CHAPTER I
PROBLEMS OF LABOUR RELATIONS - A CONCEPTUAL FRAME WORK

The present chapter entitled 'Problems of Labour relations - A Conceptual Frame work' discusses both the theory and practices of labour relations. For the convenience of the study, the chapter has been split up into two parts. Part I deals with the theory of labour relations i.e. dynamics of the concept of labour relations, origin, growth and development of the concept, conditions to make good labour relations and importance of harmonious labour relations. Part II discusses in details the problems of labour relations in Indian industry.

PART I
THEORY OF LABOUR RELATIONS

Dynamics of the Concept of Labour Relations:

INTRODUCTION:

Labour relations which occupy a prominent place in the modern industrial set up have assumed dynamic importance. With the rapid industrialization in India, the problems of labour
relations have multiplied. Consequently, since the beginning of industrial era, efforts have been made to foster a constructive and harmonious relationship between labour and management. In a developing country, like India, the maintenance of industrial peace and harmony is of greater significance for accelerating the pace of economic growth, social security and political stability. Further, it will also result in the progress and prosperity of the country. These aims can only be achieved through the recognition of labour's role in framing, executing and implementing the policies. In this regard, harmonious labour relations will require labour and management both to discuss and solve their problems between themselves in a spirit of mutual trust and confidence as well as without causing frictions. Thus, it will fulfil the economic needs of the country in the best possible manner.

**Meaning and Concept of Labour Relations:**

Simply speaking, the term labour relations comprises 'labour' and 'relations'. Labour means, "any work whether mental or manual, which is undertaken for others for a given payment in cash or kind is called labour in economics. According to Marshall, labour may be defined as "any exertion of mind or body undergone partly or wholly with a view to
some good other than the pleasure derived directly from the work"^2, and relations mean, "the relationship between the employer and his employees that exists at work place."

A number of relative terms like industrial relations, employer-employee relations, union-management relations, personal management, labour management relations, human relations etc. are in usage in modern enterprises and organizations which may create confusion regarding the concept of labour relations. However, with indepth study of available literature and personal discussions with eminent scholars of this field, a clear cut concept of labour relations could be elaborated. Before going into a detailed discussion on labour relations, it may not be considered out of place to discuss in a nutshell, the concept of industrial relations.

Definition and concept of Industrial Relations:

Industrial relations is a dynamic socio-economic process. It is a collaboration of men and women in their work in industry. The term 'industrial relations' has been defined differently by various experts and scholars of this field according to their needs, circumstances and degree of industrialization. J.T. Dunlop, an author on Industrial
Relations is of the opinion that Industrial relations comprise the behaviour, activities and attitudes of all the actors i.e. labour, management and community, certain i.e. technological and budgetary contents and the content of the locus and distribution of power in the larger society, an ideology that is expected to bind the system together and a body of rules created to govern the actors at the workplace and work community. H.A. Clegg brings out very clearly that "the field of industrial relations includes the study of workers and their trade unions, management, employers associations and state institutions concerned with the regulations of employment." According to Richard Hyman, "Industrial relations is the study of processes of control over work relations and among these involving collective workers organization and action are of particular concern."  

In the words of Richard A. Lester, "Industrial relations involve attempts to arrive at workable compromises and balances between conflicting objectives and values between incentives and economic security, between discipline and industrial democracy, between authority and freedom, between bargaining and cooperation."

J. Henry Richardson is of the view that, "Industrial relations is an art of living together for the purpose of
production and it applies to principles derived from many other studies." According to Ordway, Teade and Met Calfe, "Industrial relations is the composite result of the attitudes and approaches of employers and employees towards each other with regard to planning, supervision, direction and coordination of activities of an organization with a minimum of human efforts and frictions with an animating spirit of cooperation and with proper regard for the genuine well being of all members of the organization." Paresh Majumdar opines that, "Industrial relations is an objective study of human relations without value judgements and it is incorrect to believe that it is concerned with changed values for the better of employers towards employees. The study of industrial relations is concerned not only with attitude of the employer but with those of employees as well." T.N. Kapoor is of the opinion that, "Industrial relations should be understood in the sense of labour management relations as it percolates into a wider set of relationships touching extensively all aspects of labour such as union policies, personnel policies and practices including wages, welfare and social security, service conditions supervision and communication, collective bargaining etc. attitude of parties and governmental actions of labour matters."
According to Encyclopaedia Britanica, "The concept of industrial relations has been extended to denote the relations of the state with employers, workers and their organizations, the subject, therefore, includes individual relations and joint consultation between employers and work people at their work place, collective relations between employers and their organization and trade unions and the part played by the state in regulating these relations." 11

