3.1 INTRODUCTION

Management today is faced with the awesome responsibility of ensuring optimum levels of growth and productivity in an environment that is full of conflicting situations. Conflict is a theme that has occupied the thinking of man more than any other with the exception of God and Love. Conflict has always been widespread in society but it is only recently it has generated a lot of interest and has been the focus of research and study to maintain industrial harmony.

We are living in the age of conflict. Conflict emerges at Interpersonal level, in terms of various choice, and interpersonal level confronting decisions. Conflict is not confined at the individual level alone but is manifesting itself more and more in organisations disturbing the equilibrium of industrial harmony. Employees have become more vociferous in their demands for better deal. Various departments in an organisation face a situation full conflicts due to a number of reasons like goal diversity, scarcity of various of task interdependence etc.
3.2 SOURCES OF CONFLICT

A large number of potential sources of conflict exist in organisational life as antecedent conditions and realistic basis for some conflict. Such sources are :-

(A) Diversity of Goals

Groups in an organisation have different functions to perform and as such they develop their own norms and goals. These goals should commensurate with organisational goals. But often in real life the reverse is true. Goals of one group are incompatible to the goals of another group.

(B) Task Interdependence

Groups in an organisation have to interact with one another in order to accomplish their task. For e.g. Sales deptt. can not sell unless the production people produce goods and goods can not be produced unless finance deptt. provides the money for the purchase of raw materials. Three types of interdependence can cause inter group conflict - pooled, sequential and reciprocal.

B-a. Pooled Interdependence

It exist when two work groups may not directly interact with each other but are affected by each other's actions.
B-b. **Sequential Interdependence**

It occurs when one group's performance depends on another group's prior performance.

B-c. **Reciprocal Interdependence**

It occurs when two or more groups are mutually interdependent in accomplishing their tasks.

(C) **Competition for Limited Resources**

No organisation is capable of providing all the resources demanded by various units. Resources are limited and different groups have to compete for these resources and many conflicts arise from this source.

(D) **Organisational Ambiguities**

Conflict may emerge when two organisational units compete over new responsibility. Inter group conflict stemming from disagreement about who has responsibility for or going task in an even more frequent problem. New Comes to organisations are often struck by the ambiguity that exist about job responsibility.

(E) **Organisational Change**

Change is low of nature. Change can breed intergroup conflict. Acquisition and mergers, for example encourage intergroup conflict, competition, and stress. When one organisation is merged into another, a
power struggle often exists between the acquiring and acquired company. An attempt is usually made to minimise conflict by laying out plans for power sharing before the acquisition or merger is consummated.

(F) **Difference in Values and Perception**

Sometimes organisation hold 'conflicting' values and perceptions. For e.g. Management - Labour conflict. Labour feels that management is exploiting it because in spite of making a profit, management does nothing for the economic welfare of labour. On the other hand management feels that the profit should go to cash reserves so as to make the company and attractive preposition for investors.

(G) **Egoistic Nature of People**

Personality characteristic that account for individual idiosyncracies and differences create conflict.

(H) **Others**

- Communication barrier
- Autocratic style of leadership.
- Over control.

3.3 **TYPES OF CONFLICT**

(Conflict within an individual level)- Basically there are three types of conflicts.
(A) An Approach Avoidance Conflict

One may have better job opportunity in other state but not willing to go to. In such case, one is attracted to and repelled by the same object an approach avoidance conflict.

(B) Conflict between Individuals

Conflict between takes place owing to several factors, but most common are personal dislikes or personality differences. A marketing manager may put the blame for low sales volume on particular dealer not taking initiative to achieve allotted sales quota and may start disliking the particular dealer as an incompetent dealer.

(C) Conflict between an Individual and a Group

An individuals inability to conform to the group norms results inter group conflicts frequently. For example most groups have an idea of a "Fair day's Work" and may pressurize and individual if he exceeds or falls short of the groups productivity norms. If the individual represent any such pressure or punishment he could not come into conflict with other group members.

(D) Conflict between Groups within an Organisation

As an organisation is structured in the form of several interdependent tasks groups, inter group conflict are one of the most important types of conflict. Some of the usually chrome conflicts in most of the organisations
are found at this level, e.g., Union Vs Management, one union Vs. another union, one functional area like production Vs. another functional area like maintenance; direct recruit Vs promotes etc.

