and employer but also extends to the general web of relationships between

employers, employees and the Government. It covers regulated as well as unregulated, institutionalized as well as individual relations. These multi-pronged relationships may be in organized or unorganized sector.

4. Employer-employee relations is a dynamic and developing concept. It undergoes change with changing structure and environment of industry. It is not a static concept. It flourishes or stagnates or decays along with the economic and social institutions that exist in a society. The institutional forces give content and shape to employer-employee relations in a country.
5. Strictly speaking a distinction can be made between human resource management and employer-employee relations. Human resource management deals mainly with executive policies and activities regarding the human resource aspects to the enterprise while employer employee relations are mainly concerned with employer-employee relationship. Human resource management refers to that part of employment relations which is concerned with employees as individuals, collective or group relationship of employees and employers constitute the subject matter of employer-employee relations.
6. Employer-employee relations do not function in a vacuum. These are rather the composite result of the attitudes and approaches of employers and employees towards each other. Employer-employee relations are an

integral part of social relations. According to Dr. Singh (Climate for Industrial Relations, 1968) the employer-employee relations system in a country is conditioned by economic and institutional factors.

Q2. Describe the features of employee relations.

Ans :

The following are the features of employee relations :

➤ **Improves Productivity**

Strong employment relations create a pleasant atmosphere within the work environment; it increases the employee motivation and can also be increased through improved employee morale.

➤ **Increase Employee Loyalty**

Creating the productive and pleasant work environment has a drastic effect on an employee's loyalty to the business, it encourages a loyal workforce. Having such a workforce improves employee retention, in doing so the cost of recruitment, hiring and training is cut drastically.

➤ **Reduces Conflicts**

When a work environment is efficient and friendly the extent of conflict within the workplace is reduced. Less conflict results in the employees being able to concentrate on the tasks at hand and they are therefore more productive.

➤ **Increased Morale**

One feels secure and confident and thus delivers his best. It is okay if you share your secrets with your colleagues but you should know where to draw the line. A sense of trust is important.

➤ **Easy Delegation**

This also allows you and the employees to acknowledge and understand their strengths and weaknesses. These are a few points to consider when delegating tasks.

3.1.1 Changing Concept of Management and Labour Relations

Q3. Write about changing concept of management and labour relations.

Ans :

(Dec.-21)

Labor management relations are the most complicated set of relations that any HR Manager has to deal with. Efficient maintenance of labor relations helps the HR Managers in developing a harmonious environment within the organization which, in turn, helps the organization in effectively achieving its goals and objectives. Well-managed labor relations provide a competitive advantage to the organization by negating the hassles arising out of labor or union related issues and conflicts.

With increasing competitiveness and mounting pressure of accomplishing the business's strategic goals, it has become essential for an organization to acquire an effective and dependable labor relations support. For the same, the organization may opt for the services of an HR Consulting Firm.

An HR Consulting Firm broadly covers one or many of the following aspects of labor relations as per the requirements of the organization:

1. Legal/Statutory Compliances

An organization may opt for the services of an HR Consultant in order to maintain the legal requirements in relation to the existing labor laws of the country. This is more important for a company having its business expanded to different lands, hence, the codes of law changing accordingly. A proper statutory compliance prevents unnecessary legal hassles and associated financial burden. The practices and documents of the organization are thoroughly audited by the HR Consultant against the current legal requirements. Also, new contracts and documents can be drafted as per the legislative detailing. Proper procedures for labor terminations also require efficient working on the part of an HR Consultant as per law.

2. Labor Relations Management

Conflicts and deteriorating relations at workplace have an adverse impact on the overall productivity of the organization. Apart from increasing legal bills, such a situation adds to building up an environment of distrust among labor and hampers their motivation levels.

An HR Consultant, in such a scenario, provides impetus in improving the everyday dealing between the labor and management. He works towards promoting an environment of collaboration, understanding and mutual trust among the labor and management by carrying out various training programmes, discussions, facilitation workshops and joint exercises between labor and management customized to the specific needs of the organization. Thus, HR Consultants assists in improving labor-employer relations.

3. Trade/Labor Union Dealing and Avoidance

An HR Consultant assists in handling situations of strikes and lock-outs by working as a mediator between the labor and management, and contributing towards collective bargaining. Further, working pro-actively, an HR Consultant can facilitate in avoidance of such unions in the organization. Labor audit and employee satisfaction surveys are crucial tools in assessing the vulnerability of the satisfaction levels of labor in the organization. An HR Consultant utilizes these tools to diagnose the chances of formation of trade union within the organization. It helps in understanding the position of the employer's policies and processes vis-a-vis the employee's expectations. The gaps within the existing policies and employee's expectations are then worked upon by the HR Consultant to improve the satisfaction levels of labor, thereby contributing in avoidance of trade union within the organization.

4. Labor Grievance Management

Grievance management by properly guided mediations is a welcome alternative to proceeding into arbitration immediately. This helps in achieving a resolution by mutual consent, thereby, avoiding untoward conflicts and costly litigation process. More so, resolving grievances by resorting to such methods as mediations by HR Consultants assists in keeping up with the reputation of the organization as a responsible and employee oriented organization.

The HR Consultants work with an unbiased approach in opening up a clear and effective communication line between the concerned parties, along with putting in there valuable inputs where ever necessary to end up with an amicable and appropriate solution to the problem. Such an activity also facilitates in developing a positive labor relations environment within the organization. Further, a proactive feedback mechanism developed by the HR Consultant greatly helps in decreasing the rate of grievances among the labor.

3.2 LAWS OF EMPLOYEE RELATIONS**Q4. Describe the laws of employee relations.***Ans :***(Imp.)**

Employment relation can be defining as employer and employees relationship in a formal and informal nature that arises between management and employee interactions in all working situation. According to Armstrong (2003), employee relations consist of all those areas of human resource management that deals with employees directly and through collective agreements where trade unions are recognized. The union practices for the welfare and good working condition of the employees. Employee relations are concerned with generally managing the relationship between employer and employees at the workplace that can be formal e.g. contract of employment or procedural agreement.

1. The unitary

The unitary perspective is based upon the assumption that the organization should have an integrated group of people, a loyalty structure and a common goal. According to the unitary theory, the employment relationship should be harmonious. That is the employer and employees should work together to achieve the success and where there is no conflict. Unitarism is principally a management ideology since it supports management's interests. Often this perspective has been characterized as the 'team' or 'one big happy family' approach.

2. Pluralist Theory

This perspective assumes that employing organization are made up of individuals and groups with different interest, values and objectives; thus various interest and objective of one group are likely to conflict with those of others. The pluralist accepts conflict in groups or organizations. The society is made up of a range of groups with their own beliefs, values and interest. To be able to compromise these disparate groups, it is important to come up with negotiations and concessions. One of the processes by which these conflicts can be solved is by collective bargaining which is one of the functions of the trade unions.

3. Marxist Theory

According to Karl Marx, the society is made up of two conflicting classes: the first class is the capitalists which is referred to the employer and the second class is the employees who sell their labour to the capitalists. This situation is also known as 'dialectic materialism'. In simpler term the employers are powerful (bourgeoisie) and the employees are weak (proletariat).

4. Management

Management is a group of people who come together to make decision about how to run a business. An employer is define as 'someone

who employs for wages, user' while managers is 'one who controls or directs'. The management process is describe in terms of planning, organizing, staffing, directing and controlling the activities of an organization in order to achieve the organizational goals.

3.3 DEVELOPMENT OF THE IDEA OF SOCIAL JUSTICE

Q5. What is social justice in employee relations. Write about development of the idea of social justice.

Ans :

(Dec.-21)

Meaning

Social justice is justice that follows the principle that all individuals and groups are entitle to fair and impartial treatment. Social justice attempts to prevent human rights abuses. Social justice is based on notions of equality and equal opportunity in society. It focuses on the full and equal participation of all citizens in economic, social and political aspects of the nation. Social justice can also refer to advantages and disadvantages distributed in a society. Social justice derives its authority from the codes of morality in each culture and differs from culture to culture. United Nation's objectives of social justice policies include social, economic and cultural rights, including right to an adequate standard of living; right to work and equal pay for equal work; right to education; and right of minorities to enjoy their own religion, language and culture.

Development of idea of social Justice

Social Justice is important because it promotes and works toward a society that celebrates diversity and equality. Having more equality and diversity in a society is good for society because it promotes opportunity, growth and social well-being.

For the formation of socialistic pattern of society based on equality, liberty and fraternity, it laid down certain provisions in Constitution of India for the social justice and development of the downtrodden India, as part of national commitment.

When India got freedom, it saw large number of people living in very deteriorated and poverty-stricken conditions. The problem in South Asia in general and India in particular was so much that it was not merely confined to the economic one but encompassed all other aspects of socio-cultural life.

Myrdal regards the complexities and dissimilarities as a drama "sense a clear cut set of conflicts and tension. The action in this drama is speeding towards a climax. Tension is mounting: economically, socially and politically".

Myrdal accused people of South Asia for the vast inequality and conflict, besides the backward economy, which he saw as a common theme in the drama. His narration of social inequalities and destitute conditions of South Asian people are quoted as: To some degree all of us are participants in drama. It is as if the stage set for South Asia were enlarged and due onto itself the entire world, so that no one could merely be a spectator. The growing western literature on the problems of the underdeveloped countries in South Asia since the second world war to which this book is another contribution is due to a heightened awareness of our stake in the dramatic happenings in these countries. Despite the increased interest in South Asian problems in other parts of the world, the leading figures in this drama are the people of South Asia themselves, above all their educated class.

This drama has its unity in a set of inner conflicts operating on people's mind: between their high pitched aspirations and bitter experience of a harsh reality, between the desire for change and improvement and mental reservations and inhibitions about accepting the consequences and paying the price. Such conflicts are part of human life in all times and place; but in the countries under study, they have an exceptional, mounting intensity and assume a unique form.

"Urged on by aspiration and curbed by material conditions and their own inhibitions, articulate individuals and groups in all these countries continually take decisions with the objective of resolving or accommodating the conflicts. The drama gains its fast pace from the terrific strength of the forces creating the conflicts" (Myrdal, 1968).

The post-independent India had expected some sort of egalitarian society as one of the important flanks of national struggle, for independence was to give India not only political freedom, but also social and economic freedom as well. Hence, for formation of socialistic pattern of society based on equality, liberty and fraternity, it laid down certain provisions in Constitution of India for the social justice and development of the downtrodden India, as part of national commitment.

The provisions relating to social justice and development are stated below:

Article 14

Equality before the law and equal protection of law.

Article 15

Prohibition of discrimination on grounds of religion, race, caste, sex or place of birth. This article also permits the state in making special provisions for women, children, socially and educationally backward classes and SCs and STs.

Article 16

Equality of opportunity in matters of public employment. It has stated that the state shall take special care for SCs and STs in the matter of appointment to services and posts.

Article 17

Abolition of untouchability.

Article 19

Grants six freedoms: freedom of speech and expression; freedom of assembly; freedom of association; freedom of movement; freedom of residence and freedom of profession/ occupation are granted with some exceptions.

Article 23

Traffic in human beings, beggar and similar forms of forced labour are prohibited.

Article 24

No child below the age of fourteen years shall be employed to work in any factory or mine or engaged in any other hazardous employment.

Article 25-28

Freedom of conscience and free profession, practice and propagation of religion.

Article 29

The state shall not impose upon it any culture other than the community's own future.

Article 30

All minorities whether based on religion or language shall have the right to establish and administer educational institutions of their choice.

Article 31A

Land Acquisition for Agrarian Reform.

Article 31 B

9th Schedule - immune from judicial review.

Article 31C

As inserted by the 25th Amendment Act, 1971, states that any law which seeks to implement the directives of Article 39 (b) or 39(c), i.e., the plan of socialistic distribution of wealth and means of production shall not be void for inconsistency with Art 14, 19 or 31.

Article 32

Constitutional remedies for enforcement of fundamental rights.

Article 38

The state shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political shall inform all the institutions of national life.

Article 38(2)

The state shall in particular strive to minimize the income inequalities in income and endeavour to eliminate inequalities in states, facilities and opportunities not only amongst individuals but also amongst groups of people residing in different areas or engaged in different vocations.

Article 39 A

The state to provide free legal aid to the poor and to take other suitable steps to ensure equal justice to all which is offered by the preamble.

Article 39 B and C

The state should secure that the ownership and control of natural resources of the community are so distributed as best to sub-serve the common good.

Article 40/41

Village panchayat and right to work.

Article 43/42

Provide for endeavouring to secure for workers, a living wage, humane conditions of work, maternity relief, a decent standard of life and full enjoyment of leisure and social and cultural opportunities.

Article 45

Free and compulsory education to children up to age of 14.

Article 46

Promotion of educational and economic interest of scheduled castes/schedule tribes and other weaker sections.

Article 335

The claims of members of scheduled castes and scheduled tribes shall be taken into consideration, consistently with the maintenance of the efficiency of the administration, in the making of appointments to services and post in connection with the affairs of the union or the state.

Article 339 (2)

The executive power of the union shall extend to the giving of directions of any such state as to the drawing up and execution of schemes specified in the direction to be essential for the welfare of the scheduled tribes in the state.

Article 275 (1)

Union to give grants-in-aid to the states for the costs of schemes of welfare of the scheduled

tribes and for raising the level of administration of the scheduled areas in a state to that of the administration of the areas of that state.

Following the guidelines of the Constitution several measures were formulated and implemented. For equitable distribution of assets in rural India, land reform was enacted. As per article 40, village panchayats were structured through 73rd and 74th amendment acts. Legislation for compulsory primary education (Article 45) has been enacted in most of the states and in three union territories. Recently, through 86th Constitutional Amendment, compulsory education for children between the age of 6 and 14 has been devised and Sarva Shiksha Abhyas has been launched to implement such programme.

For educational development of weaker sections various special schools and hostels were constructed especially for SCs and STs. Besides other facilities, i.e., scholarship, book bank, reservation in other general educational institutions were provided for them. For making them included in national mainstreams, reservation in employment institutions were also provided as per articles: 16 and 335. For raising the standard of living (Article 47), particularly of the rural population, the Government of India launched its Community Development Project in 1952.

Later on Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP), Drought Prone Areas Programme (DPAP), Desert Development Programme (DDP) and some more other schemes were launched later especially in 1990s.

Recently, National Rural Employment Guarantee Act (NREGA) has been launched for providing at least 100 days employment to at least one adult member of the family belonging to poor family of rural India. In these programmes special provisions were made for weaker sections and people falling under the below poverty line (BPL) and SCs, STs and women.

However, when we evaluate these programmes of social justice and development, the

empirical evidences provided by many studies do not support the implementation of social justice programmes in letter and spirit by the government.

It has been observed that in spite of the land reforms, the land concentration in the hands of few influential has not been changed. For example, Chattopadhyay has shown that in 1954-55, about 47 per cent of the households in the size-class of 0.00 to 0.99 acres owned 1.38 per cent of land. Even in 1971-72, this size class consisting about 45 per cent of household owned only 2.07 per cent of land.

But in 1954-55 about 1.5 per cent of households in the size class of 40 acres and above owned about 20 per cent of land. Further in 1971-72, about 2 per cent of households in the size class of 25 acres and above owned about 23 per cent of land.

Distribution of Assets in Rural Areas

The land inequalities existed in rural India even after the much famous and publicized land reform policy by the government has been reported by various studies by eminent scholars.

The benefits of green revolution have also largely gone to rich landowners. Marginal and small cultivators are unable to obtain higher output because of their small landholding. In addition to this, the gap between the progressive and non-progressive cultivators has also got widened. The vast inequalities of landowning leading to the deterioration of the small and marginal cultivators are manifested in the findings of several sociologists.

A close relationship exists between social inequality and economic inequality since social inequality stands as a main cause of economic inequality, while at the same time, economic inequality supports and reinforces social inequality. Similarly, there is a strong relationship between poverty and inequality, as social and economic inequality stand as a main cause of the poverty of a nation. From a planning point of view this means that greater equality is a precondition for lifting a society out of poverty.

Myrdal also pointed out other two types of relationship. First "is that the poorer a nation is in aggregate or average terms, the more severe hardship will economic inequality wreak on those who are the poorest". He further adds that even if the degree of inequality of poor nation is comparable with the developed comprise in terms of 'Lorenz curve', though there is lesser possibility, the people in the lower income state in underdeveloped countries are more adversely affected than those of their counterparts of developed nations. However, relative deprivation may be more among the lower strata of the developed nations than that of the underdeveloped and developing nations due socio-psychological reasons.

The second "is that economic and social inequality may itself be not only a cause of the prevailing poverty and of the difficulty for a country in rising out of poverty, but also, at the same time, its consequence. Observing the broad correlation between degree of inequality and poverty in South Asia, it is legitimate to ask whether or not poverty breeds inequality".

Various socio-economic programmes enunciated for social development and social transformation have not yielded the desired result. Neither could it eliminate social inequality nor economic inequality. According to one recent study of rural transformation in South India, spread of education and enforcement of social legislation helped in weakening of caste barriers and discriminatory inter-caste behaviour.

However, coffee shop (particularly of Wangala village as studied by Epstein) still offers separate glasses for the so-called untouchables. Factors like introduction of modern technology in farming, urban impact, commercial and financial opportunities etc., led to farther strengthening of economy. However, this led to recon situation of social hierarchy as more progressive and enterprising peasants exploited the benefits offered by the new economic opportunities.

3.4 LIMITATION OF MANAGEMENT PREROGATIVES

Q6. What is management prerogative? State its limitations.

Ans :

(Imp.)

Meaning

The term 'prerogative' denotes a right or privilege which belongs to a particular institution, group, or person. The term is commonly used in labour law and constitutional law. And Management/Managerial Prerogative according to Black's Law Dictionary is defined as the management Exercising its discretion in certain areas without discussions with or the agreement of a union as an employer's or management's unqualified authority. The rights to

1. Assign and direct workforce,
2. Discipline employees for just cause,
3. Increase / reduce workforce in support of the firm and based on available money,
4. Decide products availability, price, method. Also known as management rights, they are not subject to negotiations and may be expressly stated as such in a collective bargaining agreement.

While the acknowledgment of this right of the management has not changed much over the years, its regulation certainly has. Obviously there are no rights without limits, and the managerial prerogative has its limits as well. The limitations are set out by legislation, collective agreements, or an individual employment contract. However this paper discusses the change in the relationship, and how today the scope of the managerial prerogative has been in many ways 'limited', only with respect to the Industrial Disputes Act, 1947. The managerial Prerogative might be limited by many other legislations such as the The Minimum Wages Act, 1948 or the Factories Act, 1948 etc, however those are outside the Scope of this work

There are four recognized forms of rights and obligations flowing between an employee and an employer

1. Employer's right to select an employee.
2. Employer's right to pay wages or other remuneration.
3. Employer's right to control the method of doing the work, and
4. Employer's right of suspension or dismissal or transfer of the employee.

3.5 INCREASING LABOUR RESPONSIBILITY IN PRODUCTIVITY

Q7. Define productivity. What are the different types of productivity.

Ans :

Introduction

Productivity is created in the real process, productivity gains are distributed in the income distribution process and these two processes constitute the production process. The production process and its sub-processes, the real process and income distribution process occur simultaneously, and only the production process is identifiable and measurable by the traditional accounting practices. The real process and income distribution process can be identified and measured by extra calculation, and this is why they need to be analyzed separately in order to understand the logic of production performance.

Real process generates the production output from input, and it can be described by means of the production function. It refers to a series of events in production in which production inputs of different quality and quantity are combined into products of different quality and quantity. Products can be physical goods, immaterial services and most often combinations of both. The characteristics created into the product by the manufacturer imply surplus value to the consumer, and on the basis of the price this value is shared by the consumer and the producer in the marketplace.

This is the mechanism through which surplus value originates to the consumer and the producer likewise. It is worth noting that surplus values to

customers cannot be measured from any production data. Instead the surplus value to a producer can be measured. It can be expressed both in terms of nominal and real values. The real surplus value to the producer is a result of the real process, real income, and measured proportionally it means productivity.

Meaning

Productivity refers to an economic measure of output per unit of input. Inputs include labor and capital, while output is typically measured in revenues and other GDP components such as business inventories.

$$\text{Productivity} = \text{Output/Input}$$

Types

1. Labor productivity

Labour productivity refers to the workforce productivity is the amount of goods and services that a worker produces in a given amount of time. It is one of several types of productivity that economists measure.

2. Capital productivity

Capital productivity characterizes the efficiency with which fixed capital stock is used. It is commonly employed in economic analysis and in the formulation of production plans and plans for capital expenditures, both for the national economy as a whole and for individual sectors, production associations, and enterprises.

3. Direct cost productivity

In this formulation, all items of direct cost associated with resources used are aggregated on a monetary value basis.

4. Total cost productivity

This is the productivity of all factors involved as a whole in a production activity.

5. Energy productivity

Energy Productivity, which is defined as the ratio of output divided by energy

consumption, is a useful indicator for understanding the energy efficiency of an industry or an economy.

6. **Raw material productivity**

Raw material productivity expresses the amount of economic value generated by a unit of material input or material consumption. On the economy-wide level it is calculated as GDP per material input/consumption.

7. **Partial productivity**

It is the ratio of output to one class of input. For example, labor productivity the ratio of output to labor input is a partial productivity measure. Similarly, capital productivity (the ratio of output to capital input and material productivity are examples of partial productivity.

8. **Total-factor productivity**

It is the ratio of net output to the sum of associated labor and capital inputs. By "net output," we mean total output minus intermediate goods and services purchased. Notice that the denominator of this ration is made up of only the labor and capital input factors.

9. **Total productivity**

It is the ratio of total output to the sum of all input factors. Thus, a total productivity measure reflects the joint impact of all the inputs in producing the output.

Benefits

Benefits derived from higher productivity are as follows:

1. It helps to cut down cost per unit and thereby improve the profits.
2. Gains from productivity can be transferred to the consumers in form of lower priced products or better quality products.
3. These gains can also be shared with workers or employees by paying them at higher rate.

4. A more productive entrepreneur can have better chances to exploit export opportunities.

5. It would generate more employment opportunities.

Q8. Discuss the ways to increase productivity in the workplace.

Ans :

1. Be Efficient

Consider how your business is currently operating, and be open to the potential of changing the way you work. Remember that it's equally as important to make short-term and long-term lists as it is to priorities tasks, especially in a small business.

Is there a better way that staff members could structure their day to enable them to achieve their daily goals? Provide each member of staff with a plan and encourage each to make a list to ensure he or she completes prioritized jobs on time and stays on task all day, resulting in efficient working.