Taking into consideration the various definitions of industrial relations noted in the foregoing pages, it can be said that it is the complex of network of relationships that emerges out of day to day working and association of labour and management in particular operating within the framework of industrial enterprise and between the industrial organization and the society at large in general which exert their influence on each other since industrial relations are the composite result of attitude and approaches of both the parties (i.e. labour and management) towards each other.

Actually the concept of industrial relations has been interpreted variously. At one extreme, it is seen as a part and parcel of the management which is concerned with the
manpower of the enterprise. At the other end, it is restricted exclusively to relations with organized labour. In a wider sense the term is itself used synonymously with labour relations, labour management relations, employer-employee relations, union management relations, human relations etc. Even the term personnel management is used interchangeably in the available literature. Thus, there is no unanimity on the concept of industrial relations. The Institute of Personnel Management in India and U.K. are also not seen to distinguish between the two terms. The journal of National Institute of Personnel Management is itself titled, 'Industrial Relations'. Journals of industrial relations cover in their ambit all aspects of human resources utilization and the employment relationship. Breach clearly points this out when he says, "Personnel Management mainly deals with executive policies and activities regarding the personnel aspect of the enterprise; while industrial relations is mainly concerned with employee-employer relationship." Dale Yoder rightly observed that Personnel Management is that phase of management which deals with the effective control and use of manpower as distinguished from other source of power. "Industrial relations are the relations
that exist in and grow out of employment. It refers to a wide field of relationship among people, human relationship that exist because of necessary collaboration of men and women in the process of modern industry.  

The term labour relations is also used interchangeably with industrial relations. Many authors have used the term 'labour relations' in preference to 'industrial relations.'

According to a Canadian writer, the term labour relations has come to mean that part of general labour field which includes the procedure of collective bargaining, the terms and conditions contained in collective agreements, the servicing of grievance and the conciliation of disputes, between the employers and the employees, if at all possible without cessation of work.

Changing Concept of Industrial Relations:

During the last two decades or so, attempts are made to distinguish between the concept of personnel management labour relations and industrial relations. A growing realization of 'social responsibility' in personnel management has warranted the use of a much broader term and, therefore,
Dale Yoder uses the term 'Industrial relation in a broad sense so as to cover all inclusive functions of personnel or manpower management and mentions its two sub-divisions: (1) Personnel Management referring to the relationship between the employers and employees, and (2) Labour Relations referring to the relationships between the employers and employees' organized unions.\(^{17}\)

In other words personnel management refers to manpower management as individual and is concerned with such problems as procuring employees, training them, inducting them into jobs, paying careful heed to their relations with one another and with the management.\(^{18}\) While labour relations to relationship involved in collective bargaining and is concerned with the problems of fixing the price of labour services, industrial jurisprudence and their organizations.\(^{19}\) The latter also includes legal acts and regulations\(^{20}\) and has two aspects namely market relationship which is economic in character and managerial relationship which is political in character.\(^{21}\)

Thus the relationship between organized labour and employer is known as labour relations or collective
relations. The labour relations is the second phase of industrial relations, first being personnel management which are essentially on the personal level, labour relations on the contrary are among the organized groups. Labour relations includes relations between employer and their organization and the trade union.

The present study deals with employees as a group or as groups, i.e. collectivity. The term labour relations is taken to apply to the collective relationship between the partner at the enterprise level viz., the accredited representatives of organized labour and management. Labour relations are deemed as group relations, dealing with the work force collectively. It deals with the scientific investigations of the social and psychological inter-relationships, establishing a direct relationship between the employer and employee. Labour relations is primarily concerned with the union management relations, techniques of negotiation, collective bargaining, evaluation of labour contracts, discipline, joint consultation, arbitration, conciliation, adjudication and other allied legal matters, strikes and lockouts, labour costs, employment and non-employment and other terms and conditions of service such
as wages, allowance, bonus, benefit plans, closure retrenchment, working hours, festival holidays and leave and security of service. Thus, there are a number of aspects of the concept of labour relations in India but unionization, collective bargaining and industrial disputes are the major determinants of labour relations. "It should not be forgotten that labour relations are both a cause and an effect of development and that any major change in the direction and interaction of government policy, the economy and industrial production is bound to have significant repercussions on labour relations. Coherent development planning must therefore include provision for appropriate adjustment in labour relations. These adjustments will in turn, provide a powerful stimulus to development.

