CHAPTER II

INDUSTRIAL RELATIONS -
A THEORITICAL FRAME WORK
INTRODUCTION

An Industrial Culture demands an atmosphere of discipline, effective team-work and a shared concern for the success of business. Harmonious relations in every sphere of human activity is an essential condition for, social, economic and political progress. But the increasing complexity of modern industrial system has constantly tended to widen the gap between those who own and manage the industry and those who work in it. This gap gives rise to conflicts in management-labour relations resulting in fall in production and hardship to the community. A stable industrial relationship is a vital pre-requisite for industrial progress. Stable relation means a situation when requirements of management and a work-force are discussed between them in a spirit of mutual trust and confidence and without causing friction. So industrial relation is an art, the art of living together for the purposes of production. These constitute one of the most delicate and complex problems of modern society. The creation and maintenance of good relation between the workers and the management is the very basis on which the development of industrial democracy depends.
Industrial relation is not a cult to be followed blindly. It is a systematic way of thinking and working together for better results. It may also be emphasised that the question of "human relations" in industry is becoming increasingly important and significant. In a wider sense, the term 'human relations' in industry signifies the relationship that should exist between the human beings engaged in industry. In actual practice, however, the term signifies the relationship that should be cultivated and practised by an employer or a supervisor with this subordinates. The object of human relations is to make the workers feel involved in the industry or undertaking in which they work and improve their efficiency and thus maintain good industrial relations.

2.1 CONCEPT OF INDUSTRIAL RELATIONS

The first glimmering of the present day industrial relations took the form of employer-welfare programmes established by feudalistic employers. Such paternalism, based on the idea that "Papa employer knows what's best," seldom met employee wants and was not popular with workmen, who felt that their lives were being dominated. In the changing socio-economic and political milieu industrial relations are that part of management which is concerned with man-power of the enterprises. The expression
"industrial relations" by itself means relationship that emerges out of day-to-day working and association of labour and management. But in a wider sense "industrial relations" refer to a dynamic and developing concept, not limited only to the complex relations between trade unions and management, but encompasses the general web of relations normally obtaining between the employer and employees. Industrial relation is generally understood as the relationship between management and the employers as a group, or management and the trade unions representing the employees.

Prof. Dale Yoder was of the opinion that "Industrial relation is the designation of a whole field of relationship that exists because of the necessary collaboration of men and women in the employment process of industry. Prof. Dunlop adds a new dimension of inter-relations- "Industrial relations defined as the complex system of inter relations among workers, managers and Government."

Thus the relations between employer and employees in industry for the broad sense, the term also includes the relation among various unions, between the state and the unions as well as those between the employers and the Govt. The Encyclopedia Britannica puts it as "The
the relations of the state with the employers, workers and their organisations. The subject therefore, includes individual relations and joint consultation between employers and work people at their work place; collective relations between employers and their organisations and trade unions and the part played by the state in regulating these relations." According to the ILO\(^{14}\) "Industrial relations deal with either the relationships between the state and employer's and worker's organisations or the relation between the occupational organisations themselves."

2.2 SYSTEM APPROACH TO INDUSTRIAL RELATIONS.

The concept of industrial relations system was first advanced by John T. Dunlop (1958) as both the theoretical core of a genuine discipline of industrial relations and as a set of analytical tools which could be used to interpret and gain understanding, of the widest possible range of industrial relation facts.\(^{15}\) According to him "Industrial relations should not be taken as one which denotes the union-management relations operating within the spectrum of industrial relations system which defines the role, status and conduct of different groups of people who work together for productive purposes in an
economy characterised by its peculiar social and economic conditions prevailing under given technological market and power context giving rise to the creation of a body of rules to govern the interactions of the different groups of people involved therein.16

He further points out that "An industrial relations system at any one time in development is regarded as comprised of certain factors, certain contexts, an ideology which bind the industrial relations system together and a body of rules created to govern the factor at the work place and work community."

The figure-1 represents a schematic representation of Dunlop's Industrial Relation system. He has presented industrial relations system as a dynamic unit composed of four basic elements namely actors, rules, ideology and environmental concept. The actors in this model are a hierarchy of workers and their representatives, managements and Government. Agencies concerned with labour-management relations. The technological features of the work place have very far-reaching consequences for an industrial relations system. They influence labour and management organisations and problems of supervision as well as technical knowledge, skill and other features required by the employees.
Schematic representation of Donlop's IR system

Fig. - 1
Market or budgetary constraints are a second feature of environmental context which is fundamental to industrial relations. The market conditions may turn adverse or there may be budgetary limitations. Both of these, effect directly the rules in industrial relations. An industrial relations system created and administered by its actors has therefore to be adaptive to its market and budgetary constraints.

Ideology, an additional and final element introduced by Dunlop in the industrial relations system, is a set of beliefs and attitudes commonly shared by the actors. These bind them together and integrate the system in-to a single entity. Ideology thus helps the actors to choose their roles and recognise their status in the system.17

Besides Dunlop, many others have also noted their experiences as regards to the concept of Industrial relations system. These are discussed bellow in brief.

Allan Flanders (1965) states that "a system of industrial relations is a system of rules"18. The difference between Dunlop's and Flanders' model is that Dunlop considers 'rules' as an output of the system, while Flanders considers the industrial relations system as a system of rules.19
Blain & Gennad (1970) define the system as "a set of concepts which are, in any given respect, more closely related to each other than to external variables." They define industrial relations system "as being made up by variables that are linked together through their common concern with industrial relations, rather than other forms of behaviour."²⁰

This economic and structured views of Dunlop and Flanders have been criticised by most subsequent writers. Bain and Clegg (1974) note that "in some cases behavioural variables may play a minor role as Dunlop alleges; in other situations they may be of utmost importance. Hence they can't simply be dismissed by a blanket priori assertion, and any analytical framework of Industrial relations which purports to be complete, must obviously include them."²¹

Like-wise Somers (1969),²² Margerison (1969)²³ Laffer (1968)²⁴ focus their criticism on the intervening variables and on the process that influences the outcome of industrial relations system, or on the behavioural dynamics of the system.

To sum up, Donlop's conceptualisation of industrial relations system of inter dependent variables in widely accepted. But a complete model should include the
following at the minimum: (a) definition of the industrial relations system, (b) nature of variables comprising the system, (c) nature of external variables influencing the system, (d) role of behavioural variables and (e) outputs of the system.25

It is very much clear from the analysis of the above definitions that, Industrial relations and interactions in industry particularly between labour and the management, as well as the results of their composite attitudes and approaches in regard to the management of the affairs of the industry for the betterment of not only the management and workers but also of the industry and natural economy as a whole.

