Chapter Nine

Industrial Disputes and Settlement

Machinery
Contents

9.1 INTRODUCTION
9.2 STRIKES AND LOCKOUTS
   9.2.1 Prohibition of Strikes and lockouts
   9.2.2 Legal and Illegal Strikes and lockouts
9.3 STRIKES IN SELECTED UNITS
9.4 PREVENTION AND SETTLEMENT OF INDUSTRIAL DISPUTES
   9.4.1 Standing Orders
   9.4.2 Employee Grievance
   9.4.3 Collective Bargaining
   9.4.4 Conciliation, Arbitration and Adjudication
9.5 ASSESSMENT OF INDUSTRIAL DISPUTES SETTLEMENT
     AND INDUSTRIAL RELATIONS
CHAPTER - 9

INDUSTRIAL DISPUTES AND SETTLEMENT
MACHINERY

9.1 INTRODUCTION

The prompt and equitable settlement of labour disputes is an important basis
for sound industrial relations, and it is essential that the appropriate dispute settlement
machinery exists to facilitate such settlement. The absence of effective dispute
settlement systems and procedures can result widespread industrial conflict with
adverse effect on labour-management relations and also on the collective bargaining
process. Modern industrialization has created a yawning gulf between management
and labour. The denial or refusal to meet the demands of labour has often led to
dissatisfaction on the part of workers, to their distress, and even to violent activities
on their part.

The various terms such as ‘industrial dispute’, ‘labour dispute’ or ‘trade
dispute’ are used to identify the difference between employers and workers.
However, the term ‘Industrial conflict’ is rather general concept. When it acquires
specific dimensions, it becomes industrial dispute. According to the Industrial
Disputes Act, 1947 section 2(k); “industrial disputes mean any dispute or difference
between employees 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”.
Patterson observes “Industrial disputes constitute militant and organized protests
against existing industrial conditions. They are symptoms of a discarded system.”

The definition of dispute is in three parts – (a) refers to the fact of real or
substantial dispute (b) parties to the disputes, (c) subject matter of the dispute. Hence,
unless a demand is raised by employees and rejected by the management, there
cannot be any industrial dispute. It is also said by the law that before any dispute between an employer and his workers can be termed as an industrial dispute, it must be supported by a number of workers. In other words it is only a collective dispute that can constitute an industrial dispute. The matter for which dispute is raised must be one related to employment, non-employment, terms of employment or conditions of labour and the parties to the dispute have a direct or substantial interests in it. Even an unregistered trade union may raise an industrial dispute, provided it is concerning substantial number of workers. But there is no mention of fixed number or percentage of workers. An individual dispute may become an industrial dispute if it is taken up by a union of workers of the establishment or substantial workers who have a direct or substantial interest in the case. Strike is one of the most spectacular and dramatic manifestations of industrial unrest. It is an economic and social phenomenon of enormous complexity expressing the aims and aspirations of the workers. It is a powerful weapon in the hands of workers to get their demands accepted. It is influenced by a number of economic, social, political and psychological factors.

The industrial dispute or unrest, thus, takes an organized form when the work people make common cause of their grievances against employers by way of strikes, demonstrations, picketing, morchas, gate meetings, gheraos etc. However, much industrial harmony may be sought as an organizational objectives, some conflict is inherent in the industrial structure. Conflict of interest between the various groups, strong enough to cause prolonged work stoppage, is ever present. The three main groups in an industry, namely, owners, managers and workers, develop different orientations and perceptions of their interests. The pursuit of divergent objectives by each causes friction severe enough to lead strikes or lockouts.

9.2 STRIKES AND LOCKOUTS

Section 2 (q) of the Industrial Disputes Act, 1947, defines a strike as “a cessation of work by a body of persons employed in any industry acting in combination, or a concerted refusal under a common understanding of a number of persons who are or have been so employed to continue to work or to accept
employment". In the words of C. W. Doten, “ Strikes are merely symptoms of more fundamental maladjustments, injustices and economic disturbances.“ Peterson views a strike as “temporary cessation of work by a group of employees in order to express their grievance or to enforce a demand concerning changes in work conditions."