Origin, Growth and Development of the Problems of Labour Relations:

Labour relations play a vital role in maintaining and establishing industrial democracy in the modern industrial set up. They have passed through distinct social, economic and political situations, prevailing in different countries. The problems of labour relations did not arise when the forms of business organization were of small type.
because there was no technicality in production. There were no large scale industries and people made commodities according to their needs. The development of modern industries has entirely changed the complexion of production by which the problem of modern industrial society and relations came into existence. Thus, the problems of labour relations are by and large the result of large scale industries. To have a proper knowledge of the problems of labour relations concept, it is essential to have a broader idea of their origin, growth and development in India.

Labour relations are as old as industry and being inherent in industry as a feature of industrial life. "In the primitive and agrarian societies, the master and slave relationship was simpler. In the medieval era the master craftsman imparted training to journeymen, and exercised control over them. However, with the change in the industrialization pattern, the structure, the size of industrial establishments and the problems in employer-employee relations have also changed. After the industrial revolution of the 18th century, master and slave relationship has undergone a complete transformation. Industrial capitalism which entered into India with the advent of the
Britishers, gave rise to a new class, i.e. industrial proletariat. Labour relations during the 19th century were governed by the free market forces of supply and demand since labour was treated as a commodity which could be easily procured and replaced under the policy of laissez-faire. The doctrine of supply and demand influenced the relations of labour and management. The employer who was in a dominating position freely exercised his authority in dictating wages and other conditions of services subject to the general law of supply and demand, which was exploitation of workers under the policy of laissez-faire. This policy gave a strong jolt to the relations of workers and management. With the establishment of International Labour Organization (ILO) in 1919, due attention was given to the relations of workers and management. ILO in its preamble declared that labour is not a commodity. Due to the declaration of ILO, the workers realized their importance. The spirit of class consciousness developed among wage earners and they began to protect themselves against exploitation through formation of trade unions. Needless to say, the conflict between labour and management necessitated the urgency of ameliorative measures. Consequently, on account of this awakening various legislation viz. the Workman Compensation Act, 1923, the Trade Union Act, 1926, and the Trade Dispute Act, 1929
(based on the British Industrial Court, 1919) were enacted to compel employer for the amelioration of the conditions of labour and to improve the pattern of labour relations in India.

**Impact of Industrialization on Labour Relations:**

The development of labour relations in the United Kingdom (U.K.) and other European countries is closely linked with the pace of industrialization. Experiences of these countries provided assistance to workers, employers and governments of various countries where industrialization began very late. India's industrialization is of a recent origin if compared to these advanced countries. As a result she benefited from the experiences of other industrialized countries. Industrialization took place in India particularly after independence. Today, the industrial workers are working in a new environment. They are no more regarded as a commodity and have come to be regarded as human and their problems are receiving human approach.

Labour, today is well organized and trade unions as associations of wage earners for the purpose of protecting
the interests of the workers have developed new social and cultural values which influence the human relations at work. Labour movement both in the economic and political fields is exerting powerful influence in the reconstruction of a social order very different from what existed in the agrarian economic societies from the earliest times till the dawn of industrial revolution. Today, the workmen have different concepts of career, work organizations and status structure. Today, organizations are regarded as social system and the understanding of human behaviour in organizations plays a crucial role in determining the employer-employee relations, and motivating the people to work together in an atmosphere of peace and harmony.