2.2.1 Functional Model of Industrial Relations

Industrial relations has its roots in the industrial system. Most of our industrial relations process have arisen out of problems generated in the functioning of industrial society. Hence, industrial relations process thinks of industrial relations as one of the operational functions of the industrial society. This process explanation differs substantially from Dunlop’s industrial relations system where an industrial relations system is an analytical subsystem of industrial society.26 In contrast
to the Dunlop approach, industrial relations is an operational function found in all major and minor systems. With the industrial guidance function the economic system can be made to function more effectively. The preference is to visualise industrial relations process, and more specifically as a guidance mechanism which is applied to the many relationship found at the situations of productive energy pointed toward problem solving. In some ways industrial relation is a point of view or orientation by the people in the direction of people rather than the direction of money perse or of machines perse.

The term "guidance" implies direction and in most cases a value destination, so at this point value goals are interjected in the model. (Fig-2) (shown as outputs) A very broad goal is human welfare which can fragment in a countless number of economic, psychological, physiological and social categories, such as income, satisfaction, health and group relationships. Taking in to consideration that welfare is the goal of industrial relations, one should look at inputs, relationships, outputs and controls, for all of these effects welfare and in turn welfare effects (feed back) the inputs, relationship, outputs and controls.
Adopted from Owen and Finnston 1964 P.19.

Fig. 2
Visualising industrial relations as a functional process, makes it possible for all persons engaged in the productive process to practice industrial relations, this includes not only the industrial relations professionals, but all other active in the productive process, purchasing, agents, bankers, statisticians and any one of the millions of persons who have an occupation, are involved in industrial relations according to functional model.

The industrial relations is always bilateral and in most cases multilateral. In training industrial relations is interested, among other things, in examining the working relationship between instructor and trainee. Wages are paid by the employer to employee constitute another bilateral relationship. The grievance procedure involving the relationship between parties forms multilateral relationships.
The industrial relations is analysed by the use of an input-output model (Fig-2) where controls are fed into it and feedbacks are indicated. The population bulge, technological change, expanding operations of a firm and negative outputs i.e. losses are run through the model.

2.2.2 Transactional Model of Industrial Relations (TMIR)

The basic postulate of a strategic/transactional approach is the industrial relations behaviour including collective bargaining is a function of multiple and complex transactions between the structural factors in the environment and value-beliefs held by the actors in that environment, and that value beliefs and structural factors together, rather than separately, account for formulation of strategic decisions in an industrial relations system. (Fig-3) the transactional approach is based on the adoptional definitions of "transaction" as given by Lazarus (1978). According to him transaction contains two special kinds of meaning, First, it means that not only does the environment affect the person, but also the person effect
TRANSACTIONAL MODEL OF INDUSTRIAL RELATION (TMIR)

<table>
<thead>
<tr>
<th>Environmental → Individual → Volitional → Industrial relations choice of strategy → Bargained/Non-bargained rules</th>
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<tr>
<td><strong>Actors</strong></td>
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</table>
| **Economic**
| Needs/values
| Goals/Experi-
| ence Ability/maturity power |
| **Ecological**
| characteristics |
| **Legal**
| **Political**
| **Social**
| **Technological**
| **Public**
| **perceptions** |
| **Decision level** |
| **Macrolevel** |
| Management ethos/choice
| The strategic role of human resources: (e.g. relations with political parties and other interest groups) |
| Policies on unions
| Investments
| Plant locations
| New technology
| Outsourcing
| Subcontracting
| Collective bargaining in personnel policies and negotiation policies and negotiation strategies |
| Conflict resolution strategies
| Participation: Introduction of new technology: Work organisation design: and/or employee participation |
| **Micro-level** |
| Work place: Individual employee workgroup participation |
| Quality of worklife including stress and technostress management |

the environment, both influence mutually in the course of an encounter. There is two-way interaction. But this model emphasises the term transaction rather than interpretation. The model no longer a liner, one way street, but transactional. Second, in interaction, the casual, antecedent variables still retain their separate identities, whereas a transaction concept describes a relationship which offers a new level of discourse in which separate variables are now lost or changed.

The continual process of transaction is defined as the industrial relations system between it and the environment influences and within and between the environmental influences, constitute the essential dynamic of labour relations and collective bargaining.

There are the concessional bargaining systems in United States and various other countries including India which postulates the mode of strategy in an industry. Tremendous developments in human resource management practices have been pursued by management, not necessarily as a strategy for countering unionism, but as part of the determination on the part of the employers to operate and run organisations on more productive lines for gaining a competitive advantage in a climate of technological changes under the garb of globalisation world over. With rapid
changes entailing major union concessions and trade-offs in private sector in United States and to a lesser extent in United Kingdom and Canada, industrial relations as a discipline is being reviewed with the intention of developing a more relevant framework to account for dynamism and change (Cappelli and McKersie, 1983). Now a new ideology is required to generalise the states new coercive role to the working class as a whole and various pressures, conflicts in individual relations have led to a search for alternate paradigms.

Strategic Choice and its use in TMIR

There is the concept of strategic choice which has been mostly used in TMIR. As Kochan, et al., (1984) recognise that "strategic choice" is a term used with increasing regularity in both economics and organisational research. They cite Chandler’s (1962) work on the relationship between strategy and structure and theories of administrative behaviour (Simon, 1958, Braybrooke and Lindblom, 1970, Cyert and March, 1963). Which have sought to integrate strategic choice has been introduced in to organisation theory over the current decade as a counter weight to the contingency approach, contingency theory rests upon the assumption that organisational characteristics have to be shaped to meet situational circumstances.
Collective bargaining and the role of environmental influences in TMIR

Collective bargaining in public and private sectors is no doubt an accommodation of conflicts between management and unions. The general models prescribe these variables: Management ethos, Union ethos and volatile factors. A present transition in private sector labor relations seem in part to have been consequence of a change in management ethos. There is the dramatic shift away from its previous commitments towards a relationship with Unions, centered on distributive collective bargaining.

Role of Value Theory in TMIR (Fig-4)

Industrial relations "is the study of values arising in the minds, institutions and emotions of individuals." Brown, (1952,p.6) Barbash (1980) points out that "the business of industrial relations is more technical and know-how. It is also the values with technique and know-how are directed to equity, due process, fairness, rights, reasonableness, participation, incentives, alienation, privacy, democracy, self-determination, faith, mutual survival, incrementalism, pragmatism, satisfaction, order; these are some of the values which field has embedded into the practice of indust
Note: Shaded area shows transactional overlap between management and Union Ethos and Volitional Factors.