The above definitions of strike postulates the certain ingredients like plurality of workmen, cessation of work or refusal to continue to work and acting in combination or concerted action under a common understanding. A few common types of strikes are stay away strike, sit-down strike, tool-down strike, token or protests strike, go-slow strike, picketing, boycott, gherao, hunger strike etc.

Under section 2(1) of the Industrial Disputes Act, 1947 “A lockout means the closing of a place of business or employment or the suspension of work, or the refusal by an employer to continue to employ any number of person employed by him”

Hence, the term “lockout” refers to the action of an employer in temporarily closing down or shutting down the undertaking or refusing to provide its employees with work with the intention of forcing them either to accept the demands made by them or to withdraw the demands made by them. However, there is difference between a “lockout” and “closure”, in case of closure the employer does not merely close down the place of business but he closes the business itself finally. A lockout indicates the closure of the place of business and not the closure of the business.

9.2.1 Prohibition of Strikes and lockouts

Employees are prohibited from striking according to the section 22 of Industrial Disputes Act 1947. Employees, who are working in a public utility service, cannot go on a strike without giving a notice of strike within the six weeks before striking. They cannot go on strike either within fourteen days of providing the strike notice or before the expiry of the date of strike specified in any such notice. The same rule applies to the employers. Employers who are carrying on a public utility service
cannot lockout any of their employees without giving them a prior notice within six weeks before the lock out or within the fourteen days of giving such a notice. Moreover, the notice of strike or lockout is to be given in a prescribed manner showing the number of persons involved in the strike/lockout.

The notice of strike or lockout is not necessary when there is already a strike or lockout going on in the company. However, a notice should be issued on the day on which the lockout is declared just to intimate the appropriate authorities about the lockout. The employer is supposed to report the number of notices of strikes received by him to the appropriate Government or the authority prescribed by the government within the five days of receiving such notices.

9.2.2 Legal and Illegal Strikes and Lockouts

A strike or a lock-out is illegal if it is declared in non compliance with the section 22 (as defined above) of Industrial Disputes Act 1947, that is, if the notice period is not served or if the strike is held within the fourteen days of issuing the notice of strike. If a strike or lockout has already taken place and is being referred to a Board, the continuance of such a strike or lockout is not illegal provided it is in compliance with the provisions of act. Moreover, a lockout declared in consequence of an illegal strike or a strike declared in consequence of an illegal lock-out shall not be deemed to be illegal. For more clarification illegal strikes and lockouts have been discussed here below by act wise –

i) Illegal strike in any establishment – As per ID Act

1. A strike during the pendency of proceedings before a board of conciliation, labour court, industrial tribunal, national industrial tribunal or referred to a person for arbitration.

2. A strike during 7 days after the conclusion of proceedings before a board of conciliation, 2 months in case of labour court, industrial tribunal and national industrial tribunal and arbitrator.
ii) Illegal strike in any establishment – As per MRTU & PULP Act

1. 14 days notice is required. (Sec.24 A)

iii) Illegal strike in any Public Utility Services.

1. If they do not give to the employer notice of the strike within 6 weeks before commencing the strike.
2. If they go on strike within 14 days of giving such notice.
3. If they go on strike before the expiry of the date specified in such notice for commencing the strike.
4. During the period if the matter is pending before any conciliation and 7 days after the completion of conciliation proceedings.

Any strike is a social phenomenon of enormous complexity, and it is very difficult to give complete explanation of this phenomenon. It is a matter of controversy whether the predominant factors underlying strikes are economic or non-economic. There have been a large number of studies, which took into account both economic and non-economic variables for the explanation of strikes.