2. Delegate

Delegation comes with an element of risk, but increased responsibility is important for improving the morale and job satisfaction of your staff. Give responsibilities to qualified employees that have a proven track record with success in a certain field, and trust that they will perform the tasks well.

If you allow employees the chance to gain skills and leadership experience, it will benefit your company and provide your employees with a sense of achievement and direction in their own careers.

3. Reduce Distractions

Social media can be a huge productivity killer, but it isn't practical to have a no-phone policy. Instead, try to keep employees focused and engaged while allowing them breathing room.

Encourage employees to turn off their mobiles but take regular breaks during which they can be free to check their phones. This will ensure that the time spent at their desk is more productive.

4. Have the Right Tools and Equipment

Providing employees with the right tools and equipment is important so they can perform their duties efficiently and on time. There's nothing more counterproductive than spending time waiting for paperwork to print because you haven't got a fast printing device.

High-quality, modern programs and equipment make a massive difference not only to the workforce but also to how your company is perceived. Save time and effort by using equipment such as an MFP, which can work as printer, scanner, copier and fax machine.

6. Offer Support and Set Realistic Goals

A common problem for managers is having no clear, strong sense of whether their employees are high-performing or not.

Do your employees need an incentive to stay on track? Help them by offering goals that are achievable. Provide clear direction to supervisors and employees to help clarify expectations. This will help to increase their productivity, as they will have a clear focus and clear goals.

7. Practice Positive Reinforcement

Encourage, motivate and reward. Tell employees they are doing a good job and give constructive criticism. Most importantly, offer personal incentives for doing the job well – could they get a free holiday or a free takeout coffee for performing above and beyond their roles?

You should clearly indicate success of one employee to other staff to cultivate a sense of fulfillment to motivate others. When you motivate your employees to work harder and

receive rewards in return, they're more likely to put increased productivity high up on their to-do list.

Q9. What are the various factors that Affect productivity.

Ans :

The following chart shows eight factors that affect productivity.

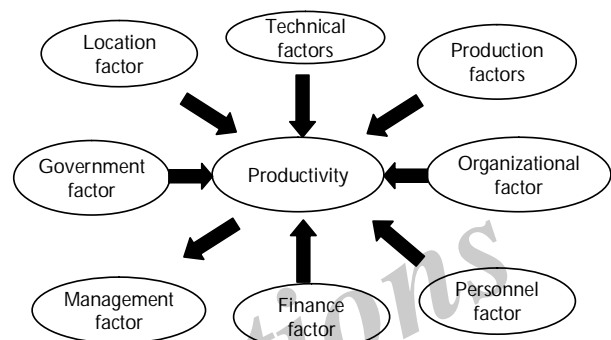


Fig.: Factors that affect or influence product

The eight main factors that affect productivity are:

1. Technical factors,
2. Production factors,
3. Organizational factor,
4. Personnel factors,
5. Finance factors,
6. Management factors,
7. Government factors, and
8. Location factors.

Now let's discuss briefly above listed important factors that affect productivity.

1. Technical Factors

Productivity largely depends on technology. Technical factors are the most important ones. These include proper location, layout and size of the plant and machinery, correct design of machines and equipment, research and development, automation and computerization, etc. If the organization uses the latest technology, then its productiveness will be high.

2. Production Factors

Productivity is related to the production-factors. The production of all departments should be properly planned, coordinated and controlled. The right quality of raw-materials should be used for production. The production process should be simplified and standardized. If everything is well it will increase the productiveness.

3. Organizational Factor

Productivity is directly proportional to the organizational factors. A simple type of organization should be used. Authority and Responsibility of every individual and department should be defined properly. The line and staff relationships should also be clearly defined. So, conflicts between line and staff should be avoided. There should be a division of labor and specialization as far as possible. This will increase organization's productiveness.

4. Personnel Factors

Productivity of organization is directly related to personnel factors. The right individual should be selected for suitable posts. After selection, they should be given proper training and development. They should be given better working conditions and work-environment. They should be properly motivated; financially, non-financially and with positive incentives. Incentive wage policies should be introduced. Job security should also be given. Opinion or suggestions of workers should be given importance. There should be proper transfer, promotion and other personnel policies. All this will increase the productiveness of the organization.

5. Finance Factors

Productivity relies on the finance factors. Finance is the life-blood of modern business. There should be a better control over both fixed capital and working capital. There should be proper Financial Planning. Capital expenditure should be properly controlled. Both over and under utilization of capital should be avoided. The management should

see that they get proper returns on the capital which is invested in the business. If the finance is managed properly the productiveness of the organization will increase.

6. Management Factors

Productivity of organization rests on the management factors. The management of organization should be scientific, professional, future-oriented, sincere and competent. Managers should possess imagination, judgement skills and willingness to take risks. They should make optimum use of the available resources to get maximum output at the lowest cost. They should use the recent techniques of production. They should develop better relations with employees and trade unions. They should encourage the employees to give suggestions. They should provide a good working environment, and should motivate employees to increase their output. Efficient management is the most significant factor for increasing productiveness and decreasing cost.

7. Government Factors

Productivity depends on government factors. The management should have a proper knowledge about the government rules and regulations. They should also maintain good relations with the government.

8. Location Factors

Productivity also depends on location factors such as Law and order situation, infrastructure facilities, nearness to market, nearness to sources of raw-materials, skilled workforce, etc.

Q10. Write about the importance of measurement of labour responsibility in productivity.

(OR)

Explain the increasing labour responsibility in productivity.

Ans :

(Dec.-21, June-19)

Labor productivity is component of economic indicators as it offers a dynamic measure of

competitiveness, economic growth and living standards within an economy. It is the labor productivity measurement (and all that this measure takes into account) which can help explain the principal economic foundations that are must to be for both social development and economic growth.

Labor productivity is measured by the number of products released by the employee for some time. The inverse value - the complexity - measured by the amount of time spent per unit of output.

People already tried a lot of different ways of increasing labor productivity but most of them were not founded on some knowledge about behavior of human. They tried to use various methods to increase output through bonus presents, payments and pay rises. Most of the attempts failed at the outset or lived so short. Other leaders and managers tried prescribing levels of productivity and combine them with the workforce. It is not surprising, this was not successful. Another unsuccessful groups of leaders and managers tried threats with the almost same result.

Production function

By increasing of the labor productivity means cost savings of labor (working hours) for the manufacture of a product unit, or an additional amount of output per unit of time, which directly affects the efficiency of production, since in one case, reduced operating costs per unit of output and in another - in a unit time producing more products.

Actual labor productivity (output) is inversely proportional to the complexity is determined directly from the observed data as follows:

$$P_{\text{fact}} = \frac{Q_{\text{fact}}}{t_{\text{fact}}}$$

where Q_{fact} - the actual output in units of this type of product, t_{fact} - the actual cost of living labor in units of time.

Cash labor productivity is the calculated value, which indicates how many products could be

produced in the current environment (for example, on existing equipment from available materials), if all the delays and the delays will be reduced to zero. Cash labor productivity is defined as:

$$P_{\text{cap}} = \frac{Q_{\text{cap}}}{t_{\text{cap}}}$$

where Q_{cap} - the highest attainable in the current output in units of this type of product (cash generation), t_{cap} - the minimum required in the current cost of living labor in units of time (the complexity of cash).

The potential productivity is the estimated value, which indicates how many products can be released to the theoretically achievable in the given environmental conditions at a given level of civilization (for example, from the best available materials on the market by using advanced technology and the installation of the most modern equipment available in the market) if all the delays and the delays will be reduced to zero. The potential productivity is defined as:

$$P_{\text{pot}} = \frac{Q_{\text{pot}}}{t_{\text{pot}}}$$

where Q_{pot} - the highest attainable in the given environmental conditions at a given level of civilization in the output units of this type of output (potential output), t_{pot} - the minimum required data in the environmental conditions at a given level of civilization of human labor costs in units of time (the potential labor input).

Looking at what can make growth of economy in the long run, it is must to be started by examining how is created product. Firms usually use a combination of capital and labor to make their output. Labor includes employees and workers who manage, produce and process production. Capital can be describes both the actual tools and machines used in production and the ideas needed for production. Other intellectual property and are called human capital. Tools and machinery are called physical capital.

Firms can use some different combination of capital and labor to produce output. In some cases, in the production process you can use the labor the capital. One of examples, when production of cars, employees use assembly line and tools to produce a finished product. The workers are the machines and the labor are the capital.

In purposes to increase productivity, each employee must to produce more quantity of output. This is called to as growth of labor productivity. The only way for this to occur is through an increase in the utilization of capital in the production process. This increase may be in the form of either physical capital and human capital.

Q11. What are the factors influencing labour responsibility in productivity.

Ans :

1. Capital Deepening

Capital deepening has a place when businesses invest in more or better equipment, and structures, machinery, all of which make it possible for their workers to produce more. That is why workers with better capital increases the number of products workers produce in each hour they work. Some examples of capital deepening include a faster computer system or the purchase of more sophisticated machine tools for employees in the manufacturing sector. A business can add capital when it increases its workforce.

Farming provides a classic example of the benefits after using more and better capital. "In 1830, it took a farmer 250 to 300 hours of work to produce 100 bushels of wheat; in 1890, with the help of a horse-drawn machine, the time dropped to between 40 and 50 hours; in 1975, with the use of large tractors and combines, the 100 bushels could be produced in just 3 to 4 hours. While it is most likely that farmers were more educated in 1975 than they were in the 1830s, the change in the farmers skills alone could not be the source of this dramatic efficiency gain; an important source is the use of better capital. Changing from a hoe to the tractor would be categorized as capital deepening,

and the resulting increase in output is capital deepening's contribution to productivity growth."

2. Increases in Skill

Just as a employee who is working with a better machine may produce more goods, a employee who learns a skill needed for production may produce more output in less time. Example, employees who take a class about how to use a computer increases the skill with which they use the computer; the computer is not so faster, but the employees improved their skill and increased output per hour worked and hence, it boosts their productivity. Employees increase their skills with help of additional education, on-the-job experience, training and so on.

Performance management of the company or individual units requires a comprehensive approach to improving productivity, for example:

- Creating a system for measuring productivity;
- Determination of reserves of labor productivity growth by growth factors, taking into account the resource potential of the enterprise;
- Develop an plan to increasing productivity;
- Develop incentive schemes for staff to achieve the planned targets;
- Training of employees more efficient ways of working.

3. Implementation of new system

One of the most important methods of increasing productivity is successful organization operation or implementation of new management personnel. "One of these decisions applied the international company ABB which introduced a system named T50 which was the acronym of the target to reduce delivery times with 50 %. The overall result made it possible to increase the annual revenues from 800 MSEK to 1000 MSEK with a reduction of the number of employees from 650 to 550." (The CEO for ABB in Sweden, Bert-Olof Svanholm)

One of the objectives of quality improvement in productivity is the ability to apply new technologies to reduce the number of staff so that when it increased productivity. The Swedish branch of the ABB program "Consumers in the focus of attention" was introduced under the name of T-50. "T" (time) meant "time" and 50 - the task of reducing the duration of the operating cycle of 50% to the value created for consumers, increased. Reducing the duration of operating cycle was twice as specific strategic goal of the company, which required the implementation of more stringent quality control activities, as well as closer ties with suppliers.

As part of the T-50 proposed to introduce a system of control set of new indicators, but they lack the systems, the internal logic and orientation of the final result.

4. Priority objectives of the project included the following T-50.

Development of methods for the analysis of several key aspects or key areas of its activities.

Development of control systems, which would be based on the company's mission and its comprehensive strategy.

The development of forms of presentation of ideas developed by top managers, a wide range of employees.

The development of an information system, repeating the information about the company and its goals to employees.

According to the approach of the company ABB, project was seen as a system of control over operations at the individual level, organizational structure, but in addition, it could be used as a management tool.

Project T-50 suggests that each unit for which the defined strategic goals, develop their own system of monitoring indicators that adequately reflect the situation in various aspects of their activities.

As one of the features of this system was that employees who worked at certain positions for a certain period of time changed the position of their work. It helped them not so tired, do not monotonous work all day, and of course it improves the performance of each employee.

ABB believes that T-50 model serves as a means to illustrate the role of individual units within the overall structure of the company and their development trends in the future.

T-50 is able to simultaneously promote and organize the transition to a more open style of management and decentralization of decision-making. ABB Experience has shown that especially appreciated the advantages of the model, younger employees. ABB managers emphasize that the ideas underlying it, are the main advantage of the model.

3.6 JOINT CONSULTATION IN INDIA

12. Write about joint consultation in India.

Ans : (Imp.)

Meaning

The term "participation" refers to the influence in decision-making exerted through a process of interaction between workers and managers that is based on information sharing. Participative management is the process of involving subordinates in decision-making, stressing the active involvement of people at work. It uses their experience and creativity in solving important managerial problems. It rests on the concept of shared authority, which holds that managers share their managerial authority with their subordinates in the important decision-making processes of the organization, and not just in tangential problems or concerns.

The main objective of employee participation is to increase productivity for the benefit of the employees, the enterprise and the community, to give employees a better understanding of their role in the production process and to satisfy the workers' urge for self-expression, thus leading to industrial peace, better relations and an increase in effectiveness and efficiency.

The most important prerequisites of participation and participative management are:

- Management's commitment to participative management;
- A supportive but non-interventionist labour policy:

- A fairly high level of industrialization of the economy and technology;
- A growing professionalization on the part of the managers;
- An educated and technically trained workforce;
- An increasing emphasis on human resources management and development;
- A strong but not aggressive trade union movement;
- A favorable political and conducive industrial relations environment; and
- A social and cultural milieu where democratic ideals and processes are accepted and practiced.

A higher degree of employee participation is an important condition for moving towards a higher, more sophisticated level of industrial relations and labour-management consultation. The latter is a continuous dialogue between labour and management representatives about improving business strategies, introducing new technology, company restructuring, introducing the best work practices, and improving working conditions and job security and the general quality of working life.

The main difference between labour-management consultation and collective bargaining is that, if the latter is built around sharing the results of production between labour and employers, the former is focused on creating greater wealth, income, profit and productivity. Their distribution is of secondary importance and is agreed upon in advance according to specific formulas, which do not change often.

The most important method of developing joint consultation and worker participation is co-determination. This is the process of joint decision-making by the representatives of the shareholders and the employees, based on the principles of parity of representation and complete information sharing on all matters that affect the interests of the employees and the enterprise.

The common forms of employee participation and joint consultation derive from the active use of the various kinds of small group activities and mechanisms, such as:

- Employee stock-ownership plans;
- Joint management councils;
- Lemstatt (see box below);
- Quality Control Circles;
- Works councils/committees, etc.;
- Suggestions schemes;
- Grievance procedures and machinery;
- Safety committees; and
- Employee welfare committees.

**3.7 THE EMPLOYMENT RELATIONSHIP,
EMPLOYEE RELATIONS, MANAGING EMPLOYEE
RELATIONS, EMPLOYEE VOICE**

Q13. Write about employment relationship and important functions of employment relationship.

Ans :

Meaning

The employment relationship is one that is established whenever employers and employees work together. A positive employment relationship is required, one in which there is trust and mutuality – the state that exists when management and employees are interdependent and both benefit from this interdependency. Such a relationship provides a foundation for employment and employee relations policies, including the development of a climate of mutual trust. It governs much of what organizations need to be aware of in developing and applying human resource management and employee relations processes, policies and procedures. These need to be considered in terms of what they will or will not contribute to furthering a productive and rewarding relationship between all the parties concerned. This chapter describes the employment relationship, how it is managed and how a climate of trust can be created.

Functions

Following are the Important Functions of Employee Relationship

To creates healthy and balanced relationship within the organization as well as among the employer & employees.

1. To foster's work culture that is live, challenging and dynamic.
2. To boost the confidence, morale level, encourages employees to give their 100%.
3. To brings out inner potentials, creativity and make employees come out with new innovative ideas and opinions.
4. To treat all the employees fairly without any discrimination and favoritism.
5. To develops more coordination and better communication to avoid conflicts in the organization.
6. To encourages employees participation in decision making, seminars, learning and culture programs.
7. To makes employees more responsible and focused towards their task and make them feel their importance and their contribution towards the organization.
8. To make employees more productive, efficient, skilled and proficient in their work.
9. To help employees to be more flexible so that they are ready to take extra additional responsibilities as an when need arises.
10. To maintain work culture where employees feel that work place is their Second Home which is stress free, with better infrastructure and other additional facilities like Gym, food courts, music while having coffee in rack room.
11. To maintain health of employees by providing free medical facilities, health check ups on regular basis so that they feel that special attention and care is given to them.

Q14. What are the ways of managing employee relations?

Ans :

(June-19)

1. Consult on New and Existing Policies

The policies that a company has in place determine the way employees can act. Most companies have sexual harassment laws that forbid employees from treating others in a negative way because of gender or sexual orientation. Employee relations managers are the ones responsible for setting new policies and ensuring that all workers follow those policies. In addition to policies relating to sexual harassment, you may create policies and programs regarding drug or alcohol use, the way employees act on social networking sites and how they act around clients.

2. Create Benefits Packages

Employee relations managers and human resources managers often work together when creating benefits packages. Benefits packages refer to all benefits awarded to employees, including vacation time, sick leave, maternity leave, health insurance and stock incentives. When creating one of these packages, you need to talk with employees about what they want and need, compare prices from different insurers and decide if all employees should receive the same package. Some companies now offer better benefits for employees who were with the company longer and offer fewer benefits to new employees.

3. Act as a Union Representative

Depending on the industry you work in, you may need to act as a union rep on the job. Unions provide job stability and security to workers who pay annual dues. If a problem arises, a rep from the union will meet with reps from the company to determine what to do next. You may work as a representative for that union or meet with one of those reps on behalf of your employer. The union will want to know that your company followed all the standards it put in place and that workers did not violate any laws.

4. Negotiate New Contracts

Contract negotiations are another key duty of those working as employee relations managers. Salaried employees sign a contract that outlines all the benefits they will receive and what employers expect them to do on the job. Once that contract expires, you'll meet with management to find out what that department wants and then meet with the employee to determine what he or she wants. You must then negotiate between the two parties to come up with a new contract that pleases both sides. This may involve adding more paid time off, reducing a benefits package or increasing a worker's salary.

5. Comply with All Laws

The Society for Human Resource Management created a template that employee relations managers can follow when creating a resume and applying for a new job. The SHRM includes one duty that those managers perform as complying with all federal, state and local laws pertaining to employment. Those laws include not discriminating against potential applicants on the basis of factors like race or age, ensuring that employers follow all OSHA standards and providing employees with a safe place to discuss problems they experienced on the job.

Employee relations jobs share some similarities with human resource jobs. The main difference is that employee relations specialist's focus more on the workers than on the company as a whole. Some of the functions of an employee relations manager include complying with all laws, negotiating contracts, consulting on all new policies and working with the union.

Q15. What is employee voice and how it impacts towards sustainable success.

Ans : (Dec.-21)

Meaning

The phrase 'employee voice' refers to the say employees have in matters of concern to them in

their organization. It describes a form of two-way dialogue that allows employees to influence events at work and includes the processes of involvement, participation, upward problem solving and upward communication. This chapter covers the meaning and purpose of employee voice and how it is expressed

'Employee voice is the term increasingly used to cover a whole variety of processes and structures which enable, and sometimes empower employees, directly and indirectly, to contribute to decision-making in the firm.' Employee voice can be seen as 'the ability of employees to influence the actions of the employer' The concept covers the provision of opportunities for employees to register discontent, express complaints or grievances and modify the power of management, and sometimes brings collective and individual techniques into one framework. Direct employee voice involves contacts between management and employees without the involvement of trade unions. Union voice is expressed through representatives and can be power-based.

Suggested the following meanings of direct and union employee voice. The meaning of employee voice,

- Expression of individual dissatisfaction raised with line manager or through grievance procedure.
- Expression of collective dissatisfaction raised by trade unions through collective bargaining or industrial action.
- Contribution to management decision making through upward problem solving, suggestion schemes and attitude surveys.
- Demonstration of mutuality through partnership agreements, joint.

Impact of Employee Voice Towards Sustainable success

1. Employee voice protects against the wide-ranging impact of negative emotions

Perlow and Williams (2003) suggest that when employees feel unable to speak out, negative

emotions like resentment and anger bubble up, which can “shut down creativity” and chip away at motivation, productivity and performance. This may be driven by feelings of inauthenticity, which is psychologically damaging.

If this happens on a department or organisation-wide scale, the overall drop in performance can be significant and lead to further problems such as increased attrition. Strong mechanisms for employee voice therefore protect against a host of challenges that stem from the psychological demands of being forced to remain silent.

2. Employee voice improves organizational agility

Collins (2001) says that a climate where employees feel able to speak the truth is essential if organisations are to adapt quickly to changing market conditions.

Managers often lose touch with the way front-line services are actually delivered to customers. Unless employees can be candid about the reality of how the organisation operates on a day-to-day basis, it can be very hard to improve it, as sustainable change starts with transparency and honesty.

If employees are able to speak up about what's important to them and what's achievable, HR can design incentive schemes that better orient employees towards meeting organisational goals.

As the world evolves more rapidly, organisations that cannot quickly build a picture of how they need to change - and then take action - will fall behind.

3. Employee voice helps prevent knowledge and skill loss

A study by Daniel G. Spencer from the University of Kansas found that a high number of mechanisms for employee voice correlated strongly with a high degree of retention.

When employees feel able to speak out and have the tools to do so, grievances are nipped in the bud before they damage wellbeing, job satisfaction and the psychological contract (which can encourage employees to quit).

For organisations, a high level of retention is key in a world where tacit knowledge forms a core part of competitive advantage. Replacing knowledge and skills is expensive, making engagement and nurturing of existing staff so important.

4. Employee voice improves employer branding and customer acquisition

A lack of employee voice can frustrate employees, meaning they take their grievances elsewhere, often voicing them on public channels like Glassdoor and social media. This can damage an organisation's ability to recruit talent, as candidates will invariably browse these sites before submitting applications or accepting invitations to interview.

Organisations that have strong mechanisms for employee voice allow employees to redress grievances internally and privately, keeping negative commentary off public forums. This improves the organisation's externally-facing employer brand and also gives them a chance to build a stronger relationship with the employee by responding to their feedback.

There's also evidence that consumers look at Glassdoor and social media before deciding which companies to buy from, so employee voice can help with your customer-facing reputation as well as your employer brand.

5. Employee voice leads to higher collective learning

Detert & Burris (2007) suggest employee voice can increase collective learning in teams and organisations. When employees feel safe

to voice concerns and contribute honestly to decision-making processes, groups can better leverage the natural diversity in the group and optimize decision-making.