The newly emerging field of organisations politics has started systematically investigating such types of conflict.

(E) Conflict between Organisations

Main source of conflict between organisations is the competition. It is limited to economic context only. The Laissez Faire economy is based on this concept. It is assumed that conflict between organisations leads to innovative and new products, technological advancement, and better services at lower prices.

3.4 THE PROCESS OF CONFLICT

Conflict can be found on several levels. Interpersonal, conflicts directly influence effectiveness of an organisations.

For a conflict to exist it must be perceived by the parties to it. If no one is aware of a conflict then it is generally agreed that no conflict exist. Still, does a more awareness of opposing goals, or differences of option, or antagonistic feelings that there is a conflict? Dynamic process to understand conflict includes antecedent conditions, cognitive states, affective states, and conflicting behaviour. Conflict between two parties individuals, groups or
organisations can be described and analysed in a chain of episodes which tend to unfold conflict in a particular sequence.

(A) Potential Antagonism

The first stage is the presence of antecedent conditions that create opportunities for conflict emergence. They need not necessarily lead to conflict and may be present in the absence of conflict as well. Some of the antecedent conditions may refer to scarcity of resources, heterogeneity of members and diversity of goals, values, perception, degree of dependences between groups, insufficient exchange of information etc.

(B) Cognition and Personalisation

The antecedent conditions may or may not lead to conflict. They may be perceived as threatening if conflict is to develop. The situation may be ignored if it is seen as minimally threatening. Moreover if a conflict is perceived, it does not mean that it is personalised ("felt conflict"). However, if feelings are generated, they tend to influence perception of the conflicts. It is at the felt level, when individuals become emotionally involved and parties experience feelings of threat, hostility, fear or mistrust.

(C) Conflictive and Conflict Management Behaviour

Manifest behaviour is the action resulting from perceived and/or felt behaviour. At this stage, a conscious attempt is made by one party to block the goal achievement of the other party. Such behaviour may range from
subtle, indirect and highly controlled forms of interference to more forms of aggressive behaviour like strikes, riots and war.

(D) Aftermath

The interplay between different forms of overt conflict behaviour and conflict influence the consequences. These consequences (in terms of performance of the group, the level of satisfaction and quality of relationship in the involved parties, change of structure and policies etc.) in turn influence the antecedent conditions and probability of future conflict. Sometimes, the aftermath sows the seeds of yet another conflict episode in which case the entire process is repeated.

The four stage conflict process model is very useful framework to understand the episode of any conflict.

3.5 THE IMPACT OF CONFLICT

Conflict can have both positive and negative impact on individuals, groups and organisations. For e.g. as a result of inter group conflict, certain changes occur within groups and between groups. Some changes have positive effects, others have negative effects. Edger Schein (1980) has compiled a list of changes on the basis of research findings that may occur within the groups involved are -

(i) Increase in-group Cohesiveness.
(ii) The group becomes task-oriented.

(iii) Leadership becomes more directive.

(iv) Organisational structure becomes more rigid.

(v) Group Unity stressed.

Prolonged group conflicts cause the following changes in relationship between groups:

(i) Perceptions are distorted.

(ii) Group becomes antagonistic toward each other.

(iii) Communication ceases to exist.

(iv) Group apply a double standard.

Even potential benefits of inter group conflicts are as:

(i) Conflict discloses the real issue.

(ii) Conflict increases innovation.

(iii) Inter group conflict solidifies the group.

(iv) Conflict serves as a catharsis.

(v) Conflict resolution solidifies inter group relationship.

Thus, conflict in certain forms can be functional or disfunctional depending upon its nature, intensity, duration and the manner in which it handled. The balanced view to conclude that conflict is inherently neither
good nor bad but simply has the potential to improve or impair an organisation performance through its consequences. Conflict that result in increased organisation performance and help an organisation to attain its goal may be termed as functional. On the other hand conflict that hinders organisations growth and prevents it from achieving its goals can be termed as dysfunctional.