9.3 STRIKES IN SELECTED UNITS

Table 9.1 shows strikes in the selected industrial units during 1995-1996 to 2004-2005.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Industrial Unit</th>
<th>Number of strikes</th>
<th>Workers involved</th>
<th>Number of days involved</th>
<th>Mandays lost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CGL</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>GKN</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>ISMT</td>
<td>01</td>
<td>720</td>
<td>08</td>
<td>5040</td>
</tr>
<tr>
<td>4</td>
<td>KEL</td>
<td>01</td>
<td>1215</td>
<td>90</td>
<td>94,770</td>
</tr>
<tr>
<td>5</td>
<td>KOEL</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>L&amp;T</td>
<td>02</td>
<td>709</td>
<td>2.5</td>
<td>1058</td>
</tr>
<tr>
<td>7</td>
<td>NEIL</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8</td>
<td>Sun Pharma</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>Videocon</td>
<td>01</td>
<td>337</td>
<td>20</td>
<td>5729</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>5</strong></td>
<td><strong>2981</strong></td>
<td><strong>120.5</strong></td>
<td><strong>106597</strong></td>
</tr>
</tbody>
</table>

Source- Official records of the Units.
From the above information it is clear that out of 9 units, 4 units have been affected by the industrial unrest in the form of strikes. While 5 units have been succeeded in maintaining harmonious industrial relations, as not a single incidence of strike took place in a period of ten years from 1995-96 to 2004-05. During the period total 5 strikes took place in 4 units. The total number of workers involved in strikes was 2981. These strikes were lasted for about 120 days. The total man days lost was reported to be 1,06,597. The background of the strikes in 4 units is summarized in brief as follows.

**ISMT.-** In 1995 there was a strike in this plant which lasted for 8 days causing a loss of 5040 mandays. Since the inception of the unit, it has a registered union which is affiliated to the district level central union. In 1995, some of the workers wanted to change the union and affiliate with another district level union. About 40% of the worker supported the demand and went on a strike for 8 days. The management was firm and did not allow the workers to change union as a result strike was called off by the workers.

**KEL.-** The strike which took place in this unit in 1996 had similar background to that strike took place in ISMT in 1995. The strike lasted for 90 days causing a loss of 94770 mandays lost. This is the most serious strike, during the period of study, as it continued the long period of about three months. Though the official reason was union rivalry, root cause was wage agreement which was due for negotiations and the union members felt that change in the leadership would benefit them financially in the forth coming negotiations. But management had a firm stand and did not allow the change and strike was called off.

**L&T.-** A tool down strike in 1997, in L&T, was declared as illegal strike by the management as no notice of the strike was served. The number of workers involved in such strike was 240. It lasted for half a day, causing a loss of 120 mandays. This strike was spontaneous and occurred out of union rivalry among union leaders. On the day of strike one union leader was absent and remaining leaders
wanted to show that workers were not with him. All of a sudden tool down strike was called on in his absence. Under section 24 of the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971 (MRTU & PULP Act) a 14 days notice is required to be given before going on strike. The management adopted a firm attitude and took disciplinary action against the workers involved by deducting their wages for a day. This short duration strike occurred to express dissatisfaction of workers against their union leaders.

Recently, the plant witnessed another go-slow strike in 2005. The number of workers involved was 469. It lasted for two days and the man days lost were 938. The strike resulted into lowering productivity by 10%. The strike was called on by the union for increased rate of bonus for the year 2005.

Series of negotiations carried out between the management and union leader in order to decide the rate of bonus. The bonus issue was settled successfully by mutual agreement. The union leaders also agreed to give more production in the next ten days to compensate for the loss of production during the period of strike.

**VIDEOCON** - The registered union in Videocon Ltd. called a strike in 2003 for demanding increase in the percent wages by Rs. 4500 to Rs. 7200 for the different categories of workers. The management authorities analysed the financial position, calculated the costs and studied its implications in detail. The management refused to accept the demand. However, all the workers supported the demand of increase in wages. The strike continued for 20 days. The number of workers involved was 337. The man days lost due to strike were 5729. During the strike period, a series of discussions were held between the management and union representatives. The new wage settlement was signed between the representative union and the management and copy of the agreement was placed on the notice board. As per the settlement the wages of workers increased by Rs. 1335 per month and the payment of arrears was decided to be made in the next three years as 60% in the first year, 20% in the second year and remaining 20% in the third year. Of the increased amount of Rs.1335 per
month, an amount Rs. 60 per month was linked to productivity and Rs. 60 for attendance. The management also agreed one additional leave to the existing leave package for picnic tour.