Values are relevant when interests emerge. Thus values are basically to be understood, under this model, as conceptual beliefs about the "Oughtness" of a situations (Kluckhohn, 1967; Perry, 1967; Rescher, 1969). The values used here are not parsonian dichotomies, but rather continuous process. The image of industrial relations is that of a transactional process unlike that of persons which established a system of cooperation, but rather like that of Dahrendorf who concluded that conflict is ever present and that it will be part of any future industrial relations behaviour.

2.3 NATIONAL COMMISSION ON LABOUR (NCL) ON INDUSTRIAL RELATIONS IN INDIA

The present machinery for the settlement of industrial disputes comprises (i) conciliation, (ii) arbitration and (iii) adjudication machinery: tribunals, labour courts and National Tribunals.

Except for the industrial relations legislation in some State where arrangements for recognition of unions exists, there is no statutory recognition of unions for the country as a whole. There is no provision also either for the employer or workmen to bargain in "good faith". Therefore, collective agreements have not made much headway
in the country so far. The agreements, drawn up after direct negotiations between the parties are purely voluntary in character for the purpose of their implementation.

Conciliation machinery under the Industrial Disputes Act 1947, plays a vital role in solving industrial disputes. It is compulsory in all the disputes of public utility services and optional in other industrial establishments. As the commission observed that conciliation machinery suffers from legal infirmity without the power of a civil court to enforce attendance of persons, examine them on oath and call for witnesses. The recommendation of the commission is to bring labour a qualitative change in the set up, viz. structural, functional and procedural changes in working of the machinery.

Voluntary arbitration a method of resolving industrial conflicts was advocated and was made prominent by Mahatma Gandhi. Although Government efforts to make the machinery popular continue, but its progress in the country has become very slow due to the following factors: (i) easy availability of adjudication in case of failure of negotiations; (ii) absence of recognised union which would bind the workers to common agreements; (iii) dearth of
suitable arbitrators, who command the confidence of both the parties; (iv) legal obstacles; (v) the fact that in the law no appeal was competent against an arbitrator’s award; (vi) absence of simplified procedure; (vii) and heavy cost to the parties, particularly to the workers.39

The ultimate legal remedy for the settlement of unresolved disputes lies with the adjudication machinery. In certain aspects, the labour courts and industrial tribunal enjoy the power of a civil court under the code of civil procedure 1908. Adjudication is dilatory, expensive, and even very much legalistic in procedure.40 The commission observed, it has failed to achieve industrial peace and it has inhibited the growth of unions and has prevented voluntary settlement of industrial disputes. The commission has further appreciated the working of the adjudicatory machinery as one of the instruments for improvement of wages and working conditions and for securing allowances for maintaining real wages, for bonus and introducing uniformity in benefits and amenities.41

It has also helped to avert many work stoppages by providing an acceptable alternative to direct action and to protect and promote the interests of the weaker sections of the working class. The State intervention through adjudication for settlement of industrial disputes can
continue until workers bargain with employers on an equal footing. The commission is of the opinion that till acceptance of alternative method i.e. Industrial Relations Commission, the existing procedure should continue, through suitable improvements/modifications to make it more acceptable. Four specific points made in this connection are:

(i) the circumstances which necessitated the provision of compulsory adjudication when the industrial disputes law was enacted in 1947, still continue; (ii) the parties, particularly unions, are still unprepared and incapable; (iii) immediate withdrawal of State intervention through adjudication will lead to chaos in the industrial field, which the country can ill afford; and (v) the State as representing the community, must have the right to intervene and compel the parties to submit to the decision of an adjudicator.

The commission has recommended for recognition of bargaining agent and enactment of suitable legislation in favour of such action instead of keeping it voluntary in nature. A union which does not observe the code should be derecognised. Rights and duties have been suggested by the commission for the recognised union. The commission has suggested that the Industrial Relations Commission should be constituted instead of industrial tribunals and
national tribunals. The standing Labour Court should be set up with the judicial functions of interpretation and enforcement of all labour laws, awards and agreements.\(^{48}\)

2.4 INDUSTRIAL RELATIONS COMMISSION IN INDIA

The National Commission on Labour (1969) has recommended for constitution of Industrial Relation Commissions at the national and State levels for resolving industrial disputes. The proposal for substitution of Industrial Relations Commissions is due to the weaknesses in the working of the existing industrial relations machinery.\(^{49}\) The justification for the proposal to create this institution is that apart from the delay and expenditure involved in the dispute settlement machinery,\(^{50}\) the government’s power of referring disputes\(^{51}\) (under the Act. 1947) has led to allegation of political pressure.\(^{52}\) Also it has been observed, the functioning of industrial tribunals under Government department - 'the Labour Department' - was not very satisfactory.\(^{53}\) As commission has felt, there was the strong evidence in support of 'reforming the industrial relations machinery, so as to make it more effective and more acceptable.\(^{54}\) Thus there is the need of a formal suitable arrangement which is independent in character, expeditious in its functioning and which would be equipped with the experts. This is, as
proposed, would be entirely independent of administration. From the standpoint of administrative law, such a separation of a judicial function from executive is a healthy move.55

The National Industrial Relations Commission, appointed by the central Government, will deal with the disputes involving questions of national importance, or those likely to affect establishment situated in more than one State. The Commissions in the States will deal with disputes referred to them by the State Government.

The Industrial Relations Commission will have three main functions, (i) adjudication, (ii) conciliation, and (iii) certification of unions as representative unions. It will give much importance on settlement of 'interest disputes'56 at different stages. Apart from its compulsory jurisdiction in respect of essential, and in certain cases by sending its conciliators and arbitrators to settle disputes.

Unlike the British Industrial Relations Commission, there is in India, a conventional bias in favour of employing judicially qualified personnel. The judicial members including the President of National and State Commissions will be appointed from among persons
eligible for appointment as High Court Judges. The President of the Industrial Relation Commission\(^57\) will be appointed by the union Government in consultation with a committee consisting of the Chief Justice of India, the Chairman of the Union Public Service Commission (UPSC) and the senior-most Chief Justice in the High Courts.\(^58\) The other members of the National Industrial Relations Commission (NIRC) will be appointed by the Union Government in consultation with the Chief Justice of India, the Chairman of the UPSC and the President of the National Industrial Relation Commission.