There is an optimal, highly functional level of conflict at which the unit's performance is at the maximum. This can happen because at that level of conflict the group or the unit's internal environment is characterised by self-criticism and innovativeness. When the conflict level is too low, it is dysfunctional as the units performance is low due to apathy, stagnation, lack of new ideas and non responsiveness of the unit-members to the demands of change. In such a situation a manager may have to resort to stimulating conflicts to make the unit more viable. On the other hand, when the conflict level is too high, it is again dysfunctional, as the survival of the group or the unit is threatened owing to diversion of energies away from performance and goal attainment activities of the members. Chaos and disruption prevails. Naturally, the most important managerial task become show to resolve the conflict.
3.6 STRATEGIES, STIMULATION AND RESOLUTION

(A) Stimulating Productive Conflict

The tendency to avoid conflict, even disagreement, statement like "Don't Argue", "Stop fighting" etc. is not always productive and there are times when there is a need to stimulate conflict.

Robbins (1978) suggested the following as sign where conflict stimulation is needed:

(i) The organisations is filled with "Yes men".

(ii) Employees are afraid to admit ignorance.

(iii) Compromise is stressed in decision-making.

(iv) Managers put too much emphasis on harmony and peace.

(v) People are afraid of hunting the feelings of others.

(vi) Popularity is given more importance than technical competence.

(vii) People show great resistance to change.

(viii) New ideas are not forth coming.

(ix) There is usually low rate of employee turnover.

The presence of one or more of these signs is usually an indication of the need for conflict stimulation. Once the need has been identified, one can adopt one or more of the following techniques.
Manipulate Communication Channels :-

(i) Deviate Message from traditional channels.
(ii) Repress information.
(iii) Transmit too much information.
(iv) Transmit ambiguous or threatening information.

Alter the Organisation’s Structure :-

(redefine jobs, after tasks, reform units)

(i) Increase specialization or standardisation.
(ii) Increase a unit's size.
(iii) Recruit, delete or transfer organisation members.
(iv) Increase inter-dependence between units.

Change or Modify Personal Behaviour Factors :-

(i) Change personality characteristics of leader.
(ii) Create role conflict.
(iii) Develop role incongruence.

Some suggestions may even unethical depending upon the values and organisations value-system, (as one may feel that a desirable end-state does not always justify the questionable means like transmitting threatening information).
(B) Resolving Inter Party Conflict

There is no dearth of literature in this area and different authors have given different taxonomies in reviewing possible conflict resolution strategies.

The primary dimension along which intergroup conflict-resolution strategies vary is how openly one as a manager should address the conflict.

The chief characteristics of Conflict-avoidance strategy is that they attempt to keep the conflict from coming into the open. The goal of Conflict-diffusion strategy is to keep the conflict in abeyance and to "cool" the emotions of the parties involved. Conflict-containment strategy allow some conflict to surface, but tightly control which issues are discussed and the manner in which they are discussed.

Conflict-confrontation strategies are designed to uncover all the issues of the conflict and try to find a mutually satisfactory resolution.

(C) Conflict- Avoidance Strategies

a. Ignoring the Conflict

This strategy is represented by the absence of action. One as a manager often avoided dealing with dysfunctional aspects of conflict. Although ignoring the conflict generally is ineffective for resolving
important policy issues, there are some circumstances in which it is at least a reasonable way of dealing with problems.

b. **Imposing a Solution**

This strategy consists of forcing the conflicting parties to accept a solution devised by a higher-level manager. Imposing a solution does not allow much conflict to surface, nor does it leave room for the participants to air their grievances, so it also generally is an ineffective conflict-resolution strategy. Any peace that it does achieve is likely to be short-lived.

Forcing a solution can, however, be appropriate when quick, decisive action is needed. An example of this is when an organisation must cut back on the funding of programmes. It is unreasonable to expect that any department would agree to cut its staff and expenses for the greater good, yet some hard unpleasant decisions ultimately must be made.

c. **Conflict Diffusion Strategies**

c.1 **Smoothing**

It is the way of dealing with conflict to try to "smooth it over" by playing down its extent or importance. One can try to persuade the groups that they are not so far apart in their viewpoints as they think they are, point out the similarities in their positions, try to "pat" group members whose feelings have been hurt, or play down the importance of the issues. By smoothing the conflict, one can hope to decrease its intensity and avoid
escalation or open hostility. For instance, intergroup conflict frequently occurs between older and younger employees because of their different political beliefs and moral values. Smoothing can help to defuse the tension so that the conflict does not spill over into central work issue.