The reasons contributing to industrial disputes are many and varied. Often many causes blend together to produce disputes and it is difficult to isolate one cause from another. The Labour Bureau, Ministry of Labour, Government of India has been classifying the causes of industrial disputes in India into six categories as – (a) wages & allowance (b) bonus (c) leave and hours of work (d) indiscipline and violence and (e) other causes.

It reveals that the causes led to industrial disputes in Ahmednagar are economic in nature i.e. demand for increased wages and bonus. Bonus has become the cause of disputes only because some of the industrial units give more than 20 percent bonus that has created problems for the units that are not in a position to pay bonus as per the expectations of unions. The personal differences among union leaders is the most important cause as two out five strikes occurred due to this. Hence there is need to create and maintain cooperation, unity and understanding among union leaders for protecting interests of their members in real sense. The personal causes like discharges, retirement, disciplinary actions, suspensions, reinstatement, victimization etc. have not assumed any importance. The predominance of personal causes as causes of strikes reflects the disharmony in the day to day working of any organisation. On this ground it can be safely concluded that there is harmony in the day to day working of the units as dissatisfaction among workers is not observed. Similarly the working conditions, hours of work, welfare activities have not assumed any importance. The notable feature of industrial dispute in Ahmednagar is that there is not a single indiscipline or violence in the entire period of ten years.

Analysis of the reasons for strikes during the ten years from 1995-96 to 2004-05 shows that 2 (40%) out of 5 strikes were in respect of rivalry among union leaders. This reason has emerged as one of the major reasons for industrial disputes inspite of
the single unit structure in all the industrial units. The economic reason was another important issue leading to strike as one strike was in respect of bonus and two were in respect of wages.

Analysis of the duration of strikes shows that there are 2(40%) short duration strikes lasted for 1 to 2 days. While rest of the 3 (60%) are long duration strikes, lasted for 8 to 90 days. The long duration of the strikes lead to the conclusion that strikes in the selected industrial units are in the nature of a weapon to achieve certain predetermined goals. Further analysis regarding the results of the strikes shows that out of 5 strikes, 3 (60%) resulted in favour of management and 2 (40%) resulted in compromise.

It is worth to be mention that during the entire period of ten years from 1995 – 96 to 2004 – 05, no lockout observed by any industrial units.

9.4 PREVENTION AND SETTLEMENT OF INDUSTRIAL DISPUTES

The new era of globalised business has been marked by the adoption of the sophisticated human resource management practices as a strategy to recognize the tremendous importance of human resources in the new dispensation and need for maintaining industrial peace. All over the globe, there is talk of, eliminating the basis of workplace conflict and promoting cooperation, commitment, motivation and satisfaction among employees. There is greater focus on enterprise based conflict resolution rather than industry bared issues. The prompt and equitable settlement of labour disputes is an important basis for sound industrial relations. The paradigm shift that is taking place in labour relations is that proactice policies have to be followed, so that grievances and conflicts would not be converted into industrial disputes. It has been widely recognized that the best way of preventing and resolving industrial disputes is through strengthening bilateral relations between labour and management and development of a more collaborative and cooperative relationships.
The human resource management practices of the selected industrial units are observed proactive rather than reactive. They anticipate things and prompts management to take preventive action to maintain harmonious industrial relations in their respective industrial units. These practices can be summarized in brief as follow.

The workers have been paid adequate compensation inclusive of varied allowances. The units are providing good welfare facilities and amenities to keep workers satisfied. The units have fulfilled all the statutory provisions in respect of working conditions, safety and retirement benefits to a great extent. All the units have formed different committees like Works Committee, Canteen Committee, Safety Committee and Co-operative Society Committee to promote workers participation in management. The management authorities have recognized the importance of strong trade unions representing workers in bringing about cordial and harmonious relations. As a result there has been single union structure in every industrial unit to conduct collective bargaining on behalf of the workers. The agreements signed with such union are honoured by almost all the workers. When strong unionism becomes a strong and vigorous force, it can be a very effective preventive method for checking industrial disputes. This new trend in new industrial relation system as the earlier practice was to divide union into many weakens the trade unionism.