The conciliation Wing of the commission will consist of conciliation officers with the prescribed qualifications and status. All collective agreements will have to be registered with the commission.\(^59\) When a strike or lockout commences, the appropriate Government may move to commission to call for the termination of the strike/lock-out on the ground that the continuance may affect the security of the State, national economy or public order and will call on the parties to adjudicate on the dispute.\(^60\) Thus with all these powers combined in it, the Industrial Relations Commission promises to be the beginning of a streamlined labour Judiciary in India.
2.5 INDUSTRIAL RELATIONS BILL, 1978

The Industrial Relations Bill was introduced in the Parliament in 1976 but could not see the light of the day. It was a major landmark in Indian industrial relations and had identified structural problems of existing industrial relations machinery in India.

It has replaced the definition of workmen by employee, industry (enlarged scope), industrial dispute (in clear terms), negotiating agent (a new term) lay off (supplemented by, additional provisions and explanations, strikes (in broader terms) etc. This Bill was the combination of Trade Union Law, Industrial Disputes Law and Employment Standing Orders Law.

The adjudication machinery was redesigned with the addition of National Industrial Relations Commission in the structural and functional area by giving more power to strengthen and streamline the adjudicatory functions.

The Bill had prescribed new law for registration of trade unions under the conditions that a minimum of 10% of the employees or a minimum of 100 employees of an undertaking sign the application for registration. The subscription fee for trade union membership is to be raised
from 25 paise to one rupee. The Bill has imposed restrictions on outside office bearers to two per unit and to 25% in unions operating in more than one establishment. The Bill proposed adjudication of trade union disputes by tribunals on accounts, membership rights, property etc.

The Bill had prescribed Negotiation Agent (NA) for strengthening of collective bargaining in India. The certified negotiating agents were to be legally recognised by the employers and non-compliance of which was punishable under the law. The rights of the negotiating agents have been listed under the law.

For better understanding in field of contract of employment, the Employment Standing Order Law has been restructured prescribing the classification of employees (whether permanent, temporary, apprentice or probationers), conditions of service, misconduct and consequent enquiry, employees superannuation and shift working.

The Bill prescribes a procedure for any change in terms of employment and conditions of labour. Any change in the matters of hours of work, withdrawal of any customary concession or privileges was required to be done with a 21-day notice to the negotiating agent. The appropriate Government has been more powerful in the event
of failure in conciliation proceedings, to prohibit strikes or lockouts, slowing down of work, stoppage of production, suspension, dismissal etc.

The greater contribution of the Industrial Relations Bill is the proposal of setting up of National Industrial Relations Commission\textsuperscript{65} to deal with the 'disputes of interest' (national importance). Strike notice could be possible, provided 60% workers had shown their support through a strike ballot.\textsuperscript{66} Employers were also imposed with restrictions on lockouts in essential services without giving six weeks notice or during the pendency of any conciliation or adjudication proceedings.

To make the law effective, time limit has been prescribed for conciliation proceedings, and at the tribunal and Labour Court level for first hearing, second hearing and final decision of the case.

The Bill has prescribed the unfair labour practices\textsuperscript{67} on the part of the employees and their trade unions as well as employers and their unions. This has imposed restrictions on unfettered demands or rights of the workers and the managements respectively.
On the whole, the Industrial Relations Bill was meant for creating healthy industrial relations scene in India with a view to give social justice to the weaker sections simultaneously with the improvement of national economy.

2.6 INDUSTRIAL DISPUTE (AMENDMENT) ACT 1982

The Industrial Disputes Act, 1947 was amended in the year 1982 in the light of the recommendations made by National Commission on Labour.

The amendment brought new definition of 'industry' in accordance with the historic decisions of the supreme court, Bangalore water supply and Sewerage Board vs. A. Rajappa. This definition laid down three tests for industry and excluded nine categories of establishment from the purview of the definition so as to avoid bewilderness in the courts.

To make the industrial relations field smooth, a new provision of "Grievance Settlement Authority and reference of certain individual disputes to such authorities" has been inserted. The Grievance Settlement Authority (GSA) has been empowered to handle all the individual disputes at the plant level.
Adjudicating authorities have been prescribed with the time limit so as to submit its award and to curtail delay.69

The worker has been granted with interim relief in the case of pendency of disputes in higher courts if he has been awarded for reinstatement by court or tribunal and will be employed till final decision is made. A new provision on closure has been inserted and the employer has to take permission of the appropriate Government for closing down the organisation. The reasons for closing down of the undertaking must be recorded so as to allow the employer to close his business.

A long awaited suggestion of the National Commission on labour has been accepted by inserting a new chapter on "Unfair Labour Practices". By insertion of this provision, the workers and the employers have been legally imposed with some restrictions their wrongful activities.

This amendment has removed some difficulties and illusions which were with the laws and was causing problems for administration of justice. The workers and employers, now get proper direction in choosing their rights and responsibilities towards the industry.
Trade unions around the country face a lot of problems in regard to their organisation, recognition, finance etc. The present law of the Trade Unions and The Industrial Disputes (Amendment) Bill, 1988 seeks to radically amend labour law in the light of recommendations of National Commission on labour and various other standing labour committees and the National Labour conference of 1982. This bill brings about changes on existing Industrial Disputes Act, 1947 as well as Trade Union Act, 1926.

The present bill prescribes the new qualification for registration of unions. Ten per cent (10%) of the total work-force is needed for registering a union with the Government. No doubt this will knockout a host of small unions in industrial undertakings which are creating confusion for determining true bargaining agent. Each union member has to pay rupee one instead of 25 paise as monthly union subscription which can be deducted from wages by the employer and can be deposited with the union fund to which he belongs. This can help in verification of the members of the unions. It is felt by every section, the management, the consumers and the workers that the industrial relations machinery needs over hauling. The existing law does not
provide recognition of bargaining agent. The amendment bill proposes recognition of bargaining agents at unit and industry levels. The standing Labour Committee felt that efforts should be made to ensure that the existing multiplicity of unions be reduced and that the trade unions become effective and strong in organisations. To promote and encourage growth of internal leadership, according to recommendations of the Standing Labour Committee, 1986, only two outsiders can be taken as office bearers of the union. It also stipulates that no minister can be a member of a union’s executive committee. The unions disputes can, at present, be put forth before the Industrial Relations Commission.