Labour relations have a significant change after independence. The new idealism of democracy and planned economic development has given new way to the slightly beyond control industrial relations. In free India, this legacy was given statutory recognition when the legal provisions for regulating industrial relations were embodied in the Industrial Disputes Act, 1947, which provided for the establishment of a permanent machinery for the settlement of disputes such as Works Committees, Conciliation Officers, Industrial Tribunals, labour courts etc.
The Indian Factories Act, the Minimum Wages Act and the Employees State Insurance Act, regarding industrial relations, wages policy and social security for amelioration and welfare of labour force and industry as a whole were all enacted in 1948.

Conditions to make good Labour Relations

The labour relations is an important factor of economic structure of a country. The labour relations may be good or bad. It largely depends upon the cultural, historical and socio-economical background of the country. If there are bad relations between the labour and management, then efforts should be made to foster a constructive climate of good relationship between these two parties. Labour relations depend upon the situations prevailing in different countries. The solution of the problem prepared by one country can not be the solution of the problem of other country. Every country should make efforts to find out the solution of the problems of labour relations. But there are some common determinants which can be found in all countries. The following fundamental principles should be followed to create good relationship between labour and management.
There should be the solution of problems of labour relations with mutual trust and confidence without any interference with responsibilities on either side. For this, the ideal of Industry by giving up selfishness from both the parties should be thoroughly adopted. The idea of progressive management should be encouraged for the cooperation and workers' participation in management. Thus "positive steps should be taken to promote constructive cooperation between management and workers in all possible ways." Collective bargaining at various levels should be promoted for the establishment of good labour relations. "Management must consult the workers in all matters and should give them necessary information on all matters in the affairs of the undertaking and also afford them facilities for training and give them a share in the gains from higher productivity." But at the same time the contribution of Government machinery can not be denied to solve the problems of labour relations.

There should be determination of fair labour standard by the State and the management for the settlement of industrial disputes. If any problem could not be solved through collective efforts, then tripartite or tribunals should be established. Observance and implementation of bipartite
and tri-partite agreements should be encouraged in real spirit and forms. It will result in easy solution of the industrial conflicts and tensions.

There should be free, stable, responsible and recognized trade unions and peaceful labour relations should be developed through strong labour movement.

The provision of proper education to workers is of utmost importance. The worker should possess complete knowledge of the work, technique, and equipment of production. Without such knowledge, he will hardly be in a position to take an active part in the joint discussion around the table.²⁸

Fair wages and satisfactory working conditions should be made available to create real interest among the workers in the working of the enterprise.

Lastly, the management should realize the need and importance of human relations on the enterprise level and there should not be any discrimination on the basis of castes, religion, nationality or language among the working class. Therefore, maintenance of good human relations
should be the main theme of labour relations. It may be helpful in the establishment of good labour relations.

Sound labour relations therefore, are sine-quo-non for increasing production and improving productivity as without industrial harmony, economic progress is severely retarded. But the problem is that labour has quite a different angle from that of management. Extensive use of machines has led to unemployment, exploitation of workers, raised the problems of energy, social destruction, pollution and bread strained relations between labour and management. However, harmonious labour relations are the prerequisite for industrial progress, and a basis for the development of industrial democracy. It also paved the way to economic growth and social change. Industrial harmony is undoubtedly an essential precondition, to maintaining grievances and complaints, maintaining industrial discipline, ensuring industrial peace and tranquility; increasing industrial efficiency and developing a committed and contended labour force. Industrial harmony is inextricably linked with the economic progress of the country. Industrial harmony brings about greater cooperation between workers and management which ultimately results in better production that leads to the economic progress and prosperity of the country.
Further, a quest for industrial harmony is indispensable when a country plans for economic progress. Economic progress is bound up with industrial harmony which inevitably leads to more cooperation between employer and employees, which results in more productivity and thereby contributes in all-round prosperity of the country. Human problems are increasing day-by-day in modern industrial society. The labour relations have assumed greater significance, because harmonious relationship increases the productivity of working class which will ultimately increase production. Profit will be more with the increase in production. More profit will provide more wages, bonus and various other amenities to labour. Ultimate result of these increases would be that national income will also increase. Thus, "the economic growth and social change to a large extent depends on good labour management relations. The worker is not a thing to be bought and sold but a self respecting living rational human being. He is not merely a man of production but is essentially a human being with a personality having sense of responsibility towards his family, the industry and nation." The economic and social environment in which the worker has to work are of great significance to him. Thus, the factory conditions in respect of sanitation viz.
ventilation, fencing, lighting, air etc. are of great consideration for the worker to select a particular industry. But the behaviour of the employer and whether the worker has a voice, in the establishment he works, is of fundamental importance in the present day life. All persons have equal rights as citizen and naturally the worker as a citizen wants that he should be heard in the affairs of the factory in which he is employed. He should have a say in formulating the rules and regulations under which he works.