9.4.1 Standing Orders

All the units have formulated standing orders in conformity with the model standing order formed by the Government of Maharashtra. The purpose of having standing orders at the plant level is to regulate industrial relations. These standing order defines and regulate the potential problems in industrial relations like the categories of worker, hours of work, holidays, shift working, conditions of employment, attendance, misconduct, disciplinary actions, grievances etc. The standing order drafted by the units have been certified and also agreed between the management and workers. These certified standing orders have clarified the duties of both the management and workers and regulated standards of conduct of the
management and workers to improve the labour-management relations. They are also helpful in maintaining discipline, harmonious working conditions and achieving higher productivity. The certified standing orders have been suitably communicated to all the workers to know the contents.

9.4.2 Employee Grievances

There is hardly a company where the workers do not have grievances of one kind or the other. These grievances may be real or imaginary, valid or invalid, genuine or false. A grievance produces unhappiness, discontent, indifference, low morale, frustration etc. Ultimately, it affects workers concentration, efficiency and productivity. A large number of work stoppage, shop floor incidents and strikes could be attributed to the faulty handling of grievances. In the maintenance of peace in industrial units, a well-defined and adequate procedure for redressal of day-to-day grievances is an essential pre-requisite. Prompt and effective handling of grievances is the key to industrial peace. In the present day social context, especially in democratic systems, it is accepted that employees should be able to express their dissatisfaction, whether it be a minor irritation or serious problem or a difference of opinion. Grievances may be categorized broadly into five reasons- economic, work environment, supervision, work group and work organisation. Some of the important causes of employee grievances are related generally in respect of compensation, condition of work, continuity of service, disciplinary action, fines, leaves, promotions, supervision, transfer, safety equipment, amenities etc.

All the selected industrial units have had well-set and smooth grievance procedure for several years. It was observed that the grievance procedure is more or less similar. The open door policy exit in two units namely Sun Pharma and NEIL, where the aggrieved employee can meet directly to the higher level authorities to get his grievances redressed. The grievance settlement procedure of the industrial units consist certain common steps explained below.
1. Any aggrieved employee approaches his immediate supervisor for the redressal of any complaint regarding his work. The supervisor look into the complaint, discuss with departmental head if necessary and gives his reply to the aggrieved employee.

2. If the aggrieved employee is not satisfied with the reply received from his supervisor, he may approach his departmental head, who, in turn, investigate the matter and gives reply to the aggrieved employee. The HR Manager acts as a mediator between aggrieved employee and department head.

3. If the employee concerned is still not satisfied he may approach the Plant Head either personally or in writing for the redressal of his complaint. The reply is given generally within a week.

4. If the employee still continues to be aggrieved, he generally then approaches to management through the union and the matter is taken up at the union-management forum. The works committee plays an important role in discussing and settling grievances in the absence of a formal Grievance Committee in certain units. The attitude of union leaders with regard to grievances is supporting at each level.

The general observation is that almost all the grievances are settled successfully either at the level of supervisor or departmental head and very few complaints are referred to the Plant Head. From the available data it is revealed that not a single case of any unit has been pending with conciliation. This shows that problems are solved with joint efforts by management authorities at the various levels. The grievance procedure is also discussed and revised accordingly at the time of wage-settlement agreements signed by the management and union leaders once in a three or four years as per the practice.

9.4.3 Collective Bargaining

The collective bargaining as one of the methods of wage fixation and negotiating employment terms has been popular and followed by large number of
industrial units. Most of the agreements are at the plant level and industry level has been concluded through collective bargaining process. Collective bargaining in our country has gained acceptance to such a great extent that it is regarded as synonymous with, or as constituting, an essential part of the industrial relations system. The ILO Worker’s Manual defines collective bargaining as – “negotiation about working conditions and terms of employment between an employer, a group of employers or one or more employers’ organisations, on the one hand, and one or more representative workers’ organisations, on the other hand with view to reaching agreement”. The process is ‘collective’ because issues relating to terms and conditions of employment are solved by representatives of employees and employers in groups rather than as individuals. The term ‘bargaining’ refers to evolving an agreement using methods like negotiations, discussions, exchange of facts and ideas rather than confrontation. The process is bipartite in nature i.e. the negotiations are between employer and the employees, without a third party’s intervention.