The bill has proposed a new chapter with the substitution Industrial Relations Commissions in place of industrial tribunals and National tribunals at the state and centre respectively. It will discharge the functions which were assigned with tribunals in addition to the power of handling the union disputes and some of their businesses. It suggests for reference of trade union disputes to arbitration.

The bill defines a 'go-slow' as anything that substantially retards work, without spelling out what this is. When employers regard this in terms of below normal
production, but the court has to decide how much workers should be paid during the go-slow period. "Normally, the managements do not pay wages for go-slow".70

The Bill proposes straight reference of the individual disputes from conciliation machinery to labour court, if within sixty days of pendency before conciliation has not yielded any result. In this case, need of the appropriate Government, for reference of dispute, will not be sought for. This curtails delay in disposal of disputes. Unlike that of the Industrial Relations Commission in Great Britain, the bill proposes judicial members to adorn the post of President of the Commission. In addition to this, there will continue the Labour Court to deal with the matters as prescribed by the Government.

There will be a bargaining council in an area or in a class of industries to bargain for the workers.

The bill suggests powers to be conferred on the management to issue orders regarding term and conditions of employment for protecting interests of the community and for prohibiting strikes and lockouts.

For lock-out of an industry, a fourteen-day notice has to be submitted to the appropriate Government for approval of the court of action and if during the schedule
period the orders of the Government does not flow, it would be deemed by the employer as if the permission has been accorded.

Stringent action has been proposed in the bill in case of illegal strikes and lock-outs in the public utility services. Procedure of going for strike and lockout has become strict procedural ridden. Where illegal strikes take place, the employer can apply to labour court for determinations of such dispute. The Bill makes special provision for bipartite negotiations.

The employers some times do not pay to the workmen concerned wages and / or retrenchment compensation or both at the time of closure or retrenchment. The Bill provides that failure to pay legitimate dues to the workmen will entail compulsory imprisonment and with fine of Rs.5000/-.

The objective of the new law is to "set up in a statutory frame work, institutions that will promote peace and harmony in industrial establishments and protect the legitimate interests of workers and employers, for increased production and productivity, increased flow of goods and services and consequent improvement in the standard of living of the people and a greater measure of social justice".71
2.8 MR. G. RAMANUJAM COMMITTEE REPORT ON INDUSTRIAL
RELATIONS LAW.

It was constituted in pursuance of the recommendations made at 29th session of ILC held on 21st and 22nd April 1990 and accordingly the government of India setup a bipartite committee on new Industrial Relations Law. It recommended for withdrawal of Industrial Dispute (Amendment) Bill 1988 introduced in Rajya Sabha.

This report prescribes law on labour participation, the Trade Union Act, the Industrial Relations Act, Union Recognition, Negotiating councils as the bargaining Agent, Emphasis on voluntary arbitration constitution of Industrial Relation commission (IRC) and its powers, stringent procedure for declaration of strikes and lockouts, detailed procedure on lay off, retrenchment and closures along with wide power under section 33 of the present Industrial Disputes Act 1947. The committee has emphasised and newly opened up the vista on rights and responsibilities of members of negotiating councils (NC) to reflect their responsibility towards the society. It has exhaustively prescribed the unfair labour practices of the management and labour respectively.
It no doubt reflects some striking features of Industrial Disputes (Amendment) Bill of 1988 with some emphasis on participative management, negotiating councils along with the detail procedure of strikes and lockouts.

2.9 INDUSTRIAL RELATIONS UNDER GLOBALISATION OF ECONOMY IN INDIA

India's business environment has been changing over the past decade, more particularly, after the adoption of new economic policy (July 1991) which has brought the competitive climate in industries. New economic policy implies a policy of liberalisation with a greater role for private sector, it encompasses deregulation, withdrawal of state support to public enterprises, and smoothening the flow of foreign direct investment in India by withdrawing restrictions imposed by Foreign Exchange Regulation Act. The purpose is to facilitate investment by the corporate sector within the country and permit free flow of foreign investment with a view to imbibe hi-tech and integrate the Indian economy with the world economy.\textsuperscript{73}

The employment effect of the new economic policy is that by 1994 with a higher growth rate, the stabilisation programme will raise the unemployment rate from less than 4 per cent in the current year (1991-92) to
about 5 per cent next year. This implies extra unemployment of 4 million persons next year and year after as a net consequence of the stabilisation programme." In the law growth scenario, which could appear if the trade balance continues to deteriorate, conditions could turn out to be worse. The unemployment rate would rise to around 6 per cent next year and climb towards 7 per cent in 1993-94. In absolute terms the additional unemployment created on account of stabilisation would amount to about 10 million persons out of total unemployment pool of around 25 million persons.  If the existence and continuous increase of unemployment is a destabilising factor in the society, then the so called stabilisation programme is in essence a destabilisation programme because it not only pushes Indian Society deeper into the debt trap, it also pushes it further in to quagmire of serious unemployment.

The trends of strikes and lockout indicate that during 1989, out of the total loss of 32.9 million man days, lockout accounts for 21.96 million mandays e.e. 67.2 per cent. The share of lockout during 1990 was 56 per cent, but in 1991, it again rose to about 64 per cent. Thus the intensity of strikes and lockouts reveals that lockouts are much more severe in intensity and thus can appropriately be described as an instrument of punishment/repression of the working class.
The management's attitude towards the working class indicate that the management, as a policy to browbeat labour while accepting retrenchment are in increasingly resorting to closure. This has very adverse implications for labour working in medium and large enterprise. 76

Another vital issue has been observed that the prevailing labour legislation is in confrontation with the liberalised policy. As such there is a clear realisation that the labour legislation needs a radical change. Both the government during 1978 and 1988 have attempted to bring revised labour legislation on industrial relations but failed. Industrial relations Bill of 1988 did not see sunshine. It is the time for the unions and management to come with collaborative attitude rather than confronting attitude.

It may be stated that all forces unleashed by new economic policy reforms are emphasising a higher rate of output without a commensurate growth rate of employment. All talk about rationalisation, redeployment, retrieving and retrenchment of labour which is the consequence of the policies of liberalisation is eroding the growth rate of employment. The new economic policy has helped the business class an adversely affected the labouring class who are considered as the major beneficiary of the policies. 77
Indian economy had a predominance of agriculture until independence, in which personal relations were based on long accepted traditions. But such relations were replaced by the contractual relations with the development of modern industry since the 2nd half of the 19th century.