However, smoothing sometimes can serve as a stop-gap measure to let people cool down and regain perspective.

c.2 Appealing to Super Ordinate Goals

One can defuse conflicts by forcing attention on the higher goals that the groups share or the long-range aims that they have in common. This tends to make the current problem seem insignificant beside the more important mutual goals.

Finding super ordinate goals that are important to both groups is not easy. Achieving these goals requires co-operations between the groups, so the rewards for achieving the goals must be significant.

d. Conflict-Containment Strategies

d.1 Representatives Help

One of the strategies one can use to contain conflict is the use of representatives. In order to decide an issue, one can meet with representatives of the opposing groups rather than deal with the groups in
their entirely. The rational is that the representatives know the problems and can argue the group's points of view accurately and forcefully.

The research on the use of representatives as means of solving intergroup conflict is fairly negative. Representatives are not entirely free to engage in compromise; rather, they must act out of a loyalty and are motivated to win (or at least avoid defeat) even though a solution to the intergroup problem may be sacrificed in the process.

### d.2 Structuring the Interaction

There are many ways to structure the interaction between group to deal with conflict. Some of the most effective strategies include.

(i) Decreasing the amount of direct interaction between the groups in the early stage for conflict resolution. (It helps to prevent the conflict from escalating).

(ii) Decreasing the amount of time between problem-solving meetings. (Helps to prevent back-sliding from tentative agreements).

(iii) Decreasing the formality of presentation of issues (Helps to induce a problem-solving, rather than win-lose orientation to the conflict).

(iv) Limiting the recitation of historic events and precedents and focusing instead on current issues and goals (Helps to keep the focus on finding a solution to the current conflict).
(v) Using third party mediators (can act as a go-between, transmits offers and message, clarify the group positions, suggests possible solutions).

The above strategies reveals some conflict to surface but prevent it from getting out of hand and reduce hardening of the groups positions.

d.3 Bargaining

Bargaining is the process of exchanging concessions until a compromise solution is reached. For bargaining to be feasible at all as conflict-resolution strategy, both parties must be of relatively equal power. Bargaining also is more likely work if there are several acceptable alternatives that both groups are willing to consider.

e. Conflict - Confrontation Strategies

e.1. Problem Solving

Problem solving is an attempt to find a solution that reconciles or integrates the needs of both parties who work together to define the problem and to identify mutually satisfactory solutions. There are two preconditions for successful, integrative problem solving. The first is a minimal level of trust between the groups. Secondly, integrate problem solving takes a lot of time and can succeed only in the absence of pressure for a quick settlement.

Alderfer (1977) summarises the most critical ingredients in successful problem solving.
(i) Problem should be defined on with joint efforts and shared fact findings.

(ii) Problem should be started in terms of specifics.

(iii) Points of initial agreement in the goals and beliefs of both groups should be identified along with the differences.

(iv) Discussion should consist of specific, non-evaluative comments.

(v) The groups should work together in developing alternative solutions or at least present a range of acceptable solutions.

(vi) Solutions should be evaluated objectively in terms of quality and acceptability to the two groups.

(vii) All agreements about separate issues should be considered tentative until every issue is dealt with.

e.2. Organisational Redesign

Redesigning or Restructuring the organisation is especially true when the sources of conflict result from the coordination of work among different department or division. One way of redesigning organisations is to reduce task inter-dependence between groups and to assign each group clear work responsibilities. (This is most appropriate when the work can be divided easily into distinct
projects). The other way to deal with conflict through organisation redesign is to develop over-lapping or joint work responsibilities.

3.7 SETTLEMENT OF INDUSTRIAL DISPUTES

Lasting industrial peace requires that the causes of industrial disputes should be eliminated. In other words, preventive steps should be taken so that industrial disputes do not occur. But if preventive machinery fails, then the industrial dispute settlement machinery should be activated by the Government because non-settlement of disputes will prove to be very costly to the workers, management and the society as a whole.