Whole hearted cooperation between the labour and management is the key to nation's progress. To ensure this employer and employee must realize their respective obligations to each other. The employee must work with the zeal that can come only from a feeling of oneness with the employee and the employer must, in his turn, realize that the gains of industry are not for his pocket alone and that they should be equitable and even generously shared with his workers. Every worker should feel that he is a co-owner of the industry in which he is engaged and every owner should feel and act as if he were a co-worker, working side by side with his employees. No worthwhile endeavour is possible unless there is a complete unity of thought, and action. A mighty cooperative effort alone can produce great results and that
effort can be sustained only by confidence, faith and justice.  

Thus, good labour relations will fulfil the economic needs of the country in the best possible manner on the other hand, bad labour relations would cause strikes and lockouts, unemployment and will bring the national income down. Therefore, good relationship between both the parties should be maintained as it is the call of the day.

In the next part of this chapter, it will be our endeavour to discuss and analyse the problems of industrial relations as they obtain in the Indian Industrial setting.
PART-II

PRACTICE OF LABOUR RELATIONS

Problems of Labour Relations in India:

The problems of labour relations in India have been existing from primitive stage to modern industrial system. But it assumed importance only in the 20th century with the establishment of large scale industries. It has both positive and negative dimensions: the creation and maintenance of industrial peace and harmony is a positive step, while the prevention and settlement of industrial disputes is a negative one. But the problems of labour relations arise only when the relations between the labour and management are strained. Thus labour relations centres around the two parties in industry, when the conflicts arise, both the parties exert pressure on each other by using their weapons, i.e. labour uses strikes, gheraos etc. and management uses lockout, disciplinary action etc. as their instruments.

Labour relations of a country are determined through the degree of unionization, the pattern of collective bargaining and trends in industrial disputes. As discussed in the foregoing pages these are the three major determinants of the labour relations in India. These elements, which are
indicative not only of the social situation existing at a
given time but also of the problems that need to be solved,
must be taken into account in any programme of national
development. The following is the brief description of
these basic features of labour relations structure in India.

Unionization:

Trade Unions are effective instrument for improving
the economic conditions of their members by collective
agreement. India's trade union movement arose immediately
out of intense industrial unrest following the termination
of World War I. In 1918, for the first time, a trade union
known as 'Madras Textile Labour Union' was formed under the
presidentship of Mr. B.P. Wadia. The ILO 1919, gave
strength to trade union movement in the country and trade
unions organized the National Trade Union Federations as
All India Trade Union Congress (AITUC) in 1920 by communist
party, the All India Railwaymen's Federation (AIRF) in 1922,
Indian National Trade Union Congress (INTUC) in 1947 by
Indian National Congress, the Hind Mazdoor Sangh (HMS)
by Praja Socialist party of India in 1948 and United Trade
Union Congress (UTUC) in 1948 by Communist party. The
general objective of all these unions is to promote economic
political, social and cultural interests of workers of respective branches of industrial units.

In the industrially advanced countries of the world, trade unions have played a very important role in the social, political, civic and economic life of the people. For example, participation of unions in France besides joint consultation at plant/industry level, extends to work on bodies like 'Economic and Social Councils.' They work on bodies like the Planning Commission in Sweden, Economic Council in Denmark etc. Both in France and in Netherlands Unions according to law are consulted in any draft legislation dealing with economic and social issues.35 This is one of the important factors that workers in these countries tend to be organized on industry lines and collective bargaining takes place primarily at this level.