Since independence the rapid industrial development helped continuous increase in the trade union movement which imbided vigour and strength. Industrial relations system in India is in some way or other connected with trade unions. Hence no major improvement in the industrial relations climate is possible unless we have resolved the problems relating to the trade union movement in India. Workers could not appreciate fully in social responsibilities in the independent nation. The trade union movement has failed to develop a working class consciousness in India. The organised workers continue to behave in an opportunistic and self-centered manner, while trade unions continue to fight their sectional fights. As one senior trade union leader has put it, there is today more 'trade' and less 'union' in the trade union movement. Because of an over emphasis on economic gains the organised workers have become a new privileged class and are getting progressively alienated from the rest of the society.
The penultimate decade of the present century was a significant one in the field of Industrial relations in the country. The decade opened with the need of Industrial Relations Bill, (popularly known as Ravindra Verma bill) and closed with the stalemate of yet another IR bill (Sangma bill), in 1987 & 1988 respectively. Both bills had attempted to bring out comprehensive legislation covering the industrial disputes Act, the Trade Union Act on collective bargaining, majority union membership verification etc. But the Govt. could not push through the bill in the parliament due to sharp criticism from all shades of trade unions.

Another significant development during the decade was convening the tripartite Standing Labour Committee (SLC) comprising representatives of the State and the Central Governments after a gap of 13 years. Ironically the SLC meeting had virtually failed to produce any result.

After discussing the background of industrial relations in India, an attempt has been made here to evaluate the industrial relations climate of the country. For the purpose the number of strikes, lockouts ad mandays lost are considered as a fairly good determinate of the prevailing industrial relations climate. As such the corresponding data are presented in Table-2.1.
### TABLE 2.1: INDUSTRIAL DISPUTES IN INDIA IN TERMS OF STRIKES AND LOCKOUTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Lockouts</th>
<th>Number of Strikes (1000)</th>
<th>Percentage Strike</th>
<th>Workers Involved</th>
<th>Percentage Workers Involved</th>
<th>Days Lost</th>
<th>Percentage Days Lost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>2501</td>
<td>87.6</td>
<td>12.4</td>
<td>2856</td>
<td>81.1</td>
<td>45.2</td>
<td>21925</td>
</tr>
<tr>
<td>1981</td>
<td>2245</td>
<td>86.7</td>
<td>13.3</td>
<td>2599</td>
<td>79.4</td>
<td>42.0</td>
<td>46858</td>
</tr>
<tr>
<td>1982</td>
<td>2029</td>
<td>81.7</td>
<td>18.3</td>
<td>2633</td>
<td>81.1</td>
<td>30.2</td>
<td>74615</td>
</tr>
<tr>
<td>1983</td>
<td>1993</td>
<td>80.1</td>
<td>19.9</td>
<td>2688</td>
<td>79.9</td>
<td>28.7</td>
<td>36583</td>
</tr>
<tr>
<td>1984</td>
<td>1689</td>
<td>80.7</td>
<td>19.3</td>
<td>2094</td>
<td>88.6</td>
<td>60.3</td>
<td>29240</td>
</tr>
<tr>
<td>1985</td>
<td>1595</td>
<td>77.2</td>
<td>22.8</td>
<td>1755</td>
<td>81.4</td>
<td>56.7</td>
<td>25891</td>
</tr>
<tr>
<td>1986</td>
<td>1458</td>
<td>71.1</td>
<td>28.9</td>
<td>1822</td>
<td>87.8</td>
<td>46.8</td>
<td>22502</td>
</tr>
<tr>
<td>1987</td>
<td>1348</td>
<td>74.9</td>
<td>25.1</td>
<td>1799</td>
<td>84.5</td>
<td>42.5</td>
<td>1726</td>
</tr>
<tr>
<td>1988</td>
<td>1304</td>
<td>74.7</td>
<td>25.3</td>
<td>1755</td>
<td>93.7</td>
<td>42.5</td>
<td>12352</td>
</tr>
<tr>
<td>1989</td>
<td>1397</td>
<td>78.2</td>
<td>21.8</td>
<td>1766</td>
<td>85.0</td>
<td>42.5</td>
<td>12081</td>
</tr>
<tr>
<td>1990</td>
<td>1569</td>
<td>80.0</td>
<td>20.0</td>
<td>1825</td>
<td>88.8</td>
<td>42.5</td>
<td>10905</td>
</tr>
</tbody>
</table>

Source: Compiled from the different issues of pocket book of labour Statistics, Govt. of India
A comparative analysis of data on strikes and lockouts reviles that there was a greater incidence of strikes than lockouts and that more number of workers had been involved in strikes than lockouts. Further, mandays lost because of strikes had been higher than mandays lost due to lockouts during 1980 to 1984. But the percentage of mandays lost were higher for lockouts during the period except in the year 1986. While mandays lost due to strikes went down from 54.8 per cent in 1980 to 44.2 per cent in 1990, mandays lost due to lockouts went up from 45.2 per cent in 1980 to 55.8 per cent in 1990.

It is further observed that, on the whole, industrial disputes measured in terms of mandays lost due to strikes and lockouts had been on the increase over the period under study. The situation was remarkable in the year 1982, when the total loss of mandays went up to the highest level of 74.62 million mandays. That was due to the prolonged Bombay Textile Strike (41.40 million mandays lost).

The practitioners of industrial relations as well as the government have many challenges ahead. Their immediate task must be to maintain vitality and effectiveness of the industrial structure in the rapidly changing situation. In order to qualify themselves for this
task every effort has to be made to identity and even anticipate new problems. A joint endeavour of employers and the Government. With co-operation from workers and their Unions can smoothly pave the way to a state of sound industrial relations situation in the country.

2.11 INDUSTRIAL RELATIONS SCENE IN PUBLIC SECTOR

The problem of industrial relations is equally serious in the state undertakings in India. The public sector units face many challenging problems which have become the Waterloo of many a competent manager. Appropriate handling of industrial relations will always remain a challenge for managers of the public sector particularly when they have been entrusted with operations in a widely diversified environment.

Though the industrial conflicts are natural, the model employer should be in a position to minimise industrial disputes and would keep the loss of mandays and production at the lowest possible level if not avert them altogether. But it is criticised that industrial relations in most cases get complicated due to political overtones. Political leaders of various parties have close access to and greater influence on industrial relations system of various public enterprises by way of capturing the
leadership of trade unions. All the public sector units and their employees suffer from the evil effects of political leadership, Union rivalry, multiple unions. The trade union functioning in the public sector enterprises encourages excessive demands from workers without a sense of belongingness or deep concern for productivity. This situation may naturally lead to industrial conflicts. The trade union movement in our country remained weak and disunited. Serious efforts were never made in our country to keep political influence out of trade union movement. The atmosphere for collective bargaining gets fouled by the accumulation of unattended individual grievances.