Higher levels of collective learning also help improve operational readiness to tackle challenges, which is key for keeping organisations agile and adaptable to changing market conditions.

6. Employee voice improves job design

Improving job design can lead to higher engagement, satisfaction and wellbeing, which all impact productivity and performance.

In organisations with opportunities for employee voice, employees are more able to be honest about the parts of the job that are working and those that need honing to better suit the market and their skills and abilities.

Better-designed jobs impact not only the employee but also colleagues and other departments the employee has to work with.

7. Employee voice drives authentic organisational purpose and values

Purpose-driven organisations tend to have high degrees of employee engagement and satisfaction. But these benefits only emerge when the purpose and values have been truly co-created with employees, which require a high degree of employee voice.

Without employee voice, values and purpose end up being decided unilaterally and will only ever be grudgingly accepted by employees. The organisation will not benefit from the higher engagement and satisfaction associated with purpose-driven organisations and could damage relationships with employees if staff feels the purpose is inauthentic.

A lack of employee voice can frustrate employees, meaning they take their

grievances elsewhere, often voicing them on public channels like Glassdoor and social media.

8. Employee voice optimizes increasingly-critical HR processes

Strong mechanisms for employee voice combined with a trusting employee-line manager relationship can give HR invaluable information on the reality of what people feel about their jobs, what skills and behaviours they need to work on to progress and what is needed to boost their careers and improve their value to the organisation.

This can positively influence the direction of key HR processes like succession planning, leadership development programmes, job design and workplace recognition, leading to improved employee satisfaction and performance.

On the reward side, if employees are able to speak up about what's important to them and what's achievable, HR can design incentive schemes that better orient employees towards meeting organisational goals.

9. Employee voice helps organisations make better decisions

Ultimately, organisations are operating in an increasingly complex, disruptive world, and the idea that a small team of people in a boardroom have all the knowledge, experience and insight to respond accordingly is losing favour.

Strong employee voice and participative management allows organisations to tap into a vast source of knowledge and insight spread across the organisation. This means senior leaders can make decisions with more complete information, and a more diverse knowledge-base, leading to better outcomes.

Short Question and Answers

1. What is employee relations?

Ans :

The term 'employee relations' refers to a company's efforts to manage relationships between employers and employees. An organization with a good employee relations program provides fair and consistent treatment to all employees so they will be committed to their jobs and loyal to the company.

Nature

1. Employer-employee relations are the outcome of the employment relationship in industry. These relations cannot exist without the two parties—employer and employees." It is the industry which provides the setting for employer-employee relations.
2. Employer-employee relations include both individual relations as well as collective relations. Individual relations imply relations between employer and employees. Collective relations mean, relations between employers' associations and trade unions as well as the role of the State in regulating these relations.

2. What is employee voice.

Ans :

Meaning

The phrase 'employee voice' refers to the say employees have in matters of concern to them in their organization. It describes a form of two-way dialogue that allows employees to influence events at work and includes the processes of involvement, participation, upward problem solving and upward communication. This chapter covers the meaning

and purpose of employee voice and how it is expressed

'Employee voice is the term increasingly used to cover a whole variety of processes and structures which enable, and sometimes empower employees, directly and indirectly, to contribute to decision-making in the firm.' Employee voice can be seen as 'the ability of employees to influence the actions of the employer' The concept covers the provision of opportunities for employees to register discontent, express complaints or grievances and modify the power of management, and sometimes brings collective and individual techniques into one framework. Direct employee voice involves contacts between management and employees without the involvement of trade unions. Union voice is expressed through representatives and can be power-based.

3. Social Justice

Ans :

Meaning

Social justice is justice that follows the principle that all individuals and groups are entitled to fair and impartial treatment. Social justice attempts to prevent human rights abuses. Social justice is based on notions of equality and equal opportunity in society. It focuses on the full and equal participation of all citizens in economic, social and political aspects of the nation. Social justice can also refer to advantages and disadvantages distributed in a society. Social justice derives its authority from the codes of morality in each culture and differs from culture to culture. United Nation's objectives of social justice policies include social, economic and cultural

rights, including right to an adequate standard of living; right to work and equal pay for equal work; right to education; and right of minorities to enjoy their own religion, language and culture.

4. What is management prerogative?

Ans :

Meaning

The term 'prerogative' denotes a right or privilege which belongs to a particular institution, group, or person. The term is commonly used in labour law and constitutional law. And Management/Managerial Prerogative according to Black's Law Dictionary is defined as the management Exercising its discretion in certain areas without discussions with or the agreement of a union as an employer's or management's unqualified authority. The rights to

1. Assign and direct workforce,
2. Discipline employees for just cause,
3. Increase / reduce workforce in support of the firm and based on available money,
4. Decide products availability, price, method. Also known as management rights, they are not subject to negotiations and may be expressly stated as such in a collective bargaining agreement.

5. Define productivity.

Ans :

Introduction

Productivity is created in the real process, productivity gains are distributed in the income distribution process and these two processes constitute the production process. The production process and its sub-processes, the real process and income distribution process occur simultaneously, and only the production process is identifiable and

measurable by the traditional accounting practices. The real process and income distribution process can be identified and measured by extra calculation, and this is why they need to be analyzed separately in order to understand the logic of production performance.

Real process generates the production output from input, and it can be described by means of the production function. It refers to a series of events in production in which production inputs of different quality and quantity are combined into products of different quality and quantity. Products can be physical goods, immaterial services and most often combinations of both. The characteristics created into the product by the manufacturer imply surplus value to the consumer, and on the basis of the price this value is shared by the consumer and the producer in the marketplace.

6. Joint consultation in India.

Ans :

Meaning

The term "participation" refers to the influence in decision-making exerted through a process of interaction between workers and managers that is based on information sharing. Participative management is the process of involving subordinates in decision-making, stressing the active involvement of people at work. It uses their experience and creativity in solving important managerial problems. It rests on the concept of shared authority, which holds that managers share their managerial authority with their subordinates in the important decision-making processes of the organization, and not just in tangential problems or concerns.

The main objective of employee participation is to increase productivity for the benefit of the employees, the enterprise and the community, to give employees a better understanding of their role

in the production process and to satisfy the workers' urge for self-expression, thus leading to industrial peace, better relations and an increase in effectiveness and efficiency.

7. Write about employment relationship.

Ans :

Meaning

The employment relationship is one that is established whenever employers and employees work together. A positive employment relationship is required, one in which there is trust and mutuality – the state that exists when management and employees are interdependent and both benefit from this interdependency. Such a relationship provides a foundation for employment and employee relations policies, including the development of a climate of mutual trust. It governs much of what organizations need to be aware of in developing and applying human resource management and employee relations processes, policies and procedures. These need to be considered in terms of what they will or will not contribute to furthering a productive and rewarding relationship between all the parties concerned. This chapter describes the employment relationship, how it is managed and how a climate of trust can be created.

8. Functions of employee relationship.

Ans :

1. To foster's work culture that is live, challenging and dynamic.
2. To boost the confidence, morale level, encourages employees to give their 100%.
3. To brings out inner potentials, creativity and make employees come out with new innovative ideas and opinions.

4. To treat all the employees fairly without any discrimination and favoritism.
5. To develops more coordination and better communication to avoid conflicts in the organization.
6. To encourages employees participation in decision making, seminars, learning and culture programs.
7. To makes employees more responsible and focused towards their task and make them feel their importance and their contribution towards the organization.

9. Benefits of higher productivity.

Ans :

1. It helps to cut down cost per unit and thereby improve the profits.
2. Gains from productivity can be transferred to the consumers in form of lower priced products or better quality products.
3. These gains can also be shared with workers or employees by paying them at higher rate.
4. A more productive entrepreneur can have better chances to exploit export opportunities.
5. It would generate more employment opportunities.

10. Nature of employee relations.

Ans :

Nature

1. Employer-employee relations are the outcome of the employment relationship in industry. These relations cannot exist without the two parties—employer and employees." It is the industry which provides the setting for employer-employee relations.

2. Employer-employee relations include both individual relations as well as collective relations. Individual relations imply relations between employer and employees. Collective relations mean, relations between employers' associations and trade unions as well as the role of the State in regulating these relations.
3. The concept of employer-employee relations is complex and multi-dimensional. The concept is not limited to relations between trade unions and employer but also extends to the general web of relationships between employers, employees and the Government. It covers regulated as well as unregulated, institutionalized as well as individual relations. These multi-pronged relationships may be in organized or unorganized sector.
4. Employer-employee relations is a dynamic and developing concept. It undergoes change with changing structure and environment of industry. It is not a static concept. It flourishes or stagnates or decays along with the economic and social institutions that exist in a society. The institutional forces give content and shape to employer-employee relations in a country.

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Choose the Correct Answers

1. Which of the following relations are the most complicated set of relations that any HR Manager has to deal with? [a]
(a) Labor-Management (b) Industrial relations
(c) Good employee relations (d) Labour Movement
2. Which of the following policy to improve Labor Productivity? [b]
(a) Investment in infrastructure (b) Tax and welfare reforms
(c) Quality of education and training (d) All the above
3. Management prerogative refers to a right that management feels is intrinsic to the ability to manage and therefore are not subject to [a]
(a) Collective bargaining (b) Productivity
(c) Employment relationship (d) All the above
4. Which of the following is the element of a Good Employee Relations Plan? [d]
(a) Communication (b) Employee Recognition
(c) Employee Discipline (d) All the above
5. Conflicts and deteriorating relations at workplace have an adverse impact on the overall productivity of the [a]
(a) Organization (b) Business
(c) Productivity (d) None of these
6. Which of the following can have a big impact on employee satisfaction, which can in turn help make any business more successful? [b]
(a) Industrial relations (b) Good employee relations
(c) Labour Movement (d) All the above
7. What is created in the real process, productivity gains are distributed in the income distribution process and these two processes constitute the production process? [d]
(a) Collective bargaining (b) Productivity
(c) Employment relationship (d) All the above
8. Which of the following is guided mediation is a welcome alternative to proceeding into arbitration immediately? [b]
(a) Production (b) Grievance management
(c) Negotiation (d) Organization
9. Social justice is a concept of fair and just relations between [a]
(a) Individual and society (b) Individual and customer
(c) Company and society (d) All the above
10. Employee relations' refers to a company's efforts to manage relationships between [a]
(a) Employers and employees (b) Employers and Customers
(c) Employee and Employee (d) None of these

Fill in the Blanks

1. _____ relations are the most complicated set of relations that any HR Manager has to deal.
2. _____ can be defining as employer and employees relationship in a formal and informal nature that arises between management and employee interactions in all working situation.
3. _____ is justice that follows the principle that all individuals and groups are entitle to fair and impartial treatment.
4. _____ refers to a right that management feels is intrinsic to the ability to manage.
5. _____ refers to an economic measure of output per unit of input.
6. _____ refers to the workforce productivity is the amount of goods and services that a worker produces in a given amount of time.
7. _____ characterizes the efficiency with which fixed capital stock is used.
8. _____ productivity expresses the amount of economic value generated by a unit of material input or material consumption.
9. _____ is component of economic indicators as it offers a dynamic measure of competitiveness, economic growth and living standards within an economy.
10. Labor productivity is defined as real economic output per _____.

ANSWERS

1. Labor Management
2. Employment relation
3. Social
4. Management prerogative
5. Productivity
6. Labour productivity
7. Capital productivity
8. Raw material
9. Labor productivity
10. Labor hour

UNIT IV

TRADE UNIONISM AND INDUSTRIAL RELATIONS :

Labour movement: Trade union movement, Functions and problems of trade unions. International Labour Movement: International Confederation of Free Trade Unions (ICFTU), World Federation of Trade Unions (WFTU), International Labor Organization's (ILO). Worker's Participation in Management – Forms.

4.1 LABOUR MOVEMENT

Q1. What do you understand by Labour movement?

Ans :

The labor movement grew out of the need to protect the common interest of workers. For those in the industrial sector, organized labor unions fought for better wages, reasonable hours and safer working conditions. The labor movement led efforts to stop child labor, give health benefits and provide aid to workers who were injured or retired.

The origins of the labor movement lay in the formative years of the American nation, when a free wage-labor market emerged in the artisan trades late in the colonial period. The earliest recorded strike occurred in 1768 when New York journeymen tailors protested a wage reduction. The formation of the Federal Society of Journeymen Cordwainers (shoemakers) in Philadelphia in 1794 marks the beginning of sustained trade union organization among American workers.

From that time on, local craft unions proliferated in the cities, publishing lists of "prices" for their work, defending their trades against diluted and cheap labor, and, increasingly, demanding a shorter workday. Thus a job-conscious orientation was quick to emerge, and in its wake there followed the key structural elements characterizing American trade unionism—first, beginning with the formation in 1827 of the Mechanics' Union of Trade Associations in Philadelphia, central labor bodies uniting craft unions within a single city, and then, with the creation of the International Typographical

Union in 1852, national unions bringing together local unions of the same trade from across the United States and Canada (hence the frequent union designation "international"). Although the factory system was springing up during these years, industrial workers played little part in the early trade union development. In the 19th century, trade unionism was mainly a movement of skilled workers.

The early labor movement was, however, inspired by more than the immediate job interest of its craft members. It harbored a conception of the just society, deriving from the Ricardian labor theory of value and from the republican ideals of the American Revolution, which fostered social equality, celebrated honest labor, and relied on an independent, virtuous citizenship. The transforming economic changes of industrial capitalism ran counter to labor's vision. The result, as early labor leaders saw it, was to raise up "two distinct classes, the rich and the poor." Beginning with the workingmen's parties of the 1830s, the advocates of equal rights mounted a series of reform efforts that spanned the nineteenth century. Most notable were the National Labor Union, launched in 1866, and the Knights of Labor, which reached its zenith in the mid- 1880s.

On their face, these reform movements might have seemed at odds with trade unionism, aiming as they did at the cooperative commonwealth rather than a higher wage, appealing broadly to all "producers" rather than strictly to waged workers, and eschewing the trade union reliance on the strike and boycott. But contemporaries saw no contradiction: trade unionism tended to the workers' immediate needs, labor reform to their higher hopes. The two

were held to be strands of a single movement, rooted in a common working-class constituency and to some degree sharing a common leadership. But equally important, they were stands that had to be kept operationally separate and functionally distinct.

4.2 TRADE UNION MOVEMENT

Q2. Explain the concept of Trade union movement.

Ans :

The trade union movement in India started with the forming of Bombay Mill Hands Association in 1890 by N.K. Lokhands. In 1897, Amalgamated Society of Railway Servants, Printers Union of Calcutta in 1905, Madras and Calcutta postal Unions 1907 were the other associations formed in the beginning of this movement.

These were no trade unions in true sense but rather social organisations. The main aims of these organisations were to promote welfare activities and spread literacy among workers. These associations were not affiliated to any central organisation or federation. The leadership to these unions was provided mostly by social reformers, careerists and politicians-cum nationalists.

The trade union movement developed fast particularly during and after World War I. The factors like economic hardship due to rise in cost of living, rising tide of nationalism, emergence of union leadership contributed to development of trade unionism in India.

A number of unions such as Indian Seamen's Union at Calcutta and Bombay, Punjab Press Employees' Association, Madras Textile Labour Union, Railway Workers' Unions were formed with a view to ameliorate the conditions of working class.

A number of nationalist leaders like C.R. Das, Moti Lai Nehru, Jawaharlal Nehru, Subhash Chandra Bose, V.V. Giri, S.A. Dange, S.V. Ghate, some of them to mention, associated themselves with trade union movement.

In 1920 All India Trade Union Congress (AITUC) was formed under the leadership of Lala Lajpat Rai. By 1926-27, workers' and peasants' parties sprang up and in 1928; various local units of these parties were united into in All India Workers' and Peasants' party. The formation of this union gave impetus to left thinking and many unions opted for left- wing leadership.

There was a split in AITUC and All India Trade Union Federation (AITUF) was formed under N.M. Joshi. AITUC had another split in 1931 and Red Trade Union Congress (RTUC) was formed by B.T. Ranadive and S.V. Deshpande. In 1935 RTUC merged into AITUC. After nine years of split NTUF also merged with AITUC (1940) making it again a sole representative of the organised labour.

Those favouring the ideals of socialism and sharing the views of Indian National Congress separated from AITUC and formed Indian National Trade Union Congress (INTUC) in 1947. The socialists later formed Hind Mazdoor Panchayat (H.M.S.).

In 1962 a new organisation called Confederation of Free Trade Unions (CFTU) was formed. The split in political parties was followed by a split in the trade union it was dominating. This process has continued in the Indian scene right upto now.

Q3. Define the term trade unions and its features.

(OR)

What are trade unions? Discuss its features.

Ans :

(Dec.-21, June-19)

Definitions

- (i) **According to Webb**, "A trade Union is the continuous association of wage earners for the purpose of maintaining or improving the conditions of their working lives."
- (ii) **According to Section 2(h) of Indian Trade Union Act**, "Trade union is an combination whether temporary or permanent formed primarily for the purpose of regulating the relation between workmen & employers workers & workers or between

employers & employers or for imposing restrictive conditions or conduct of any trade or business and include any federation of two or more trade unions."

Features

The following are the some features of trade union which are as follows:

1. The trade union is voluntary association:

Trade union is not a compulsory association but voluntary association of workers, who may be in one or more industries and occupations.

2. Common interest

There is certain common interest of the member workers. The leader of the trade union is supposed to pursue and protect the economic and other interest of the members which leads to their welfare.

3. Collective action

After thorough discussions in the meeting of trade union the leader of the union takes collective steps to press their demand before the management.

4. Permanent & continuous association

A trade union is a permanent and continuous organization. They persistently pursue their purpose conceive of their purpose as one, which is not merely immediate but continuous and long term as well. They do not expect to attain their purpose in a day because they anticipate and contemplate a continuing stream of additional objectives to be adopted from time to time.

5. Association engaged in securing economic benefits

Trade unions attempts is to secure control of supply of labour in one or more markets and to maintain that control as a mean of fixing the price of labour as well as the conditions under which they works.

6. The origin and growth of trade union have been influenced by a number of ideology

The socio economic and even political movement have influenced trade union in one or other way

7. Other benefits

Trade union is not only confined to economic benefits, but other benefits such as cultural, political, social and psychological are also within their broader preview.

Q4. Describe the various types of the trade unions.

Ans :

Ever since the dawn of industrialization there has emerged a wide variety of unions across the globe these unions can be classed under two heads

(A) The purpose for which unions are formed

(B) The variation in the composition of their membership

(A) Union classification according to the purpose

Under this head normally two type of union have been kept.

1. Reformist
2. Revolutionary

1. Reformist unions

Such unions don't believe in the destruction of economic, social and management structure of the state or concern but want only to modify them and to have favorable response for their members through negotiation and other peaceful manners. The reformist union is subdivided in two parts:

(a) **Business unionism:** Business unions are those unions that are maintained primarily to represent the workers in collective bargaining

with the employers. They are distinct from other reformists which try to bring economic advantage to their members.

- (b) **Friendly or Uplift unionism:** Idealistic in nature and aspires to elevate the moral, intellectual and social life of the workers and advocate idealistic plans for social regeneration. They emphasise such other consideration as education, health, insurance etc.

2. Revolutionary Unions

Such unions aim at destroying the present structure and replacing it with the new and different institution according to the ideals that are regarded as preferable. The revolutionary unionism generally seeks to destroy capitalist industry to abolish the wage system and substitute it with some other system generally socialist and communist. These unions are further classified in two classes:

- (a) **Anarchist unions:** The unions which try to destroy the existing economic system by revolutionary means called anarchist Unions. Such unions exist no more in the present scenario.
- (b) **Political unions:** The unions which gain power through political action called political unions. The main function of such unions is to eliminate the power of capital and capitalists, redistributing wealth and giving effective power to workers.

(B) Union classification on the basis of membership structure

The union can also be classified according to variations in the composition of the members. On this basis unions have been classified in four categories:

- (i) **Craft union:** It is an organisation of workers employed in a particular craft and trade or in a single or few occupations. Such organizations link together those workers who have similar skills, craft training and specialization, aiming to safeguard their interest.
- (ii) **Industrial union:** It is an organisation of workers which links all craftsmen and skilled workers in any industry. It is organized upon the industry wise basis rather than the craft wise basis.
- (iii) **Staff union:** The term staff union is popularly used to both craft and industrial union. It is organized the workers on the basis of craft working in same industry.
- (iv) **General union:** It is an organisation which covers various industries and labourers having different skills. They have numerical superiority (large membership), for they are open to all classes of workers and this is the source of their strength.

Q5. What are the objectives of Trade Unions?

Ans :

Some important reasons as to why workers organize themselves to form trade union are as follows:

1. To safeguard their interests

Workers often join trade union in order to have a stronger voice to resist those actions of the management which are against their interest. When employers cut wages or pay low wages; when working conditions are unsafe or too unpleasant; when management interferes in worker's personal lives, workers resist by forming unions. Through the unions they petition management for change and if don't succeed, they may resort to a concerted work stoppage "a strike".

2. To participate in union activities

Workers may join unions to obtain certain health or insurance benefits or to participate in educational program or to learn about their own business and occupation. They may also join to engage in social and community activities.

3. To exercise leadership

Some workers join union as an outlet for their own ambitions. They have leadership traits and to explore the power of the trade union to be a leader they joins the trade unions.

4. To get hike in wage rate

One of the important objective behind workers joining a union has been their belief that they would get wages increased and have stronger impact through collective action.

5. To maintain good relation

Another reason of employees joining trade unions may be broader realization on their part that trade unions maintain the employer – employee or labour management relation.

6. To maintain adequate working conditions

Employee may join trade union because of their belief that unions are effective way to secure adequate protection from various hazards and financial security during situation like accident injury, illness, unemployment etc.

7. To get a media of communication

The employees may join the unions because of their feeling that this would enable them to communicate their views, ideas, feeling and frustrations to the management and exercise an effective voice to the management decision on the matter concerning their welfare.

8. To do fair dealing

The employees may join trade union to ensure a just and fair dealing by management and well planned actions. Through collective

strength restrain the management from taking any such action which may be irrational or contrary to their interest.

9. To get employment

Sometimes workers join trade union because it is a precondition to their getting employment. This is known as the 'closed shop' system and was prevalent in America till 1947.

10. To get strengthen

Since the employee alone as an individual feel specially weak in a world of mass production and mass movement, he prefers to join an organization that may offer him an opportunity to join other for the achievement of those objectives that he consider as socially desirable.