Trade unions are unorganized in India. They must be organized and work as a constructive force for social change to provide benefit to whole of the society. The main-factor responsible to this state of affair is that an industry may have as many trade unions as there are production units. The union structure is broken into a
number of small, scattered unions, which wield very little bargaining clout due to lack of centralization. Consequently, a lot of difficulties are faced whenever an effort is made to establish a single, coherent trade union programme in industry. Thus, besides, multiplicity of unions, inter-union and intra-union rivalry, outside leadership, low membership, lack of finances, lack of education etc. have adversely affected the trade unions and their bargaining power. Despite all these odds, the number of trade unions in India is increasing year after year. As few figures will suffice to illustrate the extent of unionization in India. Between 1927-28 and 1955-56, 7,846 trade unions were registered in India with a membership of 22.55 lacks persons. During the period 1957 to 1967, the number of unions had almost doubled. It increased to 15,024 trade unions and number of members 45.03 lakhs. The number of unions rose to 28,924 with the membership of 54.47 lakhs persons in 1977. It further started rising and stood at 37,539 in 1981 while the membership decreased to 53.97 lakhs in the same year. In 1987, the number of registered trade unions increased to 47,014 with the 63.29 lakh members. Thus, it can be said that growth of trade unions in India is quite good since 1961. Since more and more
unions are being registered year after year and with an increase in the number of unions the membership of the unions is also increasing sharply.

Today, trade unions have attained the status of a social institution in expanding industrial society. They have succeeded in establishing their legitimacy and their initiative efforts in organizing and guiding the unorganized industrial workers. Trade Unions in our modern society serve as a means of achieving working class goals and desires. But at the same time multiplicity of trade unions with different political affiliations and existence of inter union and intra-union rivalry are the important factors responsible for retarded growth and development of trade unionism in India.

The Pattern of Collective Bargaining:

Collective bargaining is negotiation between a group of employers and a group of work people to reach agreement on working conditions. If negotiations are between an employer and a group of his own work people the dependence of the work people on the employer for their jobs weakens their bargaining power and, therefore, collec-
tive bargaining is more usually understood to be negotiation between one or more trade unions and an employer or group of association or employers. Trade union organization give the work people greater strength to providing means for the expert presentation of demands by skilled officials not dependent on the employers for their jobs. Further, a union has funds and means of obtaining information outside any one undertaking and can secure for the work people at any one firm the support of their followers in other firms.

In the process of collective bargaining, the labour and management reach to a solution by a collective agreement. Labour tries to improve their conditions through this system. Collective bargaining is considered one of the most important methods to integrate the interests of trade unions with the interest of management. It could be most appropriate method for settling issues and disputes between labour and management and an effective instrument in maintaining cordial labour relations if it fulfills certain basic prerequisites.

Firstly, the basic pre-requisite for the development and successful working of collective bargaining is the existence of strong, independent, democratic and well organized
trade unions which should function on strictly constitutional lines. The unorganized labour is the hinderance in its success. Secondly, inter-union rivalry on the basis of caste and religion is also a characteristic of Indian trade unions responsible for the failure of collective bargaining. Thirdly, for the collective bargaining to be effective and successful, it is necessary to ensure that the labour and employers must have freedom to establish unions or associations. The denial to use such freedom will result into failure of collective bargaining. Fourthly, recognition of trade unions is the backbone of the process of collective bargaining to function successfully. Fifthly, process of collective bargaining does not admit rigidity at any stage and required flexible attitude of both the unions and management. In the cause of negotiations both the parties must have the spirit of 'give and take' to settle industrial disputes. Another effective technique of successful bargaining is that there should not be certainty regarding the fields in which both the parties are legally bound to bargaining collectively. Further, one important prerequisite for successful bargaining is the cooperation of the state. The state can make collective bargaining an article of industrial policy through legal enactments. Lastly, for effective and constructive use of collective
bargaining, unfair labour practices should be avoided and abandoned by both the management and the union. Therefore, these conditions must essentially exist in the industry if the process of collective bargaining is to become more effective and meaningful.

The process of collective bargaining had made progress in India during the last four decades. It is only after independence of the country in 1947 that collective bargaining had its real beginning in India. Government has given full support under the labour policy enunciated in the successive five year plans. An attempt has also been made in the Code of Discipline (1958) to designate bargaining agents on the basis of majority. The Code however serves as a guide line. Various legislations have been enacted to promote the well-being of the work-force. But there is no provision, either in Trade Union Act, 1926 or in the Industrial Disputes Act 1947 regarding the recognition of a sole bargaining agent and even more important, there is no provision unequivocally establishing that collective agreements are legally binding. Any seven workmen can form a trade union. "A workmen may be a member of a number of trade unions and as such the presence of multiple unions and the inter-union rivalries very often complicate
the problem of acceptance. In India, the union leadership is mainly political, and as such, the union leaders are likely to be concerned with the political ideologies of the parties to which their unions are affiliated. 38

Further, in India the failure of collective bargaining in recent years leading to strikes and lockouts has been illustrated by the frequent failure of joint negotiations, which are arrested by prompt availability of machinery of conciliation, adjudication and arbitration.