Machinery For Handling Industrial Disputes
3.8 PREVENTIVE MACHINERY

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

(A) Workers’ Participation in Management  (B) Collective Bargaining

(C) Grievance Procedure  (D) Tripartite Bodies

(E) Code of Discipline  (F) Standing Orders.

(A) Workers' Participation in Management

It is a method whereby the workers are allowed to be consulted and to have a say in the management of the unit. The important schemes of workers' participation are: Works committee, joint management council (JMC), shop council and joint council.

(B) Collective Bargaining

According to Dale Yoder, "Collective bargaining is the term used to describe a situation in which essential conditions of employment are determined by a bargaining process undertaken by representatives of a group of workers on the one hand and of one or more employers on the other."\(^1\) Collective bargaining not only includes negotiation, administration and enforcement of the written contracts between the employees and the

\(^1\) Yoder, Dale, Personnel Management: Principles and Policies, Prentice-Hall, New York 1959 P. 97
employers, but also includes the process of resolving labour-management conflicts.

(C) Grievance Procedure

Grievances are symptoms of conflicts in the enterprise. So they should be handled very promptly and efficiently. Coping with grievances forms an important part of a manager's job. The manner in which he deals with grievances determines his efficiency in dealing with the subordinates. A manager is successful if he is able to build a team of satisfied workers by removing their grievances. This would help in the prevention of industrial disputes in the organisation.

(D) Tripartite Bodies

Indian Labour Conference (ILC) and Standing Labour Committee (SLC) have been constituted to suggest ways and means to prevent disputes. The representatives of the workers and employers are nominated to these bodies by the Central Government in consultation with the All-India organisations of workers and employers.

The agenda for ILC/SLC meetings is settled by the Labour Ministry after taking into consideration the suggestions sent to it by member organisations. These two bodies work with minimum procedural rules to facilitate free and fuller discussions among the members. The ILC meets once a year, whereas the SLC meets as and when necessary.
(E) Code of Discipline

Code of Discipline is a set of self-imposed mutually agreed voluntary principles of discipline and good relations between the management and the workers in industry.

According to the National Commission on Labour, the Code in reality has been of limited use. When it was started, very favorable hopes were thought of it; but soon it started acquiring rust. Main reasons for the lapses on the part of the employers and employees to secure harmonious relations through the Code may be listed as below:

(i) There was absence of self-imposed voluntary restraint on the part of the parties.

(ii) The worsening of economic situation led to the erosion of real wages of the workers.

(iii) The rivalry among labour representatives.

(iv) Conflicts between the Code and the law.

(v) The state of indiscipline in the body politic, that is, the whole set up is charged with indiscipline and the Code could not work.

(vi) The employers could not implement the Code in many respects for reasons beyond their control.
(F) Standing Orders

The terms and conditions of employment have been a bone of contention between labour and management since the advent of factory system. To prevent the emergence of industrial strife over the conditions of employment, one important measure is the Standing Orders. Under the Industrial Employment Standing Orders Act, 1946, it was made obligatory that Standing Orders would govern the conditions of employment. The Standing Orders regulate the conditions of employment from the stage of entry to the organisation to the stage of exit from the organisation. Thus, they constitute the regulatory pattern for industrial relations. Since the Standing Orders provide Do’s and Don’ts, they also act as a code of conduct for the employees during their working life within the organisation.

3.9 INDUSTRIAL DISPUTE SETTLEMENT MACHINERY

This machinery has been provided under the Industrial Disputes Act, 1947. It, in fact, provides a legalistic way of settling the disputes. The goal of preventive machinery is to create an environment where the disputes do not arise at all. Even then if any differences arise, the judicial machinery has been provided to settle them lest they should result into work stoppages. In this sense, the nature of this machinery is curative for it aims at curing the ailments. This machinery comprises following organs:

(A) Conciliation
(B) Court of Enquiry

(C) Voluntary arbitration

(D) Adjudication (Compulsory arbitration.)