4.2.1 Functions**Q6. What are the functions of trade unions?**

Ans:

(Dec.-21, June-19)

For the attainment of above objectives trade union performs two types of functions

- (i) Militant functions
- (ii) Ministrant or Federal functions

(i) Militant function

One of the main aim of the unions is to secure better conditions of work and employment and more recently, the trade union have an aim to secure some share of productivity gains and participation in the management or even control over industry. When the union fail to accomplish these objectives by the method of negotiations they adopt aggressive methods and put a fight with the management in the form of strike, boycott etc.

(ii) Federal function

A trade union is also a federal association or a mutual benefit organization supporting the member out of their own funds during the period of work stoppage due to strike or

lockout. It also provides financial assistance to the member during the period when they are unfit for their work because of illness or employment injury or when they are temporary unemployed. Some another function of the trade unions may be summarized as under:

1. **Infra-mural activities:** Such functions of unions leads to the betterment of employment condition of employees such as adequate salary, sanitary etc. by collective bargaining, negotiation etc.
2. **Extra-mural activities:** Such activities help the employee to maintain and improve their efficiency such as promote friendly relation, education and culture among members.
3. **Political activities:** That may be related to the function of a political labour party or those reflecting an attempt to seek influence on public policy relating to matter connected with the interest of members.

However, one cannot take a static view of the functions that trade unions perform today in the large interest of the community. In every country the functions of trade unions have to change depending on the stage of economic and social development. It also depend on the strength of the trade union, both organizational as well as financial and up to a great extent on the institutional set up of the society in which they have to operate.

4.2.2 Problems

Q7. Explain the various problems of trade unions.

Ans : (Dec.-21, June-19)

Our trade unions are not so developed as in the western countries due to following reasons:-

1. Outside Leadership

In India Trade unions has been dominated by outside leadership. It is a notable feature

of Trade Union in India. Nowa- days these leaders are professional political Leaders. Hence, they exploit the sentiments of people for their political purpose. They are not generally interested to solve the problems of workers but exploit them for their political benefits. Most of the negotiations with the employers fail due to such political leadership. The interests and welfare of labours are generally ignored. Therefore, outside leadership is major weakness of Trade Unions in India.

2. Low membership

Though the number of Trade Unions in India has considerably increased but membership per union has declined. With the help of these data it can be proved. That in 1927-28 the average number of members per union was near about 3500. it was reduced to about 1400 in 1946-47 and further it decreased to 675 in 1985. The union having low membership would not be more effective.

3. Uneven growth of Trade Unions

The degrees of unionization varies from Industry to industry in coal industry it is 6.1%, cotton textile 56%, tobacco manufacturing 70%, Electricity and gas it is 39% , hence, it can be said that In India Trade Unison activities are concentrated in large scale Industries but in small scale industries it is nominal.

4. Multiplicity of Trade Unions

It is also a major problem of Trade Union in India. It has been generally seen that there are many Trade Union in the same Industry. There are sometime as many as 20 unions in the same plant. As the Trade Union act, 1926 permits that any association of seven workers can be registered as unions. Multiplicity of unions instead solving the problems of workers are fighting among themselves. So, the purpose of Trade Unions Fails.

5. Absence of paid office Bearers

In India, majority of Trade Unions do not have whole time paid office bearers. Many of them work on honorary basis. Since, they are not paid. They devote only limited time and energy to Trade Union activities. In the absence of full time workers generally political leader dominates unions. Moreover the office bears are not trained properly.

6. Weak financial position

In India, most of the Trade Union's financial positions is very weak because their average yearly income is inadequate, as subscription rates are very low. The reason for weak financial position is also multiplicity of unions. The leaders of different unions try to attract workers towards their unions comparatively at low rate of subscription. It is the wrong notion that the Indian workers financially are not too good. Over the years the average income of workers has been on increase hence, it is wrong plea that they cannot afford higher rate of subscription.

7. Lack of interest

In India a large number of workers have not joined trade union. About 2/3 of the workers have no link with any union. Moreover all the members of the trade union do not show interest in their affairs. Their attendance at the general meeting of the union is very low. Under such circumstances trade union cannot be expected to make such progress. In order to make the trade union movement succeed the members of trade union have to take keen interest in the affairs.

8. Lack of public support

As most of the trade union believes in the pressure tactics such as strike and demonstration and give limited attention to peaceful methods for the settlement of demands and disputes. The general public is

affected due to strike, go slow policy and other practices of unions. As a result public support or sympathy is not available to the unions.

9. Limited stress on welfare

Most of the Trade Unions in India undertake only limited welfare activities. They feel that their major activity is to fight with the employer for more wages and allowances.

Q8. Describe the corrective measures to improve the trade unions.

Ans :

1. There should be a strong base to develop the Trade Union by safeguarding the interest of the members and by achieving the target of production.
2. To make effective unionism there should be one union in one industry.
3. As most of the unions are influence by political parties. Hence, there interference should be eliminated.
4. There should be training programmes to develop the internal leadership.
5. It will be more effective if office bearers of the Trade Unions are well paid.
6. As most of the Trade Unions in India are financially weak. This problem can be solved by raising the membership and collecting more funds for unions.
7. Most of the unions are engaged in industrial disputes they do not undertake economic, social and cultural activities which are equally important for raising welfare of the working class.

As a considerable number of Trade Unions are not recognized. Hence, the proper recognition of unions will make them more effective.

4.3 INTERNATIONAL LABOUR MOVEMENT**Q9. Explain the concept of International Labour Movement.**

Ans :

International labour movement began during the industrial revolution, when agricultural jobs declined and employment moved to more industrial areas. The idea met with great resistance. In the early 19th century, groups such as the Tolpuddle Martyrs of Dorset were punished and transported for forming unions, which was against the laws of the time.

Trade unionism was active during the early to mid-19th century and various labour parties and trade unions were formed throughout the industrialized parts of the world. The International Workingmen's Association, the first attempt at international coordination, was founded in London in 1864. The major issues included the right of the workers to organize them, and the right to an 8-hour working day. In 1871 workers in France rebelled and the Paris Commune was formed. From the mid-nineteenth century onward the labour movement became increasingly globalized.

The movement gained major impetus during the late 19th and early 20th centuries from the Catholic Social Teaching tradition which began in 1891 with the publication of Pope Leo XIII's foundational document, *Rerum novarum*, also known as "On the Condition of the Working Classes," in which he advocated a series of reforms including limits on the length of the work day, a living wage, the elimination of child labour, the rights of labour to organise, and the duty of the state to regulate labour conditions.

Throughout the world, action by labourists has resulted in reforms and workers' rights, such as the two-day weekend, minimum wage, paid holidays, and the achievement of the eight-hour day for many workers. There have been many important labour activists in modern history who have caused changes that were revolutionary at the time and are now regarded as basic. For example,

Mary Harris Jones, better known as "Mother Jones", and the National Catholic Welfare Council were important in the campaign to end child labour in the United States during the early 20th century.

4.3.1 International Confederation of Free Trade Unions (ICFTU)**Q10. Discuss briefly about International Confederation of Free Trade Unions (ICFTU).**

Ans :

The International Confederation of Free Trade Unions (ICFTU) was an international trade union. It came into being on 7 December 1949 following a split within the World Federation of Trade Unions (WFTU), and was dissolved on 31 October 2006 when it merged with the World Confederation of Labour (WCL) to form the International Trade Union Confederation (ITUC).

Prior to being dissolved, the ICFTU had a membership of 157 million members in 225 affiliated organizations in 148 countries and territories.

In 1949, early in the Cold War, alleging Communist domination of the WFTU's central institutions, a large number of non-communist national trade union federations (including the U.S. AFL-CIO, the British TUC, the French FO, the Italian CISL and the Spanish UGT) seceded and created the rival ICFTU at a conference in London attended by representatives of nearly 48 million members in 53 countries.

From the 1950s the ICFTU actively recruited new members from the developing regions of first Asia and subsequently Africa. Following the collapse of Communist party government in the Soviet Union and eastern Europe, the Federation's membership has risen steeply from 87 million in 1988 and 100 million in 1992, as trade union federations from former Soviet bloc countries joined the ICFTU.

The ICFTU was formally dissolved on 31 October 2006 when it merged with the World Confederation of Labour (WCL) to form the International Trade Union Confederation (ITUC).

Organisation

The ICFTU had three regional organisations: APRO for Asia and the Pacific, AFRO for Africa, and ORIT for the Americas. The ICFTU also maintained close links with the European Trade Union Confederation (ETUC) (which includes all ICFTU European affiliates) and Global Union Federations, which link together national unions from a particular trade or industry at international level.

Central to the ICFTU's work was the struggle to defend workers' rights. The ICFTU lobbied for the ratification of the so-called "core labour standards" eight key conventions of the International Labour Organization concerning freedom of association, the abolition of child labour and forced labour and the elimination of discrimination in the workplace.

The ICFTU has staff which are devoted entirely to the monitoring and defence of workers' rights, and they issue almost on a daily basis alerts and calls to action. The ICFTU published its "Annual Survey of Violations of Trade Union Rights" every June, the publication of which was usually accompanied by extensive press coverage of the violations of trade union rights around the world. The report often focused on the numbers of people killed for being members of unions.

In its constitution, the organisation pledged itself to "champion the cause of human freedom, promote equality of opportunity for all people, seek to eliminate everywhere in the world any form of discrimination or subjugation based on race, religion, sex or origin, oppose and combat totalitarianism and aggression in any form".

That constitution listed no fewer than seventeen aims of the organisation and it has been argued that the ICFTU from its very beginning set itself goals that would be impossible to achieve particularly with a small staff and budget. For example, the organisation's constitution required it "to carry out a programme of trade union and workers' education" as well as to give "assistance to those suffering from the consequences of natural and industrial disasters".

4.3.2 World Federation of Trade Unions (WFTU)

Q11. Explain about World Federation of Trade Unions (WFTU).

Ans :

(Dec.-21)

The World Federation of Trade Unions (WFTU) was established in 1945 to replace the International Federation of Trade Unions. Its mission was to bring together trade unions across the world in a single international organization, much like the United Nations. After a number of Western trade unions left it in 1949, as a result of disputes over support for the Marshall Plan, to form the International Confederation of Free Trade Unions, the WFTU was made up primarily of unions affiliated with or sympathetic to communist parties. In the context of the Cold War, the WFTU was often portrayed as a Soviet front organization. A number of those unions, including those from Yugoslavia and China, left later when their governments had ideological differences with the Soviet Union.

The WFTU declined as a result of the collapse of the Soviet Union and socialist governments in Eastern Europe, in particular in Europe, with many of its former constituent unions joining the ICFTU. That fall seems to have come to an end since the congress in Havana in 2005 where a new leadership was elected with Georges Mavrikos, a Greek union activist from PAME, leading member of the Communist Party of Greece (KKE), at its head.

In January 2006 it moved its headquarters from Prague, Czech Republic to Athens, Greece and reinvigorated its activity by putting focus on organizing regional federations of unions in the Third World, by organizing campaigns against imperialism, racism, poverty, environmental degradation and exploitation of workers under capitalism and in defense of full employment, social security, health protection, and trade union rights. The WFTU devotes much of its energy to organizing conferences, issuing statements and producing educational materials and courses for trade union leaders.

In recent years, the WFTU has successfully managed to recruit several trade unions of importance in Europe, amongst which the Rail Maritime Trade Union in Great Britain, the Unione Sindicale di Base in Italy. In France, the CGT federation of food processing industry has maintained its affiliation with the WFTU. The CGT federation of Chemical industries sent delegates to the last congress in Athens in 2011. In 2013, two local CGT railway workers branches have taken steps to become affiliates with the WFTU.

The different offices of the WFTU across the different continents organize regular exchanges and militant visits of trade union activists from an affiliate to another in order to further discussions, foster internationalist ties, establish an international activity of its affiliates around shared objectives and campaigns, against common adversaries.

In Africa, unions of major importance such as COSATU in South Africa have affiliated with the WFTU.

As part of its efforts to advance its international agenda, the WFTU develops working partnerships with national and industrial trade unions worldwide as well as with a number of international and regional trade union organizations including the Organization of African Trade Union Unity (OATUU), the International Confederation of Arab Unions (ICATU), the Permanent Congress of Trade Union Unity of Latin America (CPUSTAL), and the General Confederation of Trade Unions of CIS countries.

The WFTU holds consultative status with the Economic and Social Council of the United Nations, the ILO, UNESCO, FAO, and other UN agencies. It maintains permanent missions in New York, Geneva, and Rome.

4.3.3 International Labor Organization's (ILO)

Q12. Explain briefly about ILO.

Ans : (June-19)

Introduction

Established in 1919, the International Labour Organization (ILO) is one of the important organs

of the United Nations System. It has played a significant role in promoting international labour standards. India is a founder member of the ILO and has contributed to the codification of the standards. It has, in turn, benefited from these standards in developing its own legal and institutional framework on social and labour aspects. In recent years, efforts have been made to link the standards to world trade through social clauses of the World Trade Organization (WTO).

This is sought to be done through aligning national laws and institutions in such a way that better compliance of international labour standards is secured through hard laws. Parallel to this, efforts are being made to promote international labour standards through voluntary means, such as, company codes, fair trading initiatives, social labelling, and consumer boycotts. In this chapter, we shall discuss the relevant aspects with reference to India. The varied and divergent perspectives of governments, employers, and workers' organizations in developed and-developing countries.

ILO and India

The ILO (established in 1919) is a unique organization in the United Nations System which provides for tripartite—employers, unions, and governments—representation. India is a founder member of the ILO. In 2004, the ILO had 175 member countries. At every level in the organization, besides governments, two other social partners, namely the workers and employers, are involved. All three groups are represented in all the organs of the ILO and share responsibility in conducting its work. The three organs of the ILO are

- the International Labour Conference—the General Assembly of the ILO, which meets once a year in the month of June,
- the Governing Body—the Executive Council of the ILO, which meets three times a year in the months of March, June, and November, and

- the International Labour Office—a permanent Secretariat with headquarters in Geneva and field offices in various continents/regions and countries.

The work of the Conference and the Governing Body is supplemented by regional conferences, regional advisory committees, industrial committees, committees of experts, panels of consultants, special conferences/meetings, etc.

The Conference, assisted by the Governing Body, adopts international labour standards in the form of Conventions and Recommendations and provides a forum for discussing social, economic, and labour-related issues. From 1919-2004, the International Labour Conference had four Indian Presidents, Sir Atul Chatterjee, 1927; Shri Jagjivan Ram, Minister for Labour, 1950; Dr Nagendra Singh, President, International Court of Justice, 1970; and Shri Ravindra Verma, Minister for Labour and Parliamentary Affairs, 1979. There have also been eight Indian Vice Presidents of the International Labour Conference—two from government groups and three each from employers' and workers' groups. Indians have chaired several important committees of conferences, such as the Committee on Application of Standards, Selection Committee, and the Resolution Committee.

The Governing Body of the ILO is the executive wing of the organization. It is also tripartite in character. Since 1922, an Indian has been holding a non-elective seat on the Governing Body as one of the 10 countries of chief industrial importance. Indian employers' and workers' representatives have been elected as members of the Governing Body most of the time. Four Indians have so far been elected as Chairman of the Governing Body. They are Sir Atul Chatterjee (1932—33); Shri Shamal Dharee Lall, Secretary, Ministry of Labour (1948-49); Shri S.T. Merani, Joint Secretary, Ministry of Labour (1961-62); and Shri B.G. Deshmukh, Secretary, Ministry of Labour (1984— 85). The Governing Body of the ILO functions through various committees and India is a member of all six committees of the Governing Body.'

The International Labour Office, Geneva, provides the Secretariat with all the work of the ILO and the implemented decisions taken by the Conference, Governing Body, etc. Among the Indians who occupied important positions, mention should be made of S.K. Jain, who retired as Deputy Director General of the ILO, and Shri Padmanabh Gopinath, who was the Director of the International Institute of Labour Studies, Geneva.

The principal means of action of the ILO are the international labour standards set up in the form of Conventions and Recommendations. Conventions are international treaties and instruments which create legally binding obligations on the countries which ratify them. Recommendations are non-binding and set out guidelines orienting national policies and actions.

Prominent Indians have served on the ILO Committee of Experts on Application of Conventions and Recommendations, which is an independent body to oversee the implementation of the ILO Conventions by member countries. They include:

1. Shri Atul Chatterjee, 1936-38 and 1945-55,
2. Shri R.M. Bannerjee, 1956-88,
3. Shri A. Ramaswamy Mudaliar, 1959-70.
4. Justice P.V. Gajendragadkar, 1972-77, and
5. Justice P.N. Bhagwati, 1978-2004.

The ILO is currently implementing several technical cooperation projects in India, including one to eliminate child labour.

4.4 WORKER'S PARTICIPATION IN MANAGEMENT

Q13. What is meant by Worker's Participation in Management? Describe the objectives of Worker's Participation in Management.

Ans :

(Dec.-21)

Meaning

The concept of workers' participation in management is a broad and complex one. Depending on the socio-political environment and cultural conditions, the scope and content of participation may change. Various terms have come to be used to denote different forms and degree of participation.

For example, joint consultation, labour-management cooperation, codetermination, joint decision making, workers' participation in industry and workers' participation in management. These terms or their variants have been interpreted and explained differently. In any case, a common thread running through all interpretations is the idea of associating employees in managerial decision-making.

The International Institute for Labour Studies defined WPM as "the participation resulting from practices which increase the scope for employee's share of influence in decision-making at different tiers of organizational hierarchy with concomitant assumption of responsibility".

In the words of Gosep, Workers' Participation may be viewed as:

- an instrument for increasing the efficiency of enterprises and establishing harmonious industrial relations;
- a device for developing social education for promoting solidarity among workers and for tapping human talent;
- a means for achieving industrial peace and harmony which leads to higher productivity and increased production;
- a humanitarian act, elevating the status of a worker in the society;
- an ideological way of developing self-management and promoting industrial democracy.

A clear and more comprehensive definition is

Workers' Participation, may broadly, be taken to cover terms of association of workers and their representatives with decision-making process, ranging from exchange of information, consultation, decisions and negotiations to more institutionalized forms such as the presence of workers' member on management or supervisory boards or even management by workers themselves.

Objectives

It would be more appropriate to classify the objectives of Workers Participation in Management in the following broad categories:

(i) Ethical or Moral Objectives

In an ethical or moral context, participation in decision making is designed to promote individual development or fulfillment in accordance with the conception of human rights and dignity to which the Universal Declaration of Human Rights (1948) probably gives the most widely published expression. The declaration reads-"All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood. Further, everyone, as a member of society... is entitled to realization...of the economic, social and cultural rights indispensable for his dignity and the free development of his personality".

The Special Advisory Committee, set up by the Government of Jamaica, defined "Workers' Participation" as "the extension of the individual's human rights at the work place" and stressed that "the procedures, institutions, rules and styles of management should bring the worker's recognition, treatment and attention as a human being rather than as a mere statistical unit of production".

(ii) Socio-Political Objectives

Political democracy ceases to have much significance in the absence of democracy in

economic life. A citizen cannot be regarded as sufficiently mature for political democracy if he is denied democratic rights in his economic life. The industrial democracy programme adopted by the Swadeshi Trade Union Confederation in 1971 emphasised: "Industrial democracy is part of the effort made by the labour movement to extend democracy throughout society... Life away from the workplace has developed in one way and life at the workplace in another.

The difference constantly grows and is at the root of the increasing need which employees feel to exert an influence on conditions of work and on management... If arbitrary situations are allowed to persist in one sector of society, they are an obstacle to the progress of democracy in the other sectors... Industrial democracy should be regarded as part of the general process of democratization." In our own country, the Second Five Year Plan, which was directed to the establishment of a socialist society, stated that a socialist society was based not only on cash incentives but also on the idea of serving the community and its willingness to recognize such service.

So, individual workers must be induced to feel that in their own way they were helping to build a state directed towards progress. Consequently, the introduction of industrial democracy was a prerequisite for the establishment of a socialist society.

(iii) Economic Objectives

Economic objectives relate directly or indirectly to increasing the efficiency of the undertaking. By associating the workers with the decisions taken, it is hoped to improve the quantity and quality of output and the utilisation of labour, raw materials, equipment and introduction of new techniques. There is growing awareness of the fact that the knowledge, experience and intelligence of

those who actually do the work are not sufficiently used for improving industrial organisation and methods. Through participation, it is also hoped to reduce the areas of conflict of interest between management and labour and to improve labour relations.

Q14. Explain the Levels of Worker's Participation in Management.

Ans :

1. Information Participation

It ensures that employees are able to receive information and express their views pertaining to the matter of general economic importance.

2. Consultative Importance

Here workers are consulted on the matters of employee welfare such as work, safety and health. However, final decision always rests with the top-level management, as employees' views are only advisory in nature.

3. Associative Participation

It is an extension of consultative participation as management here is under the moral obligation to accept and implement the unanimous decisions of the employees. Under this method the managers and workers jointly take decisions.

4. Administrative Participation

It ensures greater share of workers' participation in discharge of managerial functions. Here, decisions already taken by the management come to employees, preferably with alternatives for administration and employees have to select the best from those for implementation.

5. Decisive Participation

Highest level of participation where decisions are jointly taken on the matters relating to production, welfare etc.

Q15. Explain the scope of workers participation management.

Ans :

(i) Participation at the Board level

The workers' representative on the board can serve as a control element and a guide to the management in its exercise of personnel and social functions. He or she can guide the Board members on matters of investment in employee benefit schemes like housing and so forth.

(ii) Participation through Ownership

Workers may become more involved in industries by making them shareholders of the company. This may be done by including them to buy equity shares. The management may promote the scheme by allowing the workers to make payments in installments. It may also advance loans or even give financial assistance to such workers to enable them to buy equity shares.

(iii) Participation through Complete Control

Workers require complete control of the management through elected boards. The system of self-management in Yugoslavia is based on this concept. It gives complete control to workers to manage directly all aspects of industries through their representative.

(iv) Participation through Staff or Works Councils

Staff councils or works councils are bodies on which the representation is entirely of the employees. There may be one council for the entire organization or a hierarchy of work councils forms the shop-floor to the Board level. The members of the councils are elected by the employees of respective sections.

(v) Participation through Joint Councils and Committees

Joint councils are bodies comprising representatives of employers and employees. The function of these bodies may range from decision making on some issues, to merely advising the management as consultative bodies.

(vi) Participation through Collective Bargaining

The principle of collective bargaining confers on the management and workers the right, through collective agreements, to lay down certain rules for the formulation and termination of the contract of employees, as well as the conditions of service in an establishment.

(vii) Participation through Suggestion Schemes

Employees' views on such matters as machine utilization, waste management, energy conservation and safety measures are invited, and rewards is given for the best suggestion. This procedure enables the management to arouse and maintain the employees' interests in the problem of their concern and its management.