It was found that all the selected industrial units had signed several agreements between the management and the representative unions since their inception. These agreements are signed and concluded at the plant level by following the guidelines and directives from the head office of the concerned industrial units. The bipartite collective bargaining process usually starts with a charter of demands being presented to the management by the local unions on behalf of their members. A fresh charter is submitted upon the expiry of the earlier agreement. Before the actual negotiations begin, both the management and union go through several intra-organizational settlements. The management decides its policy regarding the wages they would pay and changes that would like to effect by analyzing the region cum industry salary pattern, company’s financial position, financial implications on the cost of production, market situation, productivity, general economic trend etc. The management also takes into account productivity aspect at the time of bargaining. The concept of productivity bargaining has gained increasing attention in the industrial relations systems of all the industrial units. In such agreements advantages such as higher wages or increased allowances are given to workers for accepting changes
and improvement in the established work practices, productivity norms, reduction in wastages and more effective working. All the agreements and settlement reached so far emphasized on the achievement of targets. Apart from dealing with issues relating to wage matters, collective agreement cover a wide range of aspects like recruitment, probationary period, quantum of allowances, overtime work, leaves and holidays, attendance, safety measures, uniforms, discipline, up-keeping of machines and equipment, retirement age, transfer policy, grievance procedure, retirement benefits etc. there are also few incidences that trade unions had served notices of indefinite strikes to management and marking a copy to Assistant Commissioner of Labour, Ahmednagar. In such cases there was intervention of the government authorities for tripartite discussion. However, generally, instead of government intervention, both the management and union leaders prefer to have bipartite nature of collective bargaining to discuss and resolve matters of mutual interests and come to meaningful settlement.

Once the settlement is reached, the stamped paper agreement is signed by the representatives of management and workers. In discussion the plant head and HR Manager plays important role. On behalf of the union, the president of central union, local unit president, local unit secretary represents and signs the settlement. It is also signed by the conciliation officer. It is applicable and bound by the terms and condition to both the management and the workers. Every worker has to submit the signed prescribed declaration form to the management that the terms and conditions of the settlement have been understood and accepted to him. The printed copies of the memorandum of settlement signed are made available to workers. The settlement is for a definite period ranging from 3 to 4 years as per the practices of the units.

It is interesting to study comparative wage before and after the latest wage settlements of the units to know the increase in the gross wages of a lower category workers. It is to be noted that wage structure for various categories of the workers and details of each and every allowance have not been studied due to complexity of data. The data shows that the minimum increase in the wage of workers is about Rs. 1400,
while the maximum increase is Rs. 3900 per month. The percentage of wage increase varies from 16% as minimum to 44% as the maximum. To conclude, the wage rates are fixed periodically with the industry norms to ensure better wages to the workers. The revision of D.A., H.R.A. and other fringe benefits are also revised time to time along with wage revisions. Table 9.2 shows the comparative position of earlier wages and wages after settlement.