(A) **Conciliation**

"Conciliation is a method of resolving the industrial conflict with the help of third party, who intervenes in the dispute situation upon a request by either or both the parties. It is a procedure in which the decision-making function remains the prerogative of the parties to the dispute as in collective bargaining. The conciliator simply assists them in their negotiations and decision-making, he resolves the impasse and removes the bottlenecks."²

Conciliation is the "practice by which the services of a neutral party are used in a dispute as a means of helping the disputing parties to reduce the extent of their differences and to arrive at an amicable settlement or agreed solution."³ The Industrial Disputes Act, 1947 provides for conciliation, and can be utilised either by appointing a conciliation officers (permanently or for a limited period) or by constituting a Board of conciliation. This conciliation machinery can take a note of a dispute or apprehend dispute either on its own or when approached by either party.

a. Conciliation Officer

The law provides for the appointment of Conciliation Officer by the Government to conciliate between the parties to the industrial dispute. The Conciliation Officer is given the powers of a civil court, whereby he is authorised to call and witness the parties on oath.

The Conciliation Officer is appointed by the appropriate government by notification in the Official Gazette. At the State level, the Commissioner of Labour, Additional Commissioner or the Deputy Commissioner Labour may be appointment as conciliation officer for disputes arising in an undertaking. The conciliation proceeding for disputes arising in industries for which the Central Government is the appropriate authority are undertaken by the State Branch Officers of the Central Labour Commissioner’s Office.

The Conciliation Officer's intervention in a dispute may be either mandatory or discretionary. It is mandatory where the dispute is related to some public utility service in respect of which a notice of strike or lock-out according to law has been received by him. It is discretionary where the dispute is related to some non-public utility service undertakings or to public utility service undertakings where no notice of strike or lock-out has been received by him.
On receiving information about a dispute, the conciliation officer should give formal intimation in writing to the parties concerned of his intention to commence conciliation proceedings from a specified date. He should then start doing all such things as he thinks fit for the purpose of persuading the parties to come to fair and amicable settlement of the dispute. Conciliation is an art where the skill, tact, imagination and even personal influence of the conciliation officer affect his success. The Industrial Disputes Act, therefore, does not prescribe any procedure to be followed by him.

The conciliation officer is required to submit his report to the appropriate government alongwith the copy of the settlement arrived at in relation to the dispute or in case conciliation has failed, he has to send a detailed report giving out the reasons for failure of conciliation.

b. Board of Conciliation

In case Conciliation Officer fails to resolve the differences between the parties, the government has the discretion to appoint a Board of Conciliation. The Board is *tripartite* and *ad hoc body*. It consists of a chairman and two or four other members. The chairman is to be an independent person and other members are nominated in equal numbers by the parties to the dispute. Conciliation proceedings before a Board are similar to those that take place before the Conciliation Officer. The
Government has yet another option of referring the dispute to the Court of Inquiry instead of the Board of Conciliation.

The machinery of the Board is set in motion when a dispute is referred to it. In other words, the Board does not hold the conciliation proceedings of its own accord. On the dispute being referred to the Board, it is the duty of the Board to do all things as it thinks fit for the purpose of inducing the parties to come to a fair and amicable settlement. The Board must submit its report to the government within two months of the date on which the dispute was referred to it. This period can be further extended by the government by two months.

(B) Court of Inquiry

In case of the failure of the conciliation proceedings to settle a dispute, the government can appoint a Court of Inquiry to enquire into any matter connected with or relevant to industrial dispute. The court is expected to submit its report within six months. The court of enquiry may consist of one or more persons to be decided by the appropriate government. The court of enquiry is required to submit its report within a period of six months from the commencement of enquiry. This report is subsequently published by the government within 30 days of its receipt. Unlike during the period of conciliation, workers' right to strike, employers' right to dismiss workmen, etc. remain unaffected during the proceedings in a court of enquiry.
A court of enquiry is different from a Board of Conciliation. The former aims at inquiring into and revealing the causes of an industrial dispute. On the other hand, the latter's basis objective is to promote the settlement of an industrial dispute. Thus, a court of enquiry is primarily a fact-finding machinery.