(viii) Participation through Quality Circles

A quality circle consists of 7 to 10 people from the same work area who meet regularly to define, analyze, and solve quality and related problems in their area. Employees are involved in decision making. This privilege makes them acquire communication & analytical skills and improve the efficiency at the workplace.

(ix) Empowered Teams

Empowering refers to passing on authority and responsibility. Empowerment occurs when power goes to employees who then experience a sense of ownership and control over their jobs.

4.4.1 Forms**Q16. Explain various Forms of Worker's Participation****(OR)****What are the various forms of workers participation in management?***Ans :* **(June-19)**

The workers' participation in management may take the following forms:

1. Co-Ownership

Workers are made shareholders by allotting those shares in the company. They are employees as well as owners of the business concern. Thus, their participation in the management is automatically guaranteed.

2. Seat on Board of Directors

In this case the workers' representative is given a seat on the boards of directors. In advanced countries like Britain and U.S.A., trade unions have already rejected this idea. It is generally felt that the workers do not understand the intricacies of management.

Moreover, their representatives being in minority may not have much say in the decision making whereas that decision will be applicable to all the employees. By remaining out of the board, they can keep a better check on the management.

The Sachar Committee studied the problems of workers' participation in management and observed "Conditions must be created where the worker directors are able to play a helpful and effective role. It is apparent that as a member of the board, the worker director will familiarise himself with subjects with which he was not associated before. The training of the employees must, therefore, be immediately taken in hand".

3. Works Committee

These committees have been regarded as the

most effective social institution of industrial democracy. The need for their constitution has been emphasised as early as 1931 by the Royal Commission on Labour.

It was again emphasised by the Industrial Truce Resolution on 1947, which recommended their constitution in each industrial undertaking for the settlement of any dispute which may arise in future.

This recommendation was given effect to in the Industrial Disputes Act of 1947. Section 3 of the Act provides for these bodies in every undertaking employing 100 or more workmen.

These committees are consultative bodies. Their functions include discussion of conditions of work like lighting, ventilation, temperature and sanitation etc., and amenities like water supply for drinking purposes, canteen, medical services, safe working conditions, administration of welfare funds etc.

The works committee should not deal with matters connected with collective bargaining which are exclusively reserved for trade unions.

4. Joint Management Councils

Joint committees for settlement of grievances or specific problems may be set up for promoting workers' participation in management. Workers' representatives sit with the management across the table to discuss matters which fall within its purview.

The main object of such councils is to give an opportunity to workers to understand the working of the industry and satisfy their urge for self-expression.

Should Joint Councils control policy? A policy is formulated against a background of numerous factors most of them being out of the control of the management. In fact, the real interest of the workers participating in

such councils is to see that its claims are given due weightage along with the claims of government, consumer and shareholders.

The participation is, therefore, on the job itself (formation of autonomous work group's determination of production standards, control of pace and rhythm etc.) rather than in the policy making.

The origin of joint councils can be traced back to the First World War in Britain. To deal with the strikes, British Government appointed Mr. J.H. Whitley as the Chairman of the Committee for suggesting ways and means for bringing industrial peace.

It suggested workers' participation in management as the only means for improving industrial relations. Under this scheme works councils, district councils and national councils were set up. These councils are popularly known as 'Whitley Councils'.

The Eighth Annual Conference of the Indian Institute of Personnel Management summed up the prerequisites for success in joint consultation as follows:

- (a) Works committees should be recommendatory in function;
- (b) Some provision should be made to include supervisory levels in these consultative bodies;
- (c) Information about the work done in a consultative body should be widely disseminated and steps should be taken to assure that the supervisory levels are not short-circuited;
- (d) Subjects discussed in joint consultative bodies should not encroach in any way, on such spheres as are normally the subject of management-union negotiations;
- (e) It is desirable that workers' representatives in consultative bodies should be the employees of the organization concerned;
- (f) Measures like making it compulsory that the chairmanship of a joint consultative

committee should go to employees' representative and a management representative alternately, should be avoided.

Joint Management Councils must not indulge in collective bargaining. Certain issues like wages, bonus etc., should not be discussed in such councils. Usually their area of operation includes welfare and safety measures, vocational training, working hours and breaks, holidays etc.

5. Profit Sharing

Workers feel involved in the management especially when they are given a share in profits of the business.

6. Suggestion Scheme

Suggestion scheme may also be introduced for creating interest in the work by announcing a suitable reward for original and useful suggestions. Employees can put their suggestions in the suggestion boxes which are installed in the various departments.

Short Question and Answers

1. Explain briefly about ILO.

Ans :

Introduction

Established in 1919, the International Labour Organization (ILO) is one of the important organs of the United Nations System. It has played a significant role in promoting international labour standards. India is a founder member of the ILO and has contributed to the codification of the standards. It has, in turn, benefited from these standards in developing its own legal and institutional framework on social and labour aspects. In recent years, efforts have been made to link the standards to world trade through social clauses of the World Trade Organization (WTO).

This is sought to be done through aligning national laws and institutions in such a way that better compliance of international labour standards is secured through hard laws. Parallel to this, efforts are being made to promote international labour standards through voluntary means, such as, company codes, fair trading initiatives, social labelling, and consumer boycotts. In this chapter, we shall discuss the relevant aspects with reference to India. The varied and divergent perspectives of governments, employers, and workers' organizations in developed and-developing countries.

2. Define the term trade unions.

Ans :

Definitions

- (i) **According to Webb**, "A trade Union is the continuous association of wage earners for the purpose of maintaining or improving the conditions of their working lives."

- (ii) **According to Section 2(h) of Indian Trade Union Act**, "Trade union is an combination whether temporary or permanent formed primarily for the purpose of regulating the relation between workmen & employers workers & workers or between employers & employers or for imposing restrictive conditions or conduct of any trade or business and include any federation of two or more trade unions."

3. World Federation of Trade Unions.

Ans :

The World Federation of Trade Unions (WFTU) was established in 1945 to replace the International Federation of Trade Unions. Its mission was to bring together trade unions across the world in a single international organization, much like the United Nations. After a number of Western trade unions left it in 1949, as a result of disputes over support for the Marshall Plan, to form the International Confederation of Free Trade Unions, the WFTU was made up primarily of unions affiliated with or sympathetic to communist parties. In the context of the Cold War, the WFTU was often portrayed as a Soviet front organization. A number of those unions, including those from Yugoslavia and China, left later when their governments had ideological differences with the Soviet Union.

The WFTU declined as a result of the collapse of the Soviet Union and socialist governments in Eastern Europe, in particular in Europe, with many of its former constituent unions joining the ICFTU. That fall seems to have come to an end since the congress in Havana in 2005 where a new leadership was elected with Georges Mavrikos, a Greek union activist from PAME, leading member of the Communist Party of Greece (KKE), at its head.

4. International Confederation of Free Trade Unions (ICFTU).

Ans :

The International Confederation of Free Trade Unions (ICFTU) was an international trade union. It came into being on 7 December 1949 following a split within the World Federation of Trade Unions (WFTU), and was dissolved on 31 October 2006 when it merged with the World Confederation of Labour (WCL) to form the International Trade Union Confederation (ITUC).

Prior to being dissolved, the ICFTU had a membership of 157 million members in 225 affiliated organizations in 148 countries and territories.

In 1949, early in the Cold War, alleging Communist domination of the WFTU's central institutions, a large number of non-communist national trade union federations (including the U.S. AFL-CIO, the British TUC, the French FO, the Italian CISL and the Spanish UGT) seceded and created the rival ICFTU at a conference in London attended by representatives of nearly 48 million members in 53 countries.

From the 1950s the ICFTU actively recruited new members from the developing regions of first Asia and subsequently Africa. Following the collapse of Communist party government in the Soviet Union and eastern Europe, the Federation's membership has risen steeply from 87 million in 1988 and 100 million in 1992, as trade union federations from former Soviet bloc countries joined the ICFTU.

5. Labour movement.

Ans :

The labor movement grew out of the need to protect the common interest of workers. For those in the industrial sector, organized labor unions fought for better wages, reasonable hours and safer working conditions. The labor movement led efforts to stop child labor, give health benefits and provide aid to workers who were injured or retired.

The origins of the labor movement lay in the formative years of the American nation, when a free wage-labor market emerged in the artisan trades late in the colonial period. The earliest recorded strike occurred in 1768 when New York journeymen tailors protested a wage reduction. The formation of the Federal Society of Journeymen Cordwainers (shoemakers) in Philadelphia in 1794 marks the beginning of sustained trade union organization among American workers.

6. Objectives of trade unions.

Ans :

Some important reason as to why workers organize themselves to form trade union are as follows:

1. To safeguard their interests

Workers often join trade union in order to have a stronger voice to resist those actions of the management which are against their interest. When employers cut wages or pay low wages; when working conditions are unsafe or too unpleasant; when management interfere in worker's personal lives, workers resist by forming unions. Through the unions they petition management for change and if don't succeed, they may resort to a concerted work stoppage "a strike".

2. To participate in union activities

Workers may join unions to obtain certain health or insurance benefits or to participate in educational program or to learn about their own business and occupation. They may also join to engage in social and community activities.

3. To exercise leadership

Some workers join union as an outlet for their own ambitions. They have leadership traits

and to explore the power of the trade union to be a leader they joins the trade unions.

4. To get hike in wage rate

One of the important objective behind workers joining a union has been their belief that they would get wages increased and have stronger impact through collective action.

5. To maintain good relation

Another reason of employees joining trade unions may be broader realization on their part that trade unions maintain the employer – employee or labour management relation.

7. Problems of trade unions.

Ans :

1. Outside Leadership

In India Trade unions has been dominated by outside leadership. It is a notable feature of Trade Union in India. Nowa- days these leaders are professional political Leaders. Hence, they exploit the sentiments of people for their political purpose. They are not generally interested to solve the problems of workers but exploit them for their political benefits. Most of the negotiations with the employers fail due to such political leadership. The interests and welfare of labours are generally ignored. Therefore, outside leadership is major weakness of Trade Unions in India.

2. Low membership

Though the number of Trade Unions in India has considerably increased but membership per union has declined. With the help of these data it can be proved. That in 1927-28 the average number of members per union was near about 3500. it was reduced to about 1400 in 1946-47 and further it decreased to 675 in 1985. The union having low membership would not be more effective.

3. Uneven growth of Trade Unions

The degrees of unionization varies from Industry to industry in coal industry it is 6.1%, cotton textile 56%, tobacco manufacturing 70%, Electricity and gas it is 39% , hence, it can be said that In India Trade Unison activities are concentrated in large scale Industries but in small scale industries it is nominal.

8. International Labour Movement.

Ans :

International labour movement began during the industrial revolution, when agricultural jobs declined and employment moved to more industrial areas. The idea met with great resistance. In the early 19th century, groups such as the Tolpuddle Martyrs of Dorset were punished and transported for forming unions, which was against the laws of the time.

Trade unionism was active during the early to mid-19th century and various labour parties and trade unions were formed throughout the industrialized parts of the world. The International Workingmen's Association, the first attempt at international coordination, was founded in London in 1864. The major issues included the right of the workers to organize them, and the right to an 8-hour working day. In 1871 workers in France rebelled and the Paris Commune was formed. From the mid-nineteenth century onward the labour movement became increasingly globalized.

9. Worker's Participation in Management?

Ans :

Meaning

The concept of workers' participation in management is a broad and complex one. Depending on the socio-political environment and cultural conditions, the scope and content of participation may change. Various terms have come to be used to denote different forms and degree of participation.

For example, joint consultation, labour-management cooperation, codetermination, joint decision making, workers' participation in industry and workers' participation in management. These terms or their variants have been interpreted and explained differently. In any case, a common thread running through all interpretations is the idea of associating employees in managerial decision-making.

10. Levels of Worker's Participation in Management.

Ans :

1. Information Participation

It ensures that employees are able to receive information and express their views pertaining to the matter of general economic importance.

2. Consultative Importance

Here workers are consulted on the matters of employee welfare such as work, safety and health. However, final decision always rests with the top-level management, as employees' views are only advisory in nature.

3. Associative Participation

It is an extension of consultative participation as management here is under the moral obligation to accept and implement the unanimous decisions of the employees. Under this method the managers and workers jointly take decisions.

4. Administrative Participation

It ensures greater share of workers' participation in discharge of managerial functions. Here, decisions already taken by the management come to employees, preferably with alternatives for administration and employees have to select the best from those for implementation.

Choose the Correct Answers

1. Trade union is a continuous association of wage - earners for the purpose of maintaining and improving working conditions was given by [a]
(a) Dale Yoder (b) S.D. Punekar
(c) British Trade Union (d) Trade Union of India
2. Workers would like to restrain and resist the managements irrational behaviour is called as [b]
(a) Ventilation (b) Bargaining power
(c) Salary administration (d) Wage differentials
3. International Confederation of Free Trade Unions (ICFTU) carrier into existence in the year. [b]
(a) 1956 (b) 1949
(c) 1972 (d) 1983
4. Which of the following is the feature of workers participation in management. [d]
(a) Communication (b) Consultation
(c) Participation (d) All of the above
5. Passing of authority and responsibility to teams is called [a]
(a) Empowerment (b) Participation
(c) Centralization (d) Transfer
6. Workers feel involved in the management especially when they are given shown on profits of business. [c]
(a) Co-ownership (b) Joint Management
(c) Profit showing (d) Partnership
7. The labor movement grew out of the need to protect the common interest of _____. [a]
(a) Workers (b) Customers
(c) Partners (d) None of these
8. The origins of the labor movement lay in the formative years of the _____. [b]
(a) Indian Nation (b) American nation
(c) China nation (d) Russia Nation
9. The earliest recorded strike occurred in the year _____. [d]
(a) 1761 (b) 1764
(c) 1767 (d) 1768
10. Which of the following in India started with the forming of Bombay Mill Hands Association in 1890 by N.K. Lokhands? [a]
(a) The trade union movement (b) Labour Laws
(c) Business policy (d) Labour movement

Fill in the Blanks

1. _____ are a major component of the modern industrial relations system.
2. A _____ is a combination with the main objective of regulating the relation between workmen and masters
3. _____ constitute one of the stakeholders in IR.
4. _____ the proposals made by one party and the counter proposals of the other party.
5. ICFTD stands for _____.
6. The World Federation of Trade Unions (WFTU) was established in _____.
7. ILO stands for _____.
8. _____ refers to participation of non-managerial employees in the decision-making process of the organisation.
9. _____ means mental and emotional involvement rather than mere physical presence.
10. _____ for settlement of grievances or specific problems may be set up for promoting workers' participation in management.

ANSWERS

1. Trade unions
2. Trade union
3. Employee associations
4. Negotiations include
5. International Confederation of Free Trade Union.
6. 1945.
7. International Labour Organisation
8. Workers' Participation in Management
9. Participation
10. Joint committees

UNIT V

WAGE LEGISLATION AND ADMINISTRATION :

Wage Legislation and Administration: The need for wage legislation, payment of wages Act-1936, The minimum wages Act-1948, The payment of Bonus Act- 1965, Equal remuneration Act-1976. Managing the work environment, Health and safety management.

5.1 WAGE LEGISLATION AND ADMINISTRATION

Q1. Write about wage legislation and what are wage and salary policies?

Ans : (June-19)

Definition

According to the article 43 of the Indian constitution "the state shall endeavour to secure by suitable legislation or economic organization or in any other way, to all workers agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring decent standard of life and full enjoyment of leisure and social and cultural opportunities.

In 1957, the 15th Indian labour conference led to the development of the following norms which helps in guiding all the wage fixing authorities, such as minimum wage committees, wage boards and judicatures. While computing the minimum wage, the standard working class family should include three consumption units for one earner and the earnings of women, children and adolescents must be excluded.

- (a) The calculation of minimum food requirement is done on the basis of net intake of zero calories.
- (b) The calculation of clothing should be done on the basis of per capital consumption of 18 yards which would provide a total of 72 yards for the average worker's family.
- (c) For housing, the rule must be the minimum rent imposed by the government in any

location of houses which are offered to the lower income groups under the subsidized industrial housing scheme.

- (d) The fuel, lighting and any other "miscellaneous" items of expenditure must form 20 percent of total minimum wage.

Wage and Salary Policies

Wage or salary policies are principles acting as guidelines for determining a wage or salary structure. Initially as an economic issue it was mainly the concern of the employer while state was adopting *laissez faire* policy. But, with the industrial progress and subsequent industrial balance between employers, employees, wage bargain has become a matter for three fold concern of the employer, employee, and the state.

The problems of wage policy should be of great concern to employees, management, and the government alike. The pressures of rising prices encroach on the living standards of employees; the demand for higher wages and better working conditions create prices, market and production problems for the management; and the final burden of finding a solution to the problems of wage policy ultimately falls on the government. Any rational wage policy has to be woven into the socio-economic texture reflecting the objectives and aspirations of the people of a particular country. It cannot be dealt with on purely economic considerations in isolation from the social policy and political culture of that particular community.

Q2. Explain the Objectives and Limitations of Wage and Salary Policies.*Ans.:***Objectives**

Objectives of wage and salary policies are as follows:

1. To abolish malpractices and abuses in wage payment;
2. To set minimum wages for workers whose bargaining position is weak because they are unorganised or inefficient organised, accompanied by separate measures to promote the growth of trade unions and collective bargaining;
3. To obtain for the workers a just share in the fruits of economic development, supplemented by appropriate measure to keep workers expenditure on consumption goods in step with available supplies so as to minimise inflationary pressure; and
4. To bring about a more efficient allocation and utilization of manpower through wages differentiates and where appropriate, systems of payment by results.
5. To rationalise inter-occupational, inter-industrial and inter-regional wage differentials in such a way that disparities are reduced in a planned manner.
6. To compensate workers for the raise in the cost of living in such a manner that in the process, the ratio of disparity between the highest paid and the lowest paid worker is reduced.
7. To provide for the promotion and growth of trade unions and collective bargaining.
8. To avoid following a policy of high wages to such an extent that it results in substitution of capital for labour thereby reducing employment.
9. To prevent high profitability units with better capacity to pay a level of wages far in excess of the prevailing level of wages in other sectors.

10. To permit bilateral collective bargaining within national framework so that high wage islands are not created.
11. To encourage the development of incentive systems of payment with a view to raising productivity and the real wages of workers.

Limitations

Limitations of wage and salary policies are as follows:

1. Socio-economic set-up of our society.
2. Lack of unity among unions.
3. Prices rise almost beyond government's regulatory capabilities.
4. Wages lag far behind labour productivity.
5. Lesser number of workers in organised sector takes away bulk of wages than unorganised.
6. Wage incomes are consumption-oriented rather than savings-oriented so increased wages would mean increased consumption. Therefore, economic growth may not be affected positively as it depends upon rate of investment possible through savings.
7. Ever increasing addition to workforce yet dearth of skilled labour.
8. High wages may force employer to shift towards capital-intensive methods.
9. High wages reduce capital for growth.

Q3. Define Wage. Explain different types of wages.*Ans.:***(Imp.)****Meaning**

A wage (or Pay) is the remuneration paid, for the services of labour in production, periodically to an employee/worker. "Wages" usually refer to the hourly rate paid to such groups as production and maintenance employee ("blue-collar workers"). On the other hand, 'Salary' normally refers to the weekly or monthly rates paid to clerical administrative and professional employees ("white-collar workers")

- (i) **According to Yoder and Heneman**, "Wages are the compensation of wage earners, the numerous employees who use the tools and equipments for the employees to produce goods and services that are sold by their employers."
- (ii) **According to P.M. Stochank**, "Wage is that labour's remuneration which creates the utility".
- (iii) **According to Benham**, "Wages means the amount paid to the labour for his services to the employer"

Types

1. Minimum Wage

Minimum wage is the one which provides not merely for bare sustenance of life, also preservations of the efficiency of the worker. For this purpose, a minimum wage must also provide for some measure of education, medical requirements and amenities. Minimum wage may be tied by an agreement between the management and the worker, but is usually determined through legislation. This is more so in the unorganized sector where labour is unionized.

In the fixation of minimum wages, beside the needs of workers, other factor like ability of the concern to pay, nature of job and so on, are also considered.

2. Fair Wage

In a narrow sense, wage is fair if it is equal to the rate prevailing in the same trade and in the neighborhood for similar work. In a wider sense, it will be fair if it is equal to the predominant rate for similar work throughout the country and for trader in general. Irrespective of the way in which fair wage is understood; it can be fixed only by comparison with an accepted standards wage. Such a standard can be determined with reference to those industries where labour is well organized and has been able to bargain well with the employers.

3. Living Wage

Living wage is a step higher than fair wage. Living wage may be described as one which should enable the wage earner to provide for himself/herself and his/her family not only the bare essentials of life like food, clothing and shelter but a measure of frugal comfort including education for children; protection against ill health; requirements of essential social needs; and/or measures of insurance against the more important misfortunes including old age.

A living wage must be fixed considering the general economic conditions of the country. The concept of living wage, therefore, varies from country to country. In the more advanced countries, living wage itself forms the basis for the minimum wage.

Q4. Define wage administration. Explain the nature and objectives of wage administration.

Ans:

Meaning

Wage and salary administration refers to the establishment and implementation of sound policies and practices of the employee compensation. It includes areas such as job evaluation, surveys of wages and salaries, development and maintenance of wage structure, establishing rules for administering wages, wage payments, incentives, profit-sharing, wage changes and adjustments, supplementary payments, control of compensation cost and such other related areas.

This is one of the very important areas in which the personnel manager is in a position to help the top management of the enterprise. Wages and salaries are part of the monetary and status incentives for employee motivation for higher performance. A fair wage and salary policy is a vital ingredient in wage and salary administration and is one of the vital areas of personnel administration. Sound wage and salary policies and programmes are essential to procuring, maintaining, developing, promoting and transferring employees and to get effective results from them.

Nature

Nature of wage and salary administration is as follows:

1. Pivotal Function

Wage and salary administration is a pivotal function of human resource management. Its importance is evident from the fact that a majority of union-management problems and disputes relate to the question of wage payment. According to the hierarchy of needs proposed by Abraham Maslow, money, food and shelter are the first needs of a person. It is therefore of utmost importance to develop a sound wage and salary scheme to attract capable employees, motivate them toward better performance and retain them.

2. Emphasis on Measurement

In the field of wage and salary administration there is a strong emphasis on measurement because it is recognised that a systematic determination of economic rewards is more equitable than one based on arbitrary decisions, personal considerations, pressure, and individual opinion. Arguments, friction, and counter measures are reduced to the extent that economic rewards can be determined by impersonal and objective methods. Measurement is, therefore, the key to equity in administering economic rewards.