Table 9.2
Comparison of the Wage before and after Settlement

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Industrial Unit</th>
<th>Earlier Gross Wage (Rs.)</th>
<th>Gross Wage after new Agreement (Rs.)</th>
<th>Net Increase (Rs.)</th>
<th>Increase in percentage.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CGL</td>
<td>10077</td>
<td>11652</td>
<td>1575</td>
<td>15.63%</td>
</tr>
<tr>
<td>2</td>
<td>GKN</td>
<td>10763</td>
<td>14664</td>
<td>3901</td>
<td>36.24%</td>
</tr>
<tr>
<td>3</td>
<td>ISMT</td>
<td>6921</td>
<td>8463</td>
<td>1542</td>
<td>22.28%</td>
</tr>
<tr>
<td>4</td>
<td>KEL</td>
<td>8348</td>
<td>11640</td>
<td>3292</td>
<td>39.43%</td>
</tr>
<tr>
<td>5</td>
<td>KOEL</td>
<td>9935</td>
<td>12199</td>
<td>2264</td>
<td>22.79%</td>
</tr>
<tr>
<td>6</td>
<td>L&amp;T</td>
<td>9353</td>
<td>12387</td>
<td>3034</td>
<td>32.44%</td>
</tr>
<tr>
<td>7</td>
<td>NEIL</td>
<td>7568</td>
<td>9896</td>
<td>2328</td>
<td>30.76%</td>
</tr>
<tr>
<td>8</td>
<td>Sun Pharma</td>
<td>5781</td>
<td>8348</td>
<td>2567</td>
<td>44.40%</td>
</tr>
<tr>
<td>9</td>
<td>Videocon</td>
<td>4923</td>
<td>6283</td>
<td>1360</td>
<td>27.63%</td>
</tr>
</tbody>
</table>

Source- Official Records of Industrial Units

9.4.4 Conciliation, Arbitration and Adjudication

The Bombay Industrial Relations Act, 1946 and the Industrial Dispute Act, 1947 have provided three important statutory methods for settlement of industrial disputes, namely conciliation, arbitration and adjudication. The conciliation is the
most important method for prevention and settlement of disputes through third party intervention. In the conciliation process the workers and employer are brought together before a third party or a group of persons with a view to persuading them to arrive at an agreement by mutual discussion between them. The State Government may appoint conciliation officer for a specific area. The conciliation officer has no power to decide on the dispute but can act upon bringing parties close to each other on talking terms, reduce the gap of differences, reduce the friction and tension and identify some areas of agreement. When the conciliation fails, parties have to either opt for compulsory adjudication or they may settle the matter mutually. The arbitration is a means of securing an award on conflict issue by reference to a third party. The award of an arbitrator on the dispute is binding upon both the parties. The adjudication means a compulsory settlement of industrial disputes by the labour courts, industrial tribunals and national tribunals.

In Maharashtra, like in any other state, the reference of disputes from conciliation to adjudication is subject to the discretion of the government and often depends on the report of the conciliation officer. The constitution of separate Industrial Courts and Labour Courts is one of the unique features of adjudication machinery in Maharashtra. The Labour Courts decide the disputes in respect of the orders passed under the standing orders governing relations between the employers and employees. They are also empowered to decide the legality or otherwise of a strike, lockout, closure, stoppage etc. The Court of Industrial Arbitration, commonly referred to as the Industrial Court decides the disputes referred to it by the government, the representative union, employers and employees. Under its appellate jurisdiction, it hears and decides appeals preferred over the orders and decisions of Labour Courts, Wage Boards and Commissioner of Labour.

Table 9.3 shows the number of court cases of the industrial units pending in courts by the year 2005. It shows that the total number of cases pending is 70. The cases pending in District Labour Court are 39 (56%), 19(27%) in the Industrial Court, 4(6%) in District Court and 8(11%) in the High Court. Out of the nine units, one unit
has reported the highest number of 40 cases, accounted for about 57% of the total number of cases and rest of 8 units have reported few cases ranging 2 to 6. While no case has been reported pending at the conciliation and arbitration. This shows the increasing tendency of the management and trade unions to reply more on collective bargaining and also reflects the attitude of management and trade unions to settle the disputes through mutual understanding. While discussing with HR Managers of the units it is revealed that most of the cases pending with Labour Court, Industrial Court, District Court and High Court are individual in nature on the matters like discharge, permanency, disciplinary actions, wages, compensation etc. Data shows that 8 out of 9 units have reported few cases of disputes pending in various courts. Most of the grievances are of individual workers. As compared to the total number of employees, the number of grievances is not significant.