There is hardly any qualitative difference between the collective bargaining techniques adopted by the workers in the public sectors and their counterparts in the private sectors. The cause of the problem in the public sector is to find a forum with which the trade unions can negotiate. The manager is as much an employee as any other worker and bound by rules and regulations and the ownership remains with the Government.

The Government did make efforts, particularly since independence, to improve the situation by passing and implementing legislative enactments. Industrial relations however, cannot be legislated upon and the situation went
on worsening till we came to lead the industrial nations of the world in respect of the number of man-days lost on account of industrial disputes.

It would be interesting to study the industrial disputes in the public sectors in comparison with "private sectors". The indices taken into consideration for the same are (i) workers involved in Industrial disputes (ii) The total number of mandays lost and average number of workers involved per dispute and (iii) the average number of mandays lost per worker is an industrial dispute.

The statistical data in Table-2.2 present a comparative statement regarding the number of disputes, workers involved, total mandays lost along with average number of workers involved per dispute and average number of mandays lost per worker, both in Public and private sector industries in India. The data indicate that the magnitude of industrial disputes in public sector enterprises was low when compared to its counterparts in private sectors. The analysis of this trend reveals that during 1980-91 the number of workers involved in the industrial disputes in the public sector was more than in the private sector. Again, though the average number of mandays lost in the public sector was comparatively less
TABLE 2.2  INDUSTRIAL DISPUTES IN PUBLIC AND PRIVATE SECTORS IN INDIA.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Disputes</th>
<th>No. of workers involved ('000)</th>
<th>No. of mandays lost ('000)</th>
<th>Average no. of workers involved per</th>
<th>Average No. of mandays lost per worker</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public Pvt. Total</td>
<td>Public Pvt. Total</td>
<td>Public Pvt. Total</td>
<td>Public Pvt. Total</td>
<td>Public Pvt. Total</td>
</tr>
<tr>
<td>1980</td>
<td>968</td>
<td>1888</td>
<td>2856</td>
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<td>1101</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>1981</td>
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<td></td>
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</tr>
<tr>
<td>1984</td>
<td>592</td>
<td>1502</td>
<td>2094</td>
<td>931</td>
<td>1018</td>
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<tr>
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<td></td>
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<td></td>
</tr>
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<td>1755</td>
<td>385</td>
<td>694</td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1986</td>
<td>389</td>
<td>1305</td>
<td>1694</td>
<td>678</td>
<td>967</td>
</tr>
<tr>
<td></td>
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<td></td>
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<td>1987</td>
<td>442</td>
<td>1357</td>
<td>1799</td>
<td>1007</td>
<td>763</td>
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<tr>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>1988</td>
<td>564</td>
<td>1181</td>
<td>1745</td>
<td>802</td>
<td>389</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1989</td>
<td>615</td>
<td>1171</td>
<td>1786</td>
<td>918</td>
<td>446</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>628</td>
<td>1197</td>
<td>1825</td>
<td>884</td>
<td>424</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>653</td>
<td>1157</td>
<td>1810</td>
<td>788</td>
<td>554</td>
</tr>
</tbody>
</table>

NB: Figures within the brackets represent percentage to total.
Source: Compiled from the different issue of Handbook of Labour Statistics, India.
than that of the private sector, the average number of workers involved per dispute was more in public sector than in private sector.

The average number of mandays lost per worker reveals that it took much less time for resolving a dispute in the public sector where as in the private sector it took longer time. For example in the eleven year period, except in 1981- and 1982, the average number of mandays lost per worker has remained between 5 to 9 in public sector, where as in the same period it was 16 to 86 in the private sector.

The whole analysis reveals that the Government agrees to the demands of workers and the settlement machinery is brought into action much more swiftly in public sector than in the private sector. Thus the public sector compares favorably with the private sector so far as industrial conflicts are concerned.

Looking at the current industrial environment as a whole, the traditional approach of authoritarian leadership will worsen the situation further. Therefore, the need for a realistic approach to increase productivity and maintain harmonious industrial atmosphere has become very much imperative. A conflict in work environment occurs when the
management may expect the maximisation of production and profit to be accomplished where as the workers do not want to strain themselves much to fulfill it. It is therefore, essential to educate the workers the need for higher productivity perspective in managing human, material, capital, energy and other resources. The Government has to take positive and progressive attitude concerning labour relations in the public sector undertakings along with the existing machinery for consultation, negotiation and joint decision etc. However, we have to make efforts to revitalize the Public Enterprises and need not look at the scenario with despondency and despair.

2.12 INDUSTRIAL RELATIONS SCENARIO IN ORISSA

The tempo of industrialisation has been markedly quickened in Orissa during 1980s. Organised efforts were made to promote industrial growth through various Industrial Policies announced by the State Government. The Industrial Policies of 1980, 1986 and 1989 have provided substantial incentives for starting large, medium and small scale industries. As a result in 1993 the state is having 276 large and medium industries and 44777 small scale industrial units with an investment of Rs.1168 crores and Rs. 661° crores respectively. The employment generated in large, medium and small scale industries are 741944 persons
and 323685 persons respectively. As such the industrial relations situation has been greatly influenced by the liberal Industrial policies in the state during 1980s.

Industrial relations is essentially concerned with accommodation of various conflicting interest that are involved in the process of getting work done through other people. It aims at ensuring the maximum involvement of employees for the achievement of corporate objectives with a view to yielding maximum results. Hence organisational climate and culture have a direct impact on employer and employee relationship. An attempt has been made here to present a brief outline of the industrial relations scenario in the state during the period from 1980 to 1993. Works stoppages due to strikes and lockouts working of conciliation machinery, working of joint forums and role of trade unions on industrial relations are the major indicators to assess the industrial relations climate in the state.