3. Process of Compensating

Wage and salary administration is the process of compensating an organisation's employees in accordance with accepted policy and procedures. A successful organisation's wage and salary administration policy is concerned with monitoring and evaluating all employees' compensation to ensure that they are being paid appropriately, both with respect to others in the same organisation and to the marketplace as a whole.

4. Complex Process

In its truest form, salary administration is a complex procedure. Its complexity stems

from the fact that on the one hand most of the labour management problems and disputes relate to the question of wage payment and on the other, remuneration is often one of the largest components of cost of production.

5. Integral Function

Wage and salary administration is often an integral function of the organisation's human resources department, but in general, the larger the organisation, the more likely is that it will be handled by a separate department.

6. Continuous Process

Wage and salary administration is a continuous process and cannot at any point be labelled a finished job.

Objectives

A sound wage and salary administration seeks to achieve the following objectives:

1. To Establish a Fair and Equitable Remuneration

There should be internal and external equity in remuneration paid to employees. Internal equity means a similar pay for similar work. In other words, wage differentials between jobs should be in proportion of differences in the worth of jobs. External equity implies that pay for a job should be equal to pay for a similar job in other organisations. Payments based on job requirements, employee performance, and industry levels minimise favouritism and inequities in pay.

2. To Attract Competent Personnel

Qualified and competent people are treated as the human assets of the organisation. Success of any organisation largely depends upon them. Therefore a sound wage and salary administration should be designed to attract such employees by ensuring them high wage rate and pay structure.

3. To Retain the Present Employees

After acquiring the manpower the next step is to retain them. If the employees are not satisfied with their wages and salaries they can quit or change the job. By designing competitive wage structure, the company can retain its personnel. This can help in minimising the incidence of quitting and increase employee loyalty.

4. To Improve Productivity

Sound wage and salary administration helps to improve the motivation and morale of employees which in turn lead to higher productivity.

5. To Control Costs

Salary and wages constitute the major head of expenditure of every organisation. Through sound wage and salary administration labour and administrative costs can be kept in line with the ability of the company to pay. It facilitates administration and control of payroll. The company can systematically plan (payroll budgeting) and control labour costs.

6. To Improve Union Management Relations

Generally the industrial disputes are related to financial matters of the workers. Wages and salaries based on systematic analysis of jobs and prevailing pay levels are more acceptable to trade unions. Therefore, sound wage and salary administration simplifies collective bargaining and negotiations over pay. It reduces grievances arising out of wage inequities and thus helps in maintaining industrial peace.

7. To Improve Public Image of the Company

Wage and salary programme also seeks to project the image of a progressive employer and to comply with legal requirements relating to wages and salaries.

8. To Maintain Internal and External Equity

This is very important objective of wage and salary administration. This comprises of two types of equity. First one is known as individual or internal equity which means equal pay for equal work. This means that management must ensure that each individual's pay is fair in comparison to the other person doing the same job in the organisation. Second type of equity is called external equity. This means that management must ensure that jobs in their organisations are fairly compensated in comparison to similar type of jobs in the other organisations.

9. To Ensure and Reward Desired Behaviour

Effective compensation plans reward performance, loyalty, experience, responsibilities and other desired behaviours. Thus, pay reinforces desired behaviours and act as an incentive for those behaviours to occur in future.

10. To Implement Legal Rules

A sound wage and salary system considers the legal challenges imposed by government and ensures the employers' compliance.

5.1.1 The Need for Wage Legislation**Q5. Explain the need for wage legislation.**

Ans :

The state shall form a suitable legislation or economic organization to secure workers and their working conditions. The wage legislation is needed for following purposes.

Need

The following objectives of state regulation of wages help in understanding the need for wage legislation.

- (a) To prevent the working of the industries which are utilizing illiterate and unorganized workers.
- (b) To encourage peace in industries.

- (c) To accelerate the pace of economic recovery.
- (d) To avoid inflationary pressure and maintain economic stability.
- (e) To assist in the attainment of the national income distribution policy and economic development programme.
- (f) To reduce the gap between marginal productivity of labour and the actual level of wages as the average.

5.2 PAYMENT OF WAGES ACT 1936

Q6. Discuss about the payment of wage act 1936.

(OR)

Give in detail the provisions under the payment of Wages Act, 1936.

Ans : (Dec.-21, June-19

Payment of Wages Act 1936

The payment of Wages Act, 1936 regulates the payment of wages to certain classes of persons employed in industry. It was formed to ensure that the wages payable to employees covered by the Act are disbursed by the employer within the prescribed time limit and that no deductions other than those authorized by law are made by the employer. As of 1 January 1996, the law was last amended through the Payment of Wages (Amendment) Act, 1982, which came into effect on 15 October 1982.

Main provisions of the act are given below.

1. Coverage

The Act applies to persons employed in any factory and persons employed in the railways, either directly or through a sub-contractor. Further, the state governments are employed to extend the provisions of the Act to cover persons employed in any industrial establishment or any class or group of industrial establishments as defined in the Act. The wage limit for the applicability of the Act is Rs. 6,500.00 per month.

2. Definition of factory and industrial establishment

The term 'factory' refers to factory as defined in Clause (m) of section 2 of the Factories Act, 1948, and includes situations to which the provisions have been applied under Section 85 (I) of the Act, 'Industrial establishment' refers to a tramway service, dock, mine, quarry oil field, plantation, workshop for production, adaptation, manufacture of articles for use, transport, sale; construction industry covering buildings, roads, bridges, canals; operation connected with navigation, irrigation, supply of water, and the generation, transmission, and distribution of electricity or any other form of power.

3. Responsibility for payment of wages

Employers, Managers of factories, and/or the persons responsible for the supervision and control of the industrial or other establishments are responsible for the payment of wages.

4. Fixation of wage periods

Those responsible for payment of wages shall fix the wage periods in respect of which wages are payable and such periods should not exceed one month.

5. Time of wage payment

Time for the payment of wages is fixed under the law. In a factory in which less than one thousand persons are employed, wages should be paid before the expiry of the seventh day from the last wage period. On written request, payment may be made either by cheque or by crediting the wages to the bank account of the concerned employee.

6. Deductions

Deductions from the wages of an employed person may be made for reasons such as fines, absence from duty, deductions for damage or loss, house accommodation, amenities and services, recovery of advances or loans, income tax, court order, co-operative

societies, LIC premium, Fidelity Guarantee Bonds, Prime Minister's National Relief Fund, trade union subscription, etc. The total amount of deductions in any wage period should not exceed 75% of wages if the deductions are made for payments to co-operative societies, otherwise, these should not exceed 50% of wages.

7. Claims

Where, contrary to the provisions of this Act, any deductions have been made from the wages of an employee, or any payment of wages has been delayed, such persons may apply for direction. Application must be made within 12 months from the date of deduction or from the date on which the payment was due. The authority may, after hearing both the persons, direct the payment. Compensation may be ten times the amount deducted or Rs. 25 in case of delayed wages.

8. Penalties

Penalties have been provided for contravention of various provisions of the Act, varying from a fine of Rs. 500 to Rs. 1000. For failing to maintain prescribed registers or records, refusing to give information, or furnishing false information, punishment may be in the form of a fine which may extend to Rs. 500. For obstructing an Inspector, refraining to produce any document for the inspector, or preventing anybody from appearing before or being examined by an Inspector, punishment may be a minimum fine of Rs. 200 and may extend upto Rs. 1000.

9. Contracting Out

Any contract or agreement, whether made before or after the commencement of this Act, whereby an employed person relinquishes any right conferred by this Act shall be null and void in so far as it purports to deprive him/her in such rights.

10. Payment of undisbursed wages

If the wages due to an employee cannot be paid on account of his/her death before payment or on account of his/her whereabouts being unknown, the same are payable to the person nominated by him/her or, where no such nomination has been made, the amount due is to be deposited with the prescribed authority who shall deal with the amounts so deposited in such manner as may be prescribed.

Q7. Explain various types of Deductions under the payment of Wage Act 1936

Ans :

Employee's wages are deducted only by those types deductions which are specified under the payment of wages Act.

The different types of deductions permitted under the payment of wages Act, 1936 are discussed below.

1. Fines (Section-8)

The various provisions with respect to fines are listed down below,

- (i) A notice will be displayed which contains information pertaining to acts and negligence which are subject to fines. The notice is displayed within the premises or the place wherein employment is undertaken.
- (ii) The total amount of fine imposed on an employee in one wage period should not be more than 3% of the wages payable to worker in one wage period.
- (iii) Fines are not to be collected in installment basis. Fines cannot be collected if 60 days are crossed from the date on which fine was imposed.
- (iv) The fines imposed on and fines collected from workers are recorded in a register in a specified format, recording is done by the person who is responsible to pay wages to workers.

- (v) Except for acts and negligence specified by state government, employer or prescribed authority, no fine will be imposed on other acts and omissions.
- (vi) Before imposing fine of a worker, workers should be given opportunity to reveal his acts and omission which resulted in payment of fine.
- (vii) An individual who has not crossed 15 years of age is not liable to pay fine. In other words, employees will not impose fine on an individual who has not crossed 15 years of age.
- (viii) Fine is imposed on the day on which the act or omission taken place.

2. Deductions from Wages in Case of Absent (Section-9)

The provisions relating to this are,

- (i) In spite of coming to the duty, if an employee refuses to do any work due to strike or any other causes to the in this situation that employee is considered as absent from duty.
- (ii) If an employee get absent to the duty without any prior permission and with unreasonable reason the this situation, the amount deducted from wage payment of that employee should not be more than days wages of the employee.
- (iii) Deductions might be made from an employee's wages when he get absent to the duty from the place or from place where employee is supposed to work.
- (iv) The ratio of deduction for absent from duty and the wages to be paid should be lesser than or equal to ratio of absence period and total wage period.

3. Deductions in Case of Damage or Loss (Section-10)

The provisions with respect to this are,

- (i) A deduction from employee wages for damage or loss should not be more than the damage or loss suffered by employer due to negligence of employee.
- (ii) The information pertaining to deductions made for damages or loss are maintained in a record form individual who is liable to pay wages to its workers/employees.
- (iii) If an employee is give some goods or money to keep in his custody and some damage or loss occurrence to those goods or money due to employee negligence or default than that person wages are deducted for such damages or loss.
- (iv) A person wages are deducted for damage or loss only after giving chance to him to reveal the behind such damage or loss.

4. Deductions from Wages for Accommodation and Service (Section-11)

Employer can make deductions from wages for accommodation and services provided of the employee but under below mentioned conditions.

- (i) Supply of raw materials and tools for carrying out work does not come under service no deductions are made for such things.
- (ii) The amenities and services for which deductions can be made should be declared as authentic by state government through general or special order.
- (iii) Employer cannot be made deductions for services till the employee accepts that such services are on among the terms and conditions of his employment.
- (iv) State governments are given power to set rules to regulate deduction for amenities and services.

- (v) The deduction amount should not be more than the value of accommodation, amenities and services provided to employee by employer.

5. Deductions from Wages for Recovery of Advance (Section-12)

Deductions can be made from wages for recovery of advances but under below mentioned conditions.

- (i) Deductions for recovery of advances are subject to conditions specified by the state government.
- (ii) The advantage given before employment will be recovered from first payment of wages. The advance given for travelling charges cannot be recovered.
- (iii) Recovery of wages paid as advances not already earned will have to follow the rules laid down by the state government. The state government decides to what extent such kind of advances can be given, how they can be recovered in installment and rate of interest on such kind of advance.

6. Deductions from Wages for Recovery of Loans (Section 12 A)

- (i) Deductions can be made from the wages of the employed parson for recovering the loan provided to that parson for constructing a house or other requirement approved by the state government. Interest due on load can also be recovered by deducting from wages.
- (ii) Loans granted to a person from labour welfare fund and interest on such loans can be recovered but on the condition that the fund is constructed as per the rules accepted by the state government.

Deductions from Wages for Making Payment to Cooperative Societies and Insurance Schemes (Section 13)

- (i) Deductions made with the written formal approval of employee for premium payment on his purchase of securities of government of Indian or any state government or life insurance, policy to the Life Insurance Corporation (LIC) of India or for savings in any post office savings bank.
- (ii) Deductions from wages of employed person for making payment to co-operative societies approved by the state government or for making payment to insurance schemes set by the Indian post office.

7. Other Deductions

The other types of deductions permitted under the payment of wages act are listed down below.

- (i) Deductions which need to made from the wages of employed person by court order.
- (ii) Deductions to be made to pay insurance premium of fidelity guarantee bonds.
- (iii) Deductions made with a written approval from an employee for payment of membership fees of trade union registered under the trade union Act, 1926.
- (iv) Deductions for recovering the losses incurred by railway administration due to failure of employee to invoice to bill to recover or to make liable for charges due to that administration.
- (v) Deductions made with the written approval from employee for payment to prime ministers national relief fund or other funds specified by the central government.
- (vi) Deductions for payment of income tax to government.
- (vii) Deductions for payment of subscriptions and for repayment of advances taken

from provident fund to which provident fund Act, 1925 applies or any authorized provident fund or and any provident fund approved by the state government.

- (viii) Deductions made with written approval of an employee for making his contribution to the fund constructed by employer or trade union registered under the trade unions Act, 1926 for the welfare of employee or their family members or both authorized by the state government.
- (ix) Deductions made for recovering the losses incurred by railway administration due to the acceptance of base coins or counterfeit or mutilated or duplicate currency notes by employee.
- (x) Deductions for making contribution to any insurance scheme constituted by the central government for the welfare of employees.

Any payment made by an employee to employer or his agent will be considered as deduction. Any loss of wage caused due to penalties like suspension, promotion or withholding of hike is not considered as deduction.

Illegal Deductions

All deductions which do not fall into the category of deductions authorized under section-7 of the payment of wages act are "Illegal deductions".

Q8. Explain the different Methods for Payment of Wages.

Ans :

A different and clear effort is made in the remuneration system to provide compensation to employees for their different terms of contribution. There exists different methods of payment.

The relationship between the contribution and method of payment will be clear from the following table.

Type of Contribution		Methods of Payment	
		Normal Contribution	Extra Contribution
1.	Skill	Basic wage based on job evaluation + Allowances	Higher basic wage + Allowance by promotion
2.	Ideas	Suggestion rewards	————
3.	Working condition	Basic wage based on job evaluation + Allowances	Higher basic wage + Allowances
4.	Continuous	Time based increment in basic wage. service.	Promotion and fringe benefits
5.	Time	Basic wage + Fixed allowance	Overtime wages
6.	Response	Basic wage based on job responsibility evaluation + Allowances.	Higher basic wage + Allowances by way of promotion
7.	Effort	Basic wage base on job evaluation + Allowances	Merit increments and incentive bonus
8.	Cooperation	Continuous payment of basic wage + Allowances	Incentive bonus

For majority of the types of contribution i.e., either normal contribution or extra contribution, the methods of payment (methods of remuneration) will be more than one. For instance, in case of normal method of payment for contribution measured in terms of time would be hourly, weekly, daily or monthly

rate. In the same way, incentives given for extra contributions can be computed in various ways. Few among them are shown in the above table.

Wage Incentive Schemes or Payment by Results

Wage refers to 'fair days payment' for 'fair days work'. In other words, it is a remuneration for standard performance. Wage incentive scheme can be defined as a method of payment for performing the acceptable work and crossing the specified standards. Payment by results shortly known as PBR is a method which links the remuneration of employees with their performance.

Employee's work more efficiently when their remuneration linked to their performance. Incentive payment encourage works to give good performance. Incentives may be financial incentives or non-financial incentives. In case of low wages, employees prefer financial incentives. Whereas in case of high wages and high tax rates, employees prefer non-financial incentive.

PBR systems can be divided into three categories depending upon the unit of responsibility for performance. These three categories are,

1. Individual performance
2. Group performance and
3. Plant or enterprise performance.

The three categories of PBR are briefly discussed below,

1. Individual PBR Scheme

Emerson, Halsey and Taylor have contributed their majority of the efforts to the development of individual PBR systems. Many individual PBR systems are in practice, few among them are,

- i) **Premium Bonus System:** Premium bonus system considers time as the unit of analysis. In case of premium bonus scheme/bonus, scheme, incentives are given to employees on the basis of the difference found in between the time taken and time allotted for completing a particular task.

- ii) **Piece Rate Systems:** In case of piece rate system, incentive is given depending upon per unit/piece produced. The unit of measurement might be weight, number or quality of items manufactured and reward relays upon the predecided rate for one unit of item.

2. Group PBR Schemes

The individual PBR schemes discussed above are also applicable to group performance category. Group PBR schemes are suitable to those jobs which are interrelated, where determining individual performance is a complicated task and where group efforts can change the performance of the group. Like individual PBR schemes, it is essential to have an unbiased measure of performance for the group and group members should be aware about the fact that they can influence it by their performance.

One disadvantage of group PBR schemes is that in case of this, both poor as well as good performing members of group will receive the same incentive benefits.

3. Plant or Enterprise PBR Schemes

The plant or enterprise PBR schemes focus on gain sharing acquired from minimization of labour, material and other costs. The performance index is calculated on the basis of ratio of labour, material and other costs. The gains obtained from excess performance over standard performance is distributed between employees and organisation as per the predecided ratio.

Time-rate Systems

Employees are paid on the basis of time they had spent on completing the job in case of time rate systems. When individual, group or plant/enterprise PBR systems are difficult to use, time rate systems are adopted.

Merit-rating Schemes

In case of merit rating scheme, fixed amount of increment or regular pay hike is given to employees on the basis of performance appraisal.

Managerial Incentive Plans

The various kinds of incentives offered to managerial employees are,

- (i) **Stock Options:** Under this type of incentive, managerial employees are offered with shares at a special price. The price may be lesser than the market value and/or may be calculated by using fixed formula.
- (ii) Commission paid as some percentage of profit.
- (iii) Bonuses paid in cash or in other forms like paid holiday travel, discount coupons, sponsorship to educational programmes and so on.

Q9. Explain about wage fixation in India.

Ans :

Wage Fixation in India

Wages and salary incomes in India are fixed through several institutions. These are

1. Collective Bargaining
2. Industrial wage Boards
3. Govt. appointed pay commissions
4. Adjudication by courts & tribunals

1. Collective Bargaining

Collective bargaining relates to those arrangements under which wages and conditions of employments are generally decided by agreements negotiated between the parties.

- Broadly speaking the following factors affect the wage determination by collective bargaining process.

- Alternate choices & demands
- Institutional necessities
- The right and capacity to strike
- In a modern democratic society wages are determined by collective bargaining in contrast to individual bargaining by working.
- In the matter of wage bargaining, unions are primarily concerned with
 - General level of wage rates
 - Structure of wages rates (differential among occupations)
 - Bonus, incentives and fringe benefits, Administration of wages.

2. Industrial Wage Boards

Concept of wage board was first enunciated by committee on fair wages.

- It was commended by first five year plan and second five year plan also considered wage board as an acceptable machinery for setting wage disputes.
- Wage boards in India are of two types
 - Statutory wage board
 - Tripartite wage board

Statutory wage board means a body set up by law or with legal authority to establish minimum wages and other standards of employment which are then legally enforceable in particular trade or industry to which board's decision relate.

Tripartite wage board means a voluntary negotiating body set up by discussions between organized employers, workers and govt. to regulate wages, working hours and related conditions of employment.

- Wage board decisions are not final and are subjected to either executive or judicious review or reconsideration by other authority or tribunals.

- The powers and procedure of wage boards are same as those industrial tribunals unsaturated under ID Act 1947.

3. Pay Commissions

First pay commission was appointed by govt. of India in 1946 under chairmanship of justice varadachariar to enquire in to conditions of service of central govt. employees.

5.3 THE MINIMUM WAGES ACT 1948

Q10. Discuss about the minimum wage Act 1948.

Ans : (June-19)

The principle objective of the minimum wages Act 1948 is to prevent exploitation of labour through the payment of unduly low wages. The act provides for fixing the minimum rates of wages for certain employments also.

It was recognized that wage determination cannot be entirely left to market forces, that is, the supply of and the demand for labour. The National Commission on Labour stated

Under the Minimum Wages Act, minimum rates are not fixed in respect of all employments. They are fixed only in respect of certain employments specified in the schedule to the Act. The Government may, however, make additions to the list of employments contained in the schedule. The Minimum Wages Act does not define minimum wage and does not contain any guideline regarding what elements should be taken into consideration in prescribing a minimum wage. As a result, different wage fixing authorities have followed different sets of principles in fixing or revising the minimum wages. There are wide disparities in the rates of minimum wages fixed in respect of employments within the state and in respect of the same employments fixed by different states.

Provisions

The Main provisions of the Act are as follows:

1. Fixing of minimum wages

The basic requirement for fixation of minimum wages for an employment is that it should be included in the schedule to the Act. The appropriate government shall fix the minimum rates of wages payable to employees employed in the industries specified in the schedule. Revision can take place once in five years. The minimum wage may be fixed at a 'time rate' may consist of basic wages and an allowance linked to the cost of living index, basic wages and supply of essential commodities, or consolidated wages.

2. Minimum rate of wages

The Government may fix – (a) a minimum rate; (b) a minimum piece rate; (c) a guaranteed time rate; (d) an overtime rate, appropriate to different occupations, localities, or classes of work and for adults, adolescents, children, and apprentices.

3. Procedure for fixing and revising minimum wages

The Act prescribes for the fixing and revision of minimum government in fixing and revising the minimum rates of wages and to appoint an advisory board for the purpose of coordinating the work of committees and sub-committees and also for advising the appropriate government generally in the matter of fixing and revising minimum rates of wages.

4. Working hours

The Government may also fix the number of hours of work, provide for a weekly day of rest, payment of remuneration in respect of such days of rest, and payment for work on a day of rest at a rate not less than the overtime rate.

5. Overtime

Where an employee works on any day in excess of the number of hours constituting a normal working day, the employer shall pay

him at the overtime rate fixed under this Act or under any law of the appropriate government, whichever is higher.

6. Employers' Obligation

Once the minimum rate of wages are fixed or revised according to the procedure prescribed under the Act, it becomes the legal obligation of the employers to pay the rates.

7. Exemptions

The appropriate government may direct that the provisions of this Act shall not apply in relation to the wages payable to disabled employees. The government may, for special reasons, direct that the provisions of this Act or any of them shall not apply to all or any class of employees or to any locality where employment is carried on.

8. Content of minimum wages

The Fair Wages Committee viewed that the minimum wages must provide not merely for the bare subsistence of life but also for the preservation of the worker's efficiency by providing for some measure of education, medical aid, and amenities.