(C) Voluntary Arbitration

On failure of conciliation proceedings, the conciliation officer may persuade the parties to refer the disputes to a voluntary arbitrator. Voluntary arbitrator refers to getting the disputes settled through an independent person chosen by the parties involved mutually and voluntarily. In other words, arbitration offers an opportunity for a solution of the dispute through an arbitrator jointly appointed by the parties. The process of arbitration saves time and money of both the parties which is usually wasted in case of adjudication.

For the purpose of reference of a dispute to arbitration, the parties must enter into a written agreement called the "arbitration agreement" to refer the dispute to an arbitrator or arbitrators whose name they must specify in the agreement. The agreement must be in the form prescribed and must be signed by the parties jointly, and a copy sent to the appropriate government and the conciliation officer. The Industrial Disputes Act enjoins on the
appropriate government to publish the arbitration agreement within one month from the date of its receipt in the *Official Gazette*.

The parties are free to appoint one or more arbitrators but in case their number is even, the parties should provide for the appointment of another person as umpire who may give the award if the arbitrators are equally divided in their opinion. The award of the umpire it then deemed as the 'arbitration award.'

**D) Adjudication**

The ultimate remedy for the settlement of an industrial dispute is its reference to adjudication by labour court or tribunals when conciliation machinery fails to bring about a settlement. Adjudication consists of settling disputes through intervention by the third party appointed by the government. The law provides the adjudication to be conducted by the Labour Court, Industrial Tribunal or National Tribunal.

A dispute can be referred to adjudication if both the employer and the recognised union agree to do so. A dispute can also be referred to adjudication by the Government even it there is no consent of the parties in which case it is called 'compulsory adjudication.' The dispute can be referred to three types of tribunals depending on the nature and facts of dispute in question. These include: (a) Labour courts, (b) Industrial tribunals and (c) National tribunals.
a. **Labour Court**

A labour court consists of one person only, who is normally a sitting or an ex-judge of a High Court. It may be constituted by the appropriate Government for adjudication of disputes which are mentioned in the second schedule of the Act. The issues referred to a labour court may include:

(i) The propriety or legality of an order passed by an employer under the Standing Orders.

(ii) The application and interpretation of Standing Orders.

(iii) Discharge and dismissal of workmen and grant of relief to them.

(iv) Withdrawal of any statutory concession or privilege.

(v) Illegality or otherwise of any strike or lockout.

(vi) All matters not specified in the third schedule of Industrial Disputes Act, 1947. (It deals with the jurisdiction of Industrial Tribunals).

b. **Industrial Tribunal**

Like a labour court, an industrial tribunal is also a one-man body. The matters which fall within the jurisdiction of industrial tribunals are as mentioned in the second schedule or the third schedule of the Act. Obviously, industrial tribunals have wider jurisdiction than the labour courts. Moreover an industrial tribunal, in addition to the presiding officer, can have
two assessors to advise him in the proceedings; the appropriate Government is empowered to appoint the assessors. The Industrial Tribunal may be referred the following issues:

(i) Wages including the period and mode of payment.

(ii) Compensatory and other allowances.

(iii) Hours of work and rest intervals.

(iv) Leave with wages and holidays.

(v) Bonus, profit sharing, provident fund and gratuity.

(vi) Shift working otherwise than in accordance with the standing orders.

(vii) Rules of discipline.

(viii) Rationalisation.

(ix) Retrenchment.

(x) Any other matter that may be prescribed.

c. National Tribunal

The Central Government may constitute a national tribunal for adjudication of disputes as mentioned in the second and third schedules of the Act or any other matter not mentioned therein provided in its opinion the industrial dispute involves "questions of national importance" or "the
industrial dispute is of such a nature that undertakings established in more than one state are likely to be affected by such a dispute." The Central Government may appoint two assessors to assist the national tribunal. The award of the tribunal is to be submitted to the Central Government which has the power to modify or reject it if it considers it necessary in public interest.

It should be noted that every award of a Labour Court, Industrial Tribunal or National Tribunal must be published by the appropriate Government within 30 days from the date of its receipt. Unless declared otherwise by the appropriate government, every award shall come into force on the expiry of 30 days from the date of its publication and shall remain in operation for a period of one year thereafter.