The number of work stoppages in the state would indicate the incidence of industrial relations scenario. Though the total number of lockouts (128) were less in number when compared to strikes (1004), the mandays lost per lockout (288083) were more than the number of mandays lost per strike (46855) during 1980-93. The year
1985 and 1986 witnessed the maximum industrial unrest in the state due to growing union militancy in the mining areas. For instance, in some Tata-owned mines in Sukinda (Jajpur district), the largest Cromite mining area in Asia, the worker's Unions were continually resisting the introduction of mechanisation without suggesting any alternative solution for increasing the rate of production. A state-owned mine (Kalaranga - B quarry) had to be locked out following frequent labour troubles caused by unions. The eighties have also seen the closure of large industries like Jayshree Chemicals (Chatrapur), Titagarh Paper Mills (Choudwar) and a long closure of Orient Paper Mills (342 days in 1983) following widespread labour unrest. In fact the state has been going through a tidal wave of industrial relations scenario during the period dominated by mutual distrust and hostility.90

Industrial relations also depends on the extent to which the settlement machinery of the state is made effective. The analysis of the working of the settlement machineries (Table-2.3) during the decade depicts a disappointing scene. The machinery could be able to settle the highest number of disputes (39.14 percent of the total disputes) in 1980 followed by 35.91 percent in 1982 through conciliation process only. During the rest of the years the settlement figures were lower than the above percentage. It
<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Industrial disputes referred to Industrial relations machinery</th>
<th>Disputes settled through conciliation</th>
<th>Conciliation failed</th>
<th>Percentage of disputes settled through conciliation</th>
<th>Disputes refer to adjudication</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>585</td>
<td>229</td>
<td>174</td>
<td>39.14</td>
<td>75</td>
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<tr>
<td>1981</td>
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<td>242</td>
<td>33.94</td>
<td>132</td>
</tr>
<tr>
<td>1982</td>
<td>724</td>
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<td>263</td>
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<td>168</td>
</tr>
<tr>
<td>1983</td>
<td>756</td>
<td>217</td>
<td>297</td>
<td>28.70</td>
<td>116</td>
</tr>
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<td>1984</td>
<td>822</td>
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<td>306</td>
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<td>114</td>
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<td>1985</td>
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<td>1986</td>
<td>1050</td>
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<td>436</td>
<td>27.52</td>
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<tr>
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<td>175</td>
</tr>
<tr>
<td>1989</td>
<td>1192</td>
<td>291</td>
<td>401</td>
<td>24.41</td>
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</tr>
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<td>1990</td>
<td>1274</td>
<td>222</td>
<td>445</td>
<td>17.42</td>
<td>201</td>
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<tr>
<td>1991</td>
<td>1485</td>
<td>260</td>
<td>646</td>
<td>17.50</td>
<td>NA</td>
</tr>
<tr>
<td>1992</td>
<td>1387</td>
<td>250</td>
<td>739</td>
<td>18.02</td>
<td>NA</td>
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<tr>
<td>1993</td>
<td>1259</td>
<td>223</td>
<td>747</td>
<td>17.71</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>3482</strong></td>
<td><strong>5781</strong></td>
<td><strong>25.70</strong></td>
<td></td>
</tr>
</tbody>
</table>

is also noteworthy that in most of the cases the machinery failed to arrive at any conclusion and the cases were referred to adjudication. The references of disputes for adjudication have more or less increased during the period under study. In the year 1985 (243 cases) and 1986 (302 cases) maximum number of disputes were referred to adjudication. On the other hand government’s adjudication machinery makes undue delay in disposing of some disputes that are referred to it. Undoubtedly such delays have, in recent year, largely contributed to the adverse industrial relations situation in the state. The study reveals, during later part of 1982 and almost the whole year of 1983, there was the worst industrial relations situation in this state. The largest strike of the Orient paper mills (342 days) was due to inordinate delay of adjudication machinery in disposing of the case which triggered off tension among workers.

The voluntary effort for resolution of disputes between labour and management has not been thought out seriously in the state. Not a single case was referred to arbitration during the period as none of the parties were interested in it. Moreover, the parties to the industrial dispute showed a casual attitude towards mutual settlement and treated it as a "hurdle to crossover" before going to the next stage of settlement machinery i.e. "adjudication".
<table>
<thead>
<tr>
<th>Year</th>
<th>No of establishment required to constitute works committee</th>
<th>Works committee functioning at the end of the year.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>1981</td>
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<td>5</td>
</tr>
<tr>
<td>1994</td>
<td>151</td>
<td>4</td>
</tr>
</tbody>
</table>

The working of works committees (TABLE-2.4) in Orissa was quite unsatisfactory. In fact, most of the industrial establishments, "works committees" have not been constituted.* This trend suggest that the employer and employees were not serious about the effective functioning of joint forums.

However a few organisations especially in private and cooperative sectors, realising the importance of constitution of Joint Forums, established such bipartite forums like production committees, safety committees, canteen committees, grievance committees and cultural associations etc.

The trade union movement of the state has considerable impact on its industrial relations climate. The growth of trade unions,(Table-2.5) measured in terms of annual increase in the percentage of registered trade unions in the state, has been rather inconsistent ranging between 12.20 to 2.34 per cent during 1980-94. However, a declining trend was observed in the years 1982 (-2.71%) and 1986(-11.97%). As regards to the membership of trade unions, the growth was momentous and reached the height of

* As per the report of the labour commissioner Orissa 1990-91 "works committees could not be formed in many industrial establishment mostly due to non-cooperation of trade unions and employers".
<table>
<thead>
<tr>
<th>Year</th>
<th>No. of unions on the live register</th>
<th>Total membership</th>
<th>Rate of growth in % of unions</th>
<th>Rate of growth in % of membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>671</td>
<td>321411</td>
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<td>-</td>
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<tr>
<td>1981</td>
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<td>368779</td>
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<td>14.73</td>
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<td>1982</td>
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Source: Annual report on the working of the Trade Union Act 1926 in the State of Orissa, Labour Directorate, Orissa, Bhubaneswar
41.99 percent in the year 1984. In the beginning of 1980 the membership of organised trade unions was 3,21,411 which became more than double at the end of 1994 (8,35,679) (Table-2.5). This indicates the intensification of trade union activities in the state.

The history of trade union movement of Orissa brings out the phenomenon that it is guided by political considerations than industrial necessities. The trade union leadership came from outside the working class which instead of creating labour unity have prompted inter and intra union rivalry and contributed remarkably to create an inclement weather of industrial relations. For instance, Paradeep Port and Paradeed Phosphate Limited continued to be the centers of ugly industrial relations situation. The Paradeep Phosphate Limited has only 700 employees and it has about 13 unions operating in various departments. Keeping up with all these Unions and Union leaders and their various demands has been a quite task for the management. In view of the above the trade unions and the union movement is often an obstacle to the development of good industrial relations in this state.

The industrial relations scenario of 1980’s based on above discussions would lead one to believe that the position has not been very encouraging during the decade when a large number of industries were setup in the state.
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