9. Different Categories

The Act permits fixation of different minimum rates of wages for different classes of work in the same scheduled employment.

5.4 THE PAYMENT OF BONUS ACT 1965

Q11. Discuss about the payment of Bonus act 1965.

(OR)

Explain bonus Act 1965.

Ans :

(Dec.-21)

The Payment of Bonus Act, 1965 applies to every factory and every establishment in which twenty or more persons are employed on any day during an accounting year. The definition of the factory is the same as under the Factories Act, 1948. Under the Act 'establishment' has been defined as the place in which one is permanently fixed for business, with necessary equipment and an office or place of business.

1. Eligibility

Every employee shall be entitled to be paid bonus provided he/she has worked for at least 30 working days in a year. Here the term 'employee' refers to any person employed on a salary or wage not exceeding Rs. 1,600.00 per month. 'Salary' or 'wage' means all remuneration capable of being expressed in terms of money, including dearness allowance.

2. Disqualification of Bonus

Under the Act an employee may be disqualified from receiving bonus if he/she is dismissed from service for fraud, riotous or violent behavior, theft, misappropriation, or sabotage of property of the establishment.

3. Payment of Minimum Bonus

Every employer shall be bound to pay every employee in respect of any accounting year a minimum bonus shall be 8.33% of the salary or wage earned by the employee during the accounting year or Rs. 100 – whichever is higher – whether or not the employer has any allocable surplus in the accounting year. If an employee is below fifteen years of age, the minimum amount in this case would be Rs. 60.

4. Payment of Maximum Bonus

Where the allocable surplus exceeds the amount of minimum bonus payable to the employees, the employer shall be bound to pay every employee in respect of that accounting year a bonus which shall be an amount in proportion to the salary or wage earned by the employee subject to a maximum of 20% of such salary or wage.

5. Proportionate Reduction in Bonus

Where an employee has not worked for all the working days in an accounting year, if the minimum bonus of Rs. 100 is higher than 8.33% of his/her salary or wage for the days he/she has worked, it shall be proportionately reduced.

6. Computation of Working Days

For the purpose of computing the proportionate bonus, an employee shall be deemed to have worked on the days on which he/she had been laid off under an agreement, standing orders, or the Industrial Disputes Act; was on leave with salary or wage; was absent due to temporary disablement caused by an accident arising out of and in the course of his/her employment; or was on maternity leave with salary or wage.

7. Set-on and Set-off allocable Surplus

Where the allocable surplus exceeds the amount of maximum bonus, the Act provides for carrying forward the excess for being set on in the succeeding year.

8. Special provisions for new Establishments

The Act provides for protection of newly set up establishments by giving them exemption from the payment of bonus to the employees for the initial period. In the first five accounting years, following the accounting year in which the employer sells the goods produced or manufactured by him/her or renders service, bonus shall be payable only in respect of the accounting year in which the employer derives profit and such bonus is to be calculated in accordance with the provisions of this Act, but without applying the provisions of Section 15. For sixth and seventh accounting years, so reckoned, Section 15 shall apply with the modifications prescribed in sub-section (I-B). From the eighth accounting year the provisions of Section 15 shall also apply.

9. Customary Interim Bonus

There is no statutory recognition to 'puja bonus' or other customary bonus under the Act. The bonus payable under the Act is subject to deduction of the amount paid as 'Puja bonus' or customary bonus and the employees shall be entitled to receive only the balance.

10. Deduction from Bonus

In any accounting year, if any financial loss is caused to the employer due to misconduct of an employee, it can be deducted from the amount of bonus payable to the employee in respect of that financial year.

11. Time Limit for the Payment of Bonus

The bonus shall be paid in cash by the employer within a period of eight months from the close of the accounting year. The appropriate government may extend the period up to two years.

12. Application of the act to public-sector Establishments

In any accounting year, if an establishment in the public sector sells goods or renders services in competition with an establishment in the private sector, and the income from such sale or services is not less than 20% of its gross income for that year, then the provisions of this Act will apply to such an establishment in public sector.

13. Reference of disputes Related to Bonus

Any dispute between the employer and his/her employees with respect to bonus payment is considered an industrial dispute and the industrial relations machinery set up under the Industrial Disputes Act shall be applied for the settlement of the bonus dispute.

14. Maintenance of Registers, Records

Every employer shall prepare and maintain registers, records, and other documents in the prescribed form and manner for the purpose of this Act.

15. Penalty

If any person contravenes any of these provisions of this Act or fails to comply with the direction given or the requisition made to him/her, he/she is punishable with imprisonment, which may extend to six months, or a fine of Rs. 1,000, or both.

16. Bonus Linked with Productivity

Where the employer and the employees enter into an agreement or settlement for payment of annual bonus.

17. Expenditure from Bonus Payment

The appropriate government, having regard to the financial position of any establishment or class of establishments, may give exemption for such establishments from all or any of the provisions of this Act.

18. Employees Exempted from this Act

The Act is not applicable to apprentices and it excludes employees in an establishment and in an industry carried on by or under the authority of a department of the Central Government, State Government.

Also, the Act does not apply to seamen, employees registered or listed under any scheme made under Dock Employees (Regulation of Employment) Act of 1948, employees of Life Insurance Corporation and general insurance companies, Indian Red Cross Society, universities and other educational institutions, inland water transport establishments operating on routes passing through any other country, Reserve Bank of India Unit Trust of India, industrial and financial corporations established in the public sector, and employees engaged through contractors in building operations and institutions which are not established for purposes of profit.

5.5 EQUAL REMUNERATION ACT 1976**Q12. Write about equal remuneration act 1976?**

Ans :

(Imp.)

The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Act, the term 'remuneration' means

"the basic wage or salary and any additional emoluments whatsoever payable, either in cash or in kind, to a person employed in respect of employment or work done in such employment, if the terms of the contract of employment, express or implied, were fulfilled".

Nothing in this Act shall apply:

- (i) To cases affecting the terms and conditions of a woman's employment in complying with the requirements of any law giving special treatment to women; or
- (ii) To any special treatment accorded to women in connection with the birth or expected birth of a child, or the terms and conditions relating to retirement, marriage or death or to any provision made in connection with the retirement, marriage or death.

The Central Industrial Relations Machinery (CIRM) in the Ministry of Labour is responsible for enforcing this Act. CIRM is an attached office of the Ministry and is also known as the Chief Labour Commissioner (Central) [CLC(C)] Organisation. The CIRM is headed by the Chief Labour Commissioner (Central).

The main provisions of the Act are:

- No employer shall pay to any worker, employed by him/ her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him/ her to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature. Also, no employer shall, for the purpose of complying with the provisions of this Act, reduce the rate of remuneration of any worker.
- No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

- Every employer shall maintain such registers and other documents in relation to the workers employed by him/ her in the prescribed manner.
- If any employer: (i) makes any recruitment in contravention of the provisions of this Act; or (ii) makes any payment of remuneration at unequal rates to men and women workers for the same work or work of a similar nature; or (iii) makes any discrimination between men and women workers in contravention of the provisions of this Act; or (iv) omits or fails to carry out any direction made by the appropriate Government, then he/ she shall be punishable with fine or with imprisonment or with both.
- Where an offence under this Act has been committed by a company, every person who at the time the offence was committed, was in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed, to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

Q13. Explain the implementation of the equal remuneration act, 1976.

Ans :

The implementation of the Equal Remuneration Act, 1976 is done at two levels.

1. Central Sphere

The Act is being implemented by the Central Government in relation to any employment carried on by or under the authority of the Central Government or a railway administration, or in relation to a banking company, a mine, oil field or major port or any corporation established by or under a Central Act.

In the Central sphere, the enforcement of Equal Remuneration Act, 1976 is entrusted to the Chief Labour Commissioner (Central) who heads the Central Industrial Relations

Machinery (CIRM). The Central Government has appointed Labour Enforcement Officers as Inspectors for the purpose of making investigation by causing production of relevant registers/records as to whether the provisions of the Equal Remuneration Act, 1976 are being complied with by the employers, who are required to maintain the roll of employee in Form-D. Assistant Labour Commissioners have been appointed as authorities for the purpose of hearing and deciding complaints with regard to the contravention of any provision of the Act, claims arising out of nonpayment of wages at equal rate to men and women workers.

The Regional Labour Commissioners have been appointed as appellate authorities to hear complaints in respect of cases decided by the ALCs.

2. State Sphere

In respect of all employments other than those where the Central Government is the appropriate Government, the implementation rests with the State Governments.

In the case of employments where the State Government are appropriate authorities, the enforcement of the provisions of the E.R.Act, 1976 is done by the officials of the State Labour Department. The Central Government monitors the implementation of the provisions of the Equal Remuneration Act, 1976 by the State Governments.

3. Central/State Advisory Committee

A Central Advisory Committee has been set up at the Centre under the Act to advise the Government on providing increasing employment opportunities for women and generally reviewing the steps taken for effective implementation of the Act. The Committee has been reconstituted vide Gazette Notification dated 12.10.2010. The

first meeting of re-constituted Committee was held on 22.02.2011 under the Chairmanship of Hon'ble LEM.

5.6 MANAGING THE WORK ENVIRONMENT

Q14. How to manage the work environment? Elaborate?

Ans :

Working conditions include all aspects of work: physical, social, economic, technical, legal, and human. The physical conditions refer to climatic factors and include not only aspects, such as ventilation, lighting, and humidification, but also physical facilities at work such as, first aid, canteens, rest rooms, conservancy facilities, washing and bathing facilities, creches, etc.

The social aspects relate to work group composition, etc. The economic aspects relate to wages, benefits, etc. The technical aspects relate to the kind of technology used. The legal aspects relate to contractual obligations, which are mutual and reciprocal. The human aspects relate to the quality of supervision, communication, and whether supervisors treat workers with dignity, decency, and equality.

The Whitley Commission reported in early 1930 about the working conditions,

which first drew attention to this, and a program of action was drawn up in 1946 with emphasis in the following areas:

- Reduction in the hours of work in mines to 48 hours a week as in factories.
- Legislation to regulate hours of work, weekly rest periods, and holiday with pay for other classes of workers not now subject to regulation, namely, those employed in shops and commercial undertakings, road transport services, docks, and municipal labour.
- Overhaul the Factories Act with a view to prescribe and enforce standards in regard to ventilation, safety, health, and welfare of workers.

- Strengthening of the inspection staff and inspectorate (particularly mines).

After independence, the Constitution made special reference to working conditions in the Directive Principles of State Policy. The constitution specifies that the state should ensure

- **Section 39(e):** that the health and strength of workers, men and women, and the tender age of children are not abused, and that citizens are not forced by economic necessity to enter avocations unsuited to their age or strength;
- **Section 39(f):** that childhood and youth are protected against exploitation and against moral and material abandonment; and
- **Section 42:** the provision of just and humane conditions of work and maternity relief.

The successive Five-year Plans of the union government were designed to pursue these goals and as we shall discuss later, the government created a regulatory framework, and set up infrastructure and inspectorates to oversee their effective functioning. Employers are concerned about their employees' safety and health because of cost considerations. Compensation laws and their liberal interpretation in the recent past meant additional avoidable costs (if work place can be made safer).

The hidden costs of accidents could well be several times more than the direct and obvious costs. Considering the quantum of disruption that a single accident causes, involving not only the affected worker but also others in the same plant or work place, every year we may be losing more mandays on account of accidents than due to industrial disputes. Moreover, over 95% of accidents are caused by human failures which may have their roots in bad human engineering, low morale, lack of education or training about safe work practices, poor plant layout, or inadequate supervision and maintenance.

Most technologies that are now being imported from abroad in a liberalized global environment are fraught with occupational risks and hazards which, in the absence of any mechanism for risk sharing and communication, are not shared with workers' or their trade unions. The latter, therefore, are not in a position to participate in environmental policy or safety policy planning. Regrettably, everybody wakes up only after the accident has taken place, when it is too late to bring down the human dimension of the tragedy. Human life, once injured, damaged, or destroyed cannot be restored to its original position. The sacrosanct quality of human life is often ignored or belittled. Occupational safety, viewed from this perspective, is not just compliance with statutory or non-statutory regulations, but an important tool to recognize the dignity and worth of human life.

(i) Social Background and Working Conditions

Traditionally, social attitudes towards working conditions in India seem to be lax. The National Commission on Labour observed in 1969:

'They get used to a rhythm of work with all the good and the bad points thrown in, whether they work in transplanting operations in a paddy field in knee-deep mud or in a city or town drainage, in unorganized tanneries or butcher shops, or for that matter in the cleaner surroundings of factories, particularly in modern units. A worker in unorganized tanneries will not rue over the odours he has to work with, because a worker in a chemical unit is free from them. Even within the same industry a worker recognizes differences between establishments and is at his job without comparing work conditions in better units. He accepts certain environments associated with certain types of work. It is only when these become worse, and that too beyond a limit, that protest begins. This limit itself is elastic. If no special hazard is involved, protest can be negotiable for better wage rates.

(ii) Ergonomics

Ergonomics is the scientific study of the relationship between man and his working environment. It takes into consideration not only the physical environment in which man works, but also his tools, materials, and the method and organization of his work. It is concerned with the whole man—the physical, mental, biological, and behavioural aspects.

In early 1960s ergonomic studies focused on the design of machine controls, levers, knobs, and buttons, on the visual displays carried by instruments, on workplace, plant layout, on chairs and tables, on the design of hand tools, and on the manual handling of heavy workloads. Aspects, such as noise, vibration, ventilation, temperature, etc. began to be taken into account subsequently. Eventually, the entire spectrum of the working environment began to be encompassed in ergonomic research so that job design and organization, monotony, and fatigue also could be taken into account.

The rapid industrialization in developing countries led to a massive transfer of technology and importing of plant and machinery that had high safety standards in western industrialized countries, but when these were put to use in a different physical (climatically), psychological, and social environment new problems began to surface for safety and health. Application of ergonomic principles pointed out the need to use different designs for factory layout depending upon whether they are built in tropical zones or cooler climates.

For instance, in a hot and dry climate steel rolling mills should be built without walls to allow maximum air movement through the mill and factory walls constructed of huge louvers, which are kept open during the dry season and closed when the monsoon begins. Additional hazards in the use of movable machinery in activities such as

construction and mining could also be tackled by the application of scientific principles. The most common accidents in mining are cave-ins and roof falls due to poor timbering or dangerous tunneling techniques.

Over the years, ergonomic studies have contributed immensely to make the work places not only safer but also convenient and productive. Ergonomic studies teach us how to take full advantage of human beings' finite capacities with the potential of modern technology. They also seek to put restraints on people working beyond their optimal and injuries.

(iii) Regulatory Environment

In the early days of industrialization, accidents, injuries, and damage to health were ignored by employers everywhere and the responsibility to prevent them and also to bear the consequences was considered to be the employee's. In the face of widespread poverty and unemployment, workers are made to accept hazardous jobs and poor working conditions even in present times, particularly in developing countries.

However, the alarming rise in the problems of occupational health and safety hazards and grim working conditions promoted the International Labour Organization to produce 25 Conventions on occupational safety and health, dealing with occupational diseases, accidents, labour inspections, etc.

The most recent one, the Occupational Safety and Health Convention (No. 155), whose provisions apply to all sectors and workers, was adopted in 1981. It defines, for the first time, the basic rights of workers for protecting their occupational safety and health. Article 13 states, 'a worker who has removed himself from a work situation which he has reasonable justification to believe presents an imminent and serious danger to his life or health shall be protected from undue consequences in accordance with natural

conditions and practice'. The adoption of this legislation will profoundly influence enterprise policies on occupational health and safety.

The Government of India, like many other governments, took initiative in setting up international standards by its staunch support of the ILO conventions and recommendations and enacted various protective provisions in the Factories Act and other laws. Principally, the regulatory environment for occupational safety and health is encompassed in four legislations.

5.7 HEALTH AND SAFETY MANAGEMENT

Q15. Explain the key elements of healthy and management safety.

Ans : (June-19)

A safety and health management system means the part of the Organisation's management system which covers:

- (a) The health and safety work organisation and policy in a company.
- (b) The planning process for accident and ill health prevention.
- (c) The line management responsibilities.
- (d) The practices, procedures and resources for developing and implementing, reviewing and maintaining the occupational safety and health policy.

The system should cover the entire gambit of an employer's occupational health and safety organisation.

Elements

The key elements of a successful safety and health management system are:

1. Policy and Commitment

The workplace should prepare an occupational safety and health policy programme as part of the preparation of the Safety Statement required by Section 20 of

the Safety, Health and Welfare at Work Act 2005. Effective safety and health policies should set a clear direction for the organisation to follow. They will contribute to all aspects of business performance as part of a demonstrable commitment to continuous improvement. Responsibilities to people and the working environment will be met in a way that fulfils the spirit and letter of the law. Cost-effective approaches to preserving and developing human and physical resources will reduce financial losses and liabilities. In a wider context, stakeholders' expectations, whether they are shareholders, employees or their representatives, customers or society at large, can be met.

2. Planning

The workplace should formulate a plan to fulfil its safety and health policy as set out in the Safety Statement. An effective management structure and arrangements should be put in place for delivering the policy. Safety and health objectives and targets should be set for all managers and employees.

3. Implementation and Operation

For effective implementation, organisations should develop the capabilities and support mechanisms necessary to achieve the safety and health policy, objectives and targets. All staff should be motivated and empowered to work safely and to protect their long-term health, not simply to avoid accidents.

There should be a planned and systematic approach to implementing the safety and health policy through an effective safety and health management system. The aim is to minimise risks. Risk Assessment methods should be used to determine priorities and set objectives for eliminating hazards and reducing risks. Wherever possible, risks should be eliminated through the selection and design of facilities, equipment and processes. If risks cannot be eliminated, they should be minimised by the

use of physical controls and safe systems of work or, as a last resort, through the provision of PPE. Performance standards should be established and used for measuring achievement. Specific actions to promote a positive safety and health culture should be identified. There should be a shared common understanding of the organisation's vision, values and beliefs on health and safety. The visible and active leadership of senior managers fosters a positive safety and health culture.

4. Measuring Performance

The organisation should measure, monitor and evaluate safety and health performance. Performance can be measured against agreed standards to reveal when and where improvement is needed. Active self-monitoring reveals how effectively the safety and health management system is functioning. Self-monitoring looks at both hardware (premises, plant and substances) and software (people, procedures and systems, including individual behaviour and performance). If controls fail, reactive monitoring should find out why they failed, by investigating the accidents, ill health or incidents, which could have caused harm or loss.

5. Auditing and Reviewing Performance

The organisation should review and improve its safety and health management system continuously, so that its overall safety and health performance improves constantly. The organisation can learn from relevant experience and apply the lessons. There should be a systematic review of performance based on data from monitoring and from independent audits of the whole safety and health management system. These form the basis of complying with the organisation's responsibilities under the 2005 Act and other statutory provisions. There should be a strong commitment to continuous improvement involving the development of policies, systems and techniques of risk control.

Q16. Explain the measures for occupational health and safety.

Ans. :

Occupational health measures call for protecting the workers against health hazards which may arise out of their work or the conditions in which it is carried on; contributing towards the workers' physical and mental adjustment in particular by the adaptation of workers to the jobs for which they are suited; and, contributing to the establishment of the highest possible degree of physical and mental health.

The first measure is indispensable. The remaining two can be developed gradually. There are three aspects of protection :

- (i) Preventive Measures
- (ii) Curative Measures
- (iii) Safety Measures

(i) Preventive Measures

These include pre-employment and periodic medical examinations, removing of health hazards to the extent possible, special attention to those who are vulnerable to risks, education of workers in health and hygiene, and training in first-aid and emergency treatment for accidents.

(ii) Curative Measures

The curative aspects begin once a worker suffers from ill-health or disease. One important hurdle in curative aspects is the general feeling among workers that a medical check-up may result in disqualification for continuing employment if something adverse is detected. Such psychological blocks can be overcome only over a period of time.

(iii) Safety Measures

The measures for safety include the following:

(i) Active interest and support of top management is sine qua non for promoting safety

The top management's concern is manifest in its observance of statutory

measures and enforcing of safety rules, personal attendance at safety meetings, periodic reviews and inspections, and inclusion of safety figures and achievements in the agenda at board meetings and annual reports.

(ii) Compliance of statutory measures and enforcement of safety rules

The various statutory measures implemented under the Factories Act and other relevant legislations need to be implemented in letter and spirit. The managements should adopt a legalistic yet humane approach. While the Factories Inspectorate is concerned with the compliance of legal measures on the part of the employer, at the factory-level, the management's fundamental approach in enforcing safety rules should be positive in nature. Where necessary, managements should not shun discipline action to deal with violations effectively.

(iii) Appointment of safety officer

The Factories Act requires that a safety officer should be appointed in all factories employing 1,000 or more workers or where the manufacturing process carried on exposes workers to serious risk of bodily disease or poisoning.

The safety officer may be concerned with the positive aspects of motivation such as safety education or with functional authority for enforcing safety or bom.

(iv) Constitution of a Safety Committee

Every factory employing 100 or more workers should have standing arrangements at the plant level to ensure continue participation of workers in matters connected with safety. The arrangements may be in the form of safety committees.

The various schemes of workers' participation in management announced by the Government of India envisage matters relating to safety as included among the items on the agenda for participation.

(v) Engineering a safe plant and operations

Sound and forward-looking arrangement in plant layout and human engineering are essential ingredients of a progress!." safety program. The Factories Act prescribes certain measures, the standard- for which may be laid down by the state governments concerned. There is probably no engineered safeguard that some employer cannot alter or circumvent and! so there is need to be doubly cautious. Conforming to safety precautions used for entails some delay or extra effort and people are often prone to cut short the precautions, so there should be a proper reward and punishment system for safe and unsafe practices respectively.

(vi) Education and training in safety

Employers should recognize their responsibility to educate employees to think, act, and work safely. The various avenues that this education can take include:

- Induction of new employees
- Emphasis on safety points during on-the-job training
- Special attention and efforts by the first-line supervisor
- Establishment of employee safety committees
- Holding special meetings
- Use of house magazines, and other media such as charts, posters, display audio-visuals, etc.

Regular meetings with employees will help promote self-awareness and evolve improved safety rules, devices, and practices.

(vii) Record keeping and accident analysis

The Factories Act makes it obligatory on the employers part to report to the government about accidents. The measures that are widely used to recognize or analyse accidents are

- (a) Frequency Rate
- (b) Severity Rate

These can be expressed as:

$$\text{Frequency rate} = \frac{\text{No. of lost - time accidents} \times 1,00,000}{\text{No. of employee- hours during the period}}$$

$$\text{Severity rate} = \frac{\text{No. of employee days lost} \times 1,00,000}{\text{No. of employee-hours during the period}}$$

These measures of accidents are arbitrary, but so long as most firms use the same indices, the results are valuable for comparison.