Table 9.3
Number of Cases Pending Before Courts on 31st March 2005

<table>
<thead>
<tr>
<th>Sr No.</th>
<th>Industrial Unit</th>
<th>High Court</th>
<th>District Court</th>
<th>Industrial Court</th>
<th>Labour Court</th>
<th>Arbitration</th>
<th>Conciliation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CGL</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>GKN</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>ISMT</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>KEL</td>
<td>2</td>
<td>4</td>
<td>11</td>
<td>23</td>
<td>0</td>
<td>0</td>
<td>40</td>
</tr>
<tr>
<td>5</td>
<td>KOEL</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>L&amp;T</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>NEIL</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>8</td>
<td>Sun Pharma</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>9</td>
<td>Videocon</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>8</td>
<td>4</td>
<td>22</td>
<td>36</td>
<td>0</td>
<td>0</td>
<td>70</td>
</tr>
</tbody>
</table>

Source: Official records of the Industrial Units.
9.5 ASSESSMENT OF INDUSTRIAL DISPUTE SETTLEMENT AND
INDUSTRIAL RELATIONS

As far as settlement of industrial disputes is concerned, the management authorities of all the industrial units strongly believe in collective bargaining and practicing it to settle any matter of dispute. The wage settlements were regularly revised and were agreed upon only through negotiations between the management and union leaders. The collective bargaining has been recognized and practiced by the industrial units as an effective and flexible means for the settlement of issues like wages, bonus, working conditions, grievances and employment conditions. Similarly it was observed that, management has drawn up elaborate procedure in agreement with the union for redressal of individual and collective grievances. None of the management personnel interviewed favoured adjudication as it involves time, money and energy and also delay to a great extent. Almost all the workers and trade union leaders were also in favour of collective bargaining and expressed that matters should be settled through negotiations between the management and unions. Some of the union leaders favoured conciliation on the ground that conciliation process create conducive environment for effective negotiation and help to find better solutions to the disputes. Almost all the union leaders were not in favour of adjudication as delay involved in the decisions of the courts lead to frustration amongst workers and more dependence on adjudication means losing the faith and confidence both the workers and the management as well.

To assess the opinions of workers and trade union leaders regarding the state of industrial relations in their respective plants, question, ‘How do you rate the state of industrial relations in your company?’ was asked to them. Four alternatives i.e. Very Good, Good, Satisfactory and Unsatisfactory were given to them. Table 9.4 shows the responses of workers and trade union leaders.

The data shows that out of 300 workers, 76 (25.33%) workers rated industrial relations as very good, 133 (44.33%) as good, 29 (9.67%) as satisfactory and 62
(20.67%) as unsatisfactory. Thus about 79% of workers have expressed satisfaction towards the state of industrial relations. Out of 18 union leaders, 2 (11.11%) rated industrial relations as very good, 8 (44.44%) as good, 5 (27.78%) as satisfactory and 3 (16.67%) as unsatisfactory. It is also clear that 83% of the union leaders are satisfied with the state of industrial relations in the selected industrial units.

Table 9.4
Assessment of Industrial Relation by Workers and Union Leaders

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Alternative</th>
<th>Workers</th>
<th>Percentage</th>
<th>Union Leaders</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Respondents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Very Good</td>
<td>76</td>
<td>25.33%</td>
<td>02</td>
</tr>
<tr>
<td>2</td>
<td>Good</td>
<td>133</td>
<td>44.33%</td>
<td>8</td>
</tr>
<tr>
<td>3</td>
<td>Satisfactory</td>
<td>29</td>
<td>9.67%</td>
<td>05</td>
</tr>
<tr>
<td>4</td>
<td>Unsatisfactory</td>
<td>62</td>
<td>20.67%</td>
<td>03</td>
</tr>
<tr>
<td>Total</td>
<td>300</td>
<td>100%</td>
<td></td>
<td>18</td>
</tr>
</tbody>
</table>

To conclude, despite several complaints and expectations from the management as discussed in the earlier chapters, one thing is quite clear that the industrial relations in the selected industrial units are quite cordial as more than 80% of the workers and union leaders are satisfied with the state of industrial relations in the selected industrial units.
References