An accident is an unplanned incident and should be analysed in terms of both costs and causes. If insurance premiums and compensation can be termed as direct costs, the indirect costs, some of which are listed below, are several times the direct costs.

- Cost of damage to equipment, materials, and plant
- Costs of wages paid for time lost by workers not injured
- Costs of supervisors and staff in investigating, recording, and reporting
- Costs of replacing the injured employee
- Miscellaneous costs including any overtime caused by accident, loss of income due to delayed delivery, and costs of maintaining a first-aid dispensary for accidents that do not technically result in loss of time.

(viii) Rewards for practices

Safety contests and safety awards are common at plant, industry, regional, and national levels. Awards are usually based on the number of hours worked without time lost on accidents, good house-keeping, safety, suggestions, etc.

Rahul Publications

Short Question and Answers

1. Minimum wage Act 1948.

Ans :

The principle objective of the minimum wages Act 1948 is to prevent exploitation of labour through the payment of unduly low wages. The act provides for fixing the minimum rates of wages for certain employments also.

It was recognized that wage determination cannot be entirely left to market forces, that is, the supply of and the demand for labour. The National Commission on Labour stated

Under the Minimum Wages Act, minimum rates are not fixed in respect of all employments. They are fixed only in respect of certain employments specified in the schedule to the Act. The Government may, however, make additions to the list of employments contained in the schedule. The Minimum Wages Act does not define minimum wage and does not contain any guideline regarding what elements should be taken into consideration in prescribing a minimum wage. As a result, different wage fixing authorities have followed different sets of principles in fixing or revising the minimum wages. There are wide disparities in the rates of minimum wages fixed in respect of employments within the state and in respect of the same employments fixed by different states.

2. Wage legislation.

Ans :

Definition

According to the article 43 of the Indian constitution "the state shall endeavour to secure by suitable legislation or economic organization or in any other way, to all workers agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring decent standard of life and full enjoyment of leisure and social and cultural opportunities.

In 1957, the 15th Indian labour conference led to the development of the following norms which helps in guiding all the wage fixing authorities, such as minimum wage committees, wage boards and judicatures. While computing the minimum wage, the standard working class family should include three consumption units for one earner and the earnings of women, children and adolescents must be excluded.

- (a) The calculation of minimum food requirement is done on the basis of net intake of zero calories.
- (b) The calculation of clothing should be done on the basis of per capital consumption of 18 yards which would provide a total of 72 yards for the average worker's family.
- (c) For housing, the rule must be the minimum rent imposed by the government in any location of houses which are offered to the lower income groups under the subsidized industrial housing scheme.
- (d) The fuel, lighting and any other "miscellaneous" items of expenditure must form 20 percent of total minimum wage.

3. Define Wage.

Ans:

Meaning

A wage (or Pay) is the remuneration paid, for the services of labour in production, periodically to an employee/worker. "Wages" usually refer to the hourly rate paid to such groups as production and maintenance employee ("blue-collar workers"). On the other hand, 'Salary' normally refers to the weekly or monthly rates paid to clerical administrative and professional employees ("white-collar workers")

- (i) **According to Yoder and Heneman**, "Wages are the compensation of wage earners, the numerous employees who use the tools and equipments for the employees to produce goods and services that are sold by their employers."
- (ii) **According to P.M. Stochank**, "Wage is that labour's remuneration which creates the utility".
- (iii) **According to Benham**, "Wages means the amount paid to the labour for his services to the employer"

4. Define wage administration.

Ans :

Meaning

Wage and salary administration refers to the establishment and implementation of sound policies and practices of the employee compensation. It includes areas such as job evaluation, surveys of wages and salaries, development and maintenance of wage structure, establishing rules for administering wages, wage payments, incentives, profit-sharing, wage changes and adjustments, supplementary payments, control of compensation cost and such other related areas.

This is one of the very important areas in which the personnel manager is in a position to help the top management of the enterprise. Wages and salaries are part of the monetary and status incentives for employee motivation for higher performance. A fair wage and salary policy is a vital ingredient in wage and salary administration and is one of the vital areas of personnel administration. Sound wage and salary policies and programmes are essential to procuring, maintaining, developing, promoting and transferring employees and to get effective results from them.

5. Need for wage legislation.

Ans :

The state shall form a suitable legislation or economic organization to secure workers and their

working conditions. The wage legislation is needed for following purposes.

Need

The following objectives of state regulation of wages help in understanding the need for wage legislation.

- To prevent the working of the industries which are utilizing illiterate and unorganized workers.
- To encourage peace in industries.
- To accelerate the pace of economic recovery.
- To avoid inflationary pressure and maintain economic stability.
- To assist in the attainment of the national income distribution policy and economic development programme.
- To reduce the gap between marginal productivity of labour and the actual level of wages as the average.

6. Payment of Wages Act 1936

Ans :

The payment of Wages Act, 1936 regulates the payment of wages to certain classes of persons employed in industry. It was formed to ensure that the wages payable to employees covered by the Act are disbursed by the employer within the prescribed time limit and that no deductions other than those authorized by law are made by the employer. As of 1 January 1996, the law was last amended through the Payment of Wages (Amendment) Act, 1982, which came into effect on 15 October 1982.

7. Payment of Bonus act 1965.

Ans :

The Payment of Bonus Act, 1965 applies to every factory and every establishment in which twenty or more persons are employed on any day during an accounting year. The definition of the factory is the same as under the Factories Act, 1948. Under the Act 'establishment' has been defined as

the place in which one is permanently fixed for business, with necessary equipment and an office or place of business.

1. Eligibility

Every employee shall be entitled to be paid bonus provided he/she has worked for at least 30 working days in a year. Here the term 'employee' refers to any person employed on a salary or wage not exceeding Rs. 1,600.00 per month. 'Salary' or 'wage' means all remuneration capable of being expressed in terms of money, including dearness allowance.

2. Disqualification of Bonus

Under the Act an employee may be disqualified from receiving bonus if he/she is dismissed from service for fraud, riotous or violent behavior, theft, misappropriation, or sabotage of property of the establishment.

3. Payment of Minimum Bonus

Every employer shall be bound to pay every employee in respect of any accounting year a minimum bonus shall be 8.33% of the salary or wage earned by the employee during the accounting year or Rs. 100 – whichever is higher – whether or not the employer has any allocable surplus in the accounting year. If an employee is below fifteen years of age, the minimum amount in this case would be Rs. 60.

4. Payment of Maximum Bonus

Where the allocable surplus exceeds the amount of minimum bonus payable to the employees, the employer shall be bound to pay every employee in respect of that accounting year a bonus which shall be an amount in proportion to the salary or wage earned by the employee subject to a maximum of 20% of such salary or wage.

8. Equal remuneration act 1976.

Ans :

The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Act, the term 'remuneration' means "the basic wage or salary and any additional emoluments whatsoever payable, either in cash or in kind, to a person employed in respect of employment or work done in such employment, if the terms of the contract of employment, express or implied, were fulfilled".

Nothing in this Act shall apply:

- (i) To cases affecting the terms and conditions of a woman's employment in complying with the requirements of any law giving special treatment to women; or
- (ii) To any special treatment accorded to women in connection with the birth or expected birth of a child, or the terms and conditions relating to retirement, marriage or death or to any provision made in connection with the retirement, marriage or death.

The Central Industrial Relations Machinery (CIRM) in the Ministry of Labour is responsible for enforcing this Act. CIRM is an attached office of the Ministry and is also known as the Chief Labour Commissioner (Central) [CLC(C)] Organisation. The CIRM is headed by the Chief Labour Commissioner (Central).

9. Health and Safety Management.

Ans :

A safety and health management system means the part of the Organisation's management system which covers:

- (a) The health and safety work organisation and policy in a company.

- (b) The planning process for accident and ill health prevention.
- (c) The line management responsibilities.
- (d) The practices, procedures and resources for developing and implementing, reviewing and maintaining the occupational safety and health policy.

The system should cover the entire gambit of an employer's occupational health and safety organisation.

10. Objectives of wage and salary policies.

Ans :

1. To abolish malpractices and abuses in wage payment;
2. To set minimum wages for workers whose bargaining position is weak because they are unorganised or inefficient organised, accompanied by separate measures to promote the growth of trade unions and collective bargaining;
3. To obtain for the workers a just share in the fruits of economic development, supplemented by appropriate measure to keep workers expenditure on consumption goods in step with available supplies so as to minimise inflationary pressure; and
4. To bring about a more efficient allocation and utilization of manpower through wages differentiates and where appropriate, systems of payment by results.
5. To rationalise inter-occupational, inter-industrial and inter-regional wage differentials in such a way that disparities are reduced in a planned manner.
6. To compensate workers for the rise in the cost of living in such a manner that in the process, the ratio of disparity between the highest paid and the lowest paid worker is reduced.

Choose the Correct Answers

1. Minimum wages Act was introduced on the year? [c]
(a) 1959 (b) 1962
(c) 1948 (d) 1963
2. Which of the following are not fixed for an industry in a state, if employee are less then law? [b]
(a) Payment of wages (b) Minimum wages
(c) Payment of ways (d) wage differentials
3. Payment of wages Act guarantees. The payment of wages. [a]
(a) On time without deductions (b) Lumpsum
(c) Delay (d) On time with deductions
4. Every Factory shall be kept clean by daily sweeping and washing the floors & and work rooms [a]
(a) Cleanlines (b) Ventilation
(c) Overcrowding (d) Spittions
5. Equal remuneration Act was introduced in the year. [a]
(a) 1976 (b) 1959
(c) 1962 (d) 1984
6. Which of the following concept gained popularity during the first two decades of the twentieth century, often referred to as the Progressive Era ? [a]
(a) Minimum - wage legislation (b) Wage Administration
(c) The concept of Equal remuneration (d) All the above
7. The minimum wages given under this Act apply to _____. [c]
(a) Skilled laborers (b) Unskilled laborers
(c) Both a and b (d) None of these
8. The term 'scheduled employment' means _____. [c]
(a) An employment specified in the list appended to the Minimum Wages Act
(b) Any process or branch of work forming part of such employment
(c) Both a and b
(d) None of these
9. Which of the following is an employer is required to pay even if he even if he suffers losses during the accounting year or there is no allocable surplus is 8.33% of the salary or wages during the accounting year ? [b]
(a) Minimum Wages (b) Minimum bonus
(c) Equal Remuneration (d) All the above
10. Under the 1948 Act, a Tripartite Committee of Fair Wage was appointed that defined the minimum wage in India as a wage that must guarantee. [c]
(a) Fulfill special need (b) Bare livelihood
(c) Fulfill basic needs (d) All the above

Fill in the Blanks

1. Code of practice admissible in court proceedings under the _____ Act & regulators.
2. An Employee entitled for bonus for every accounting year if he has worked for atleast _____ work days in that year.
3. The ratio of output to one class of inputs is called _____ productivity.
4. _____ can be caused by prolonged (or) unusual physical exertion of employees.
5. _____ refers to the Influence in decision making exerted through a process of interaction between workers & managers based on information sharing.
6. _____ of the Indian Constitution envisages that the State will have a policy for securing equal pay for equal work for both men and women.
7. The _____ given under this Act apply to both skilled as well as unskilled laborers.
8. Under the 1948 Act, a tripartite Committee of Fair Wage was appointed that defined the minimum wage in India as a wage that must guarantee _____.
9. The Payment of Wages Act guarantees payment of wages _____.
10. India introduced the Minimum Wages Act in 1948, giving both the Central government and State government jurisdiction in _____.

ANSWER

1. Work health & Safety
2. 30
3. Partial
4. Fatigue
5. Participation
6. Article 39
7. Minimum wages
8. Bare livelihood
9. On time and without any deductions
10. Fixing wages

FACULTY OF MANAGEMENT
BBA VI – Semester (CBCS) Examination
November / December - 2021
EMPLOYEE RELATIONS

Time : 2 Hours]

[Max. Marks : 80

PART - A (4 × 5 = 20 Marks)

ANSWERS

Note : Answer any four questions.

- | | |
|--------------------------------------|----------------------|
| 1. Explain about Industry Relations. | (Unit - I, SQA. 1) |
| 2. What is Culture ? | (Unit - I, SQA. 10) |
| 3. Explain Employee Voice | (Unit - III, SQA. 2) |
| 4. Explain Code of Discipline | (Unit - II, SQA. 2) |
| 5. What is Negotiation? | (Unit - II, SQA. 1) |
| 6. Describe WFTU | (Unit - IV, SQA. 3) |
| 7. Describe ILO | (Unit - IV, SQA. 1) |
| 8. Explain ICFTU | (Unit - IV, SQA. 4) |

PART - B (4 × 15 = 60 Marks)

Note : Answer any four questions.

- | | |
|--|----------------------------|
| 9. Explain the objectives and scope of industrial disputes. | (Unit - I, Q.No. 5, 10) |
| 10. Define IR ? Explain the factors affecting the employee relations. | (Unit - I, Q.No. 1, 6) |
| 11. Define industrial disputes. Explain the concept of settling of disputes. | (Unit - II, Q.No. 1, 4) |
| 12. Define grievance. Explain the redressal procedure. | (Unit - II, Q.No. 21, 24) |
| 13. Explain the concept of labor relations and its impact on productivity. | (Unit - III, Q.No. 3, 10) |
| 14. Describe Labor laws. Explain the social justice and its role in India. | (Unit - III, Q.No. 5) |
| 15. Define trade union. Explain the functions and problems of trade unions. | (Unit - IV, Q.No. 3, 6, 7) |
| 16. Explain worker's participations in management. | (Unit - IV, Q.No. 13) |
| 17. Explain Wages Act, 1936. | (Unit - V, Q.No. 6) |
| 18. Explain Bonus Act, 1965. | (Unit - V, Q.No. 11) |

FACULTY OF MANAGEMENT
BBA VI – Semester (CBCS) Examination
May / June - 2019
EMPLOYEE RELATIONS

Time : 3 Hours]

[Max. Marks : 80

PART - A (4 × 5 = 20 Marks)**ANSWERS**

1. Answer any five of the following in not exceeding 20 lines each.
- | | |
|---------------------------------|----------------------|
| (a) Trade Unions | (Unit - IV, SQA. 2) |
| (b) Arbitration | (Unit - II, SQA. 10) |
| (c) Code of Discipline | (Unit - II, SQA. 2) |
| (d) ILO | (Unit - IV, SQA. 1) |
| (e) The Minimum Wage Act 1948 | (Unit - V, SQA. 1) |
| (f) Grievance Handling | (Unit - II, SQA. 13) |
| (g) The employment relationship | (Unit - III, SQA. 7) |
| (h) Wage Legislation | (Unit - V, SQA. 2) |

PART - B (5 × 12 = 60 Marks)**(Essay Answer Type)**

Note: Answer the following questions in not exceeding four pages each, using the internal choice.

2. (a) Elaborate on the objectives, scope and concept of Industrial Relations. (Unit - I, Q.No. 1, 5, 10)
- OR
- (b) Elaborate on employee relations at work place. (Unit - I, Q.No. 15)
3. (a) What is employee discipline? What are the causes of indiscipline? (Unit - II, Q.No. 26, 27)
- OR
- (b) Describe the procedure of Grievance redressal. (Unit - II, Q.No. 24)
4. (a) Explain the increasing labour responsibility in productivity. (Unit - III, Q.No. 10)
- OR
- (b) What are the ways of managing employee relations? (Unit - III, Q.No. 14)

5. (a) What are Trade Unions? Explain the functions and problems of Trade Unions. (Unit - IV, Q.No. 3, 6, 7)
- OR
- (b) What are the various forms of worker's participation in Management? (Unit - IV, Q.No. 16)
6. (a) Explain in detail Health and Safety Management in factories. (Unit - V, Q.No. 15)
- OR
- (b) Give in detail the provisions under payment of Wages Act - 1936 and why was it effected. (Unit - V, Q.No. 6)

FACULTY OF MANAGEMENT
B.B.A III Year VI-Semester(CBCS) Examination
MODEL PAPER - I
EMPLOYEE RELATIONS (HR)

Time: 3 Hours

Max. Marks : 80

PART – A (5 × 4 = 20 Marks)
(Short Answer Type)

ANSWERS

1. Answer any five of the following in not exceeding 20 lines each.

- | | |
|---|-------------------|
| (a) Define Industrial relations. | (Unit-I, SQA-1) |
| (b) Human Relations Approach to Industrial Relations. | (Unit-I, SQA-7) |
| (c) Define Grievance. | (Unit-II, SQA-3) |
| (d) Conciliation | (Unit-II, SQA-7) |
| (e) What is employee relations? | (Unit-III, SQA-1) |
| (f) Define productivity. | (Unit-III, SQA-5) |
| (g) Labour movement. | (Unit-IV, SQA-5) |
| (h) Wage legislation. | (Unit-V, SQA-2) |

PART – B (5 × 12 = 60 Marks)
(Essay Answer Type)

Note: Answer the following questions in not exceeding four pages each, using the internal choice.

- | | |
|---|---------------------|
| 2. (a) Explain the objectives of Industrial Relations. | (Unit-I, Q.No.5) |
| OR | |
| (b) Explain various cultural aspects of employee relations. | (Unit-I, Q.No.17) |
| 3. (a) Describe various Causes of Industrial Disputes. | (Unit-II, Q.No.3) |
| OR | |
| (b) What is Grievance Redressal ? Discuss the Procedure of Grievance Redressal Procedure. | (Unit-II, Q.No. 24) |
| 4. (a) Write about changing concept of management and labour relations. | (Unit-III, Q.No.3) |
| OR | |
| (b) Write about the importance of measurement of labour responsibility in productivity. | (Unit-III, Q.No.10) |

5. (a) Discuss briefly about International Confederation of Free Trade Unions (ICFTU). (Unit-IV, Q.No.10)

OR

- (b) What are the functions of trade unions? (Unit-IV, Q.No.6)
6. (a) Write about wage legislation and what are wage and salary policies? (Unit-V, Q.No.1)

OR

- (b) Discuss about the minimum wage Act 1948. (Unit-V, Q.No.10)

FACULTY OF MANAGEMENT
B.B.A III Year VI-Semester(CBCS) Examination
MODEL PAPER - II
EMPLOYEE RELATIONS (HR)

Time: 3 Hours

Max. Marks : 80

PART – A (5 × 4 = 20 Marks)
(Short Answer Type)

ANSWERS

1. Answer any five of the following in not exceeding 20 lines each.

- | | |
|--|-------------------|
| (a) Objectives of Industrial Relations. | (Unit-I, SQA-3) |
| (b) Define culture | (Unit-I, SQA-10) |
| (c) Define Negotiation. | (Unit-II, SQA-1) |
| (d) Define Code of Discipline | (Unit-II, SQA-2) |
| (e) What is management prerogative? | (Unit-III, SQA-4) |
| (f) Write about employment relationship. | (Unit-III, SQA-7) |
| (g) Define the term trade unions. | (Unit-IV, SQA-2) |
| (h) Minimum wage Act 1948. | (Unit-V, SQA-1) |

PART – B (5 × 12 = 60 Marks)
(Essay Answer Type)

Note: Answer the following questions in not exceeding four pages each, using the internal choice.

- | | |
|---|---------------------|
| 2. (a) What are the various principles of Industrial Relations? | (Unit-I, Q.No.13) |
| OR | |
| (b) Explain the various Approaches Industrial Relations. | (Unit-I, Q.No.12) |
| 3. (a) Define Employee Discipline. Explain various stages of Employee Discipline. | (Unit-II, Q.No.26) |
| OR | |
| (b) Explain about the prevention and settlement of industrial disputes in India. | (Unit-II, Q.No.4) |
| 4. (a) What is social justice in employee relations. Write about development of the idea of social justice. | (Unit-III, Q.No.5) |
| OR | |
| (b) What is employee voice and how it impacts towards sustainable success. | (Unit-III, Q.No.15) |

5. (a) Explain briefly about ILO. (Unit-IV, Q.No.12)
- OR
- (b) Explain the various problems of trade unions. (Unit-IV, Q.No.7)
6. (a) Write about equal remuneration act 1976? (Unit-V, Q.No.12)
- OR
- (b) Explain the key elements of healthy and management safety. (Unit-V, Q.No.15)

FACULTY OF MANAGEMENT
B.B.A III Year VI-Semester(CBCS) Examination
MODEL PAPER - III
EMPLOYEE RELATIONS (HR)

Time: 3 Hours

Max. Marks : 80

PART – A (5 × 4 = 20 Marks)
(Short Answer Type)

ANSWERS

1. Answer any five of the following in not exceeding 20 lines each.

- | | |
|---|-------------------|
| (a) Principles of Industrial Relations. | (Unit-I, SQA-8) |
| (b) Importance of Industrial Relations. | (Unit-I, SQA-4) |
| (c) Define Mediation. | (Unit-II, SQA-9) |
| (d) Define Objectives Conciliation | (Unit-II, SQA-8) |
| (e) What is employee voice? | (Unit-III, SQA-2) |
| (f) Social Justice | (Unit-III, SQA-3) |
| (g) International Confederation of Free Trade Unions (ICFTU). | (Unit-IV, SQA-4) |
| (h) Define wage administration. | (Unit-V, SQA-4) |

PART – B (5 × 12 = 60 Marks)
(Essay Answer Type)

Note: Answer the following questions in not exceeding four pages each, using the internal choice.

- | | |
|--|---------------------|
| 2. (a) Describe various Factors Affecting Employee Stability. | (Unit-I, Q.No.14) |
| OR | |
| (b) Briefly explain the evolution of Industrial Relations? | (Unit-I, Q.No.4) |
| 3. (a) Define Mediation. Explain the functions and process of Mediation. | (Unit-II, Q.No.11) |
| OR | |
| (b) Define Collective Bargaining. Explain the evolution of Collective Bargaining in India. | (Unit-II, Q.No.31) |
| 4. (a) What is management prerogative? State its limitations. | (Unit-III, Q.No.6) |
| OR | |
| (b) Write about joint consultation in India. | (Unit-III, Q.No.12) |

5. (a) What are the various forms of workers participation in management? (Unit-IV, Q.No.16)

OR

- (b) Explain about World Federation of Trade Unions (WFTU). (Unit-IV, Q.No.11)
6. (a) Give in detail the provisions under the payment of Wages Act, 1936. (Unit-V, Q.No.6)

OR

- (b) Discuss about the payment of Bonus act 1965. (Unit-V, Q.No.11)