In spite of all these handicaps, the collective bargaining has come to stay as a good media for the settlement of conflicts and issues between labour and management. Industry-wise, collective bargaining is prevailing in the textile industry of Bombay and Ahmedabad, in the jute, plantation and coal industry of Karnataka, West Bengal and Tamil Nadu. Apart from these, in most other industries - petroleum, chemicals, oil-refining, automobile repairing, distribution of aluminium and electrical equipment, the arrangements for the settlement of industrial disputes through collective agreements have become common in recent years. In the Life Insurance Corporation and banking industry, the employers and trade unions have come close
to reach collective agreements for the settlement of disputes.

Thus, collective bargaining has been a great succour to the society at large by bringing peaceful relationship between capital and labour. For the successful and effective collective bargaining, the labour and management must join hands together in a spirit of mutual trust and cooperation to resolve the conflicts through collective agreements. Statutory steps in this regards should guarantee the conditions in which the collective bargaining strives to develop. Government must make amendment in the present laws or enact new ones and make it compulsory for the management and the unions to bargain with one another. Further, the use of governmental machinery i.e. conciliation, arbitration and adjudication must be done only under unavoidable circumstances. The weapons of strikes and lockouts must be regarded as strategical tactics, if collective bargaining is to be accepted as an effective and successful method in labour relations.

**Industrial Disputes**

Worker is considered an important productive agent in industry, the management never thought of the welfare
of workers. Now workers have no interest in cooperating with the problems of management. A situation of tension and disagreement between workers and management has become a common feature of labour relations. This situation of tension and disagreement between worker and management is called 'Industrial Unrest' or 'Industrial Dispute' which has assumed enormous significance in the industrial world today.

Industrial Dispute has been defined under Section 2-(k) of Industrial Dispute Act, 1947 as "Industrial Dispute means any dispute or difference between the employer and employee or between employer or workmen and workmen which is connected with the employment or non-employment or the terms of employment and with the conditions of labour, of any person." 39

Industrial disputes in India were rare before First World War, because labour class was ignorant of their rights, and suffered from class consciousness as they lacked organizations among them. 40 Industrial disputes increased since the establishment of International Labour Organization (ILO) in 1919, because workers were aware of their rights. Indeed, the industrial disputes pose a
serious threat to industrial peace and harmony. Table (1.0) below gives the detailed picture of industrial disputes, workers involved and mandays lost since 1961.

**TABLE - 1.0**

*Showing the trends of Mandays Lost and Workers Involved due to Industrial Disputes in India during 1961 - 1991*

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<th>Disputes</th>
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<td>29239</td>
</tr>
<tr>
<td>1986</td>
<td>1892</td>
<td>1645</td>
<td>32748</td>
</tr>
<tr>
<td>1987</td>
<td>1799</td>
<td>1770</td>
<td>35358</td>
</tr>
<tr>
<td>1988</td>
<td>1745</td>
<td>1191</td>
<td>33947</td>
</tr>
<tr>
<td>1989</td>
<td>1793</td>
<td>1351</td>
<td>30436</td>
</tr>
<tr>
<td>1990</td>
<td>1825</td>
<td>1307</td>
<td>24086</td>
</tr>
<tr>
<td>1991</td>
<td>1428</td>
<td>991</td>
<td>15729</td>
</tr>
</tbody>
</table>

**SOURCE:** Various issues of the Pocket Book of Labour Statistics, Ministry of Labour, Government of India, New Delhi,
Data set out in the above table show the number of industrial disputes in India during the period 1961-1991. In 1961, there occurred 1357 disputes in industry; the number rose to 3370 in 1973, registered a decline in 1975; thereafter it started increasing and stood at 3117 in 1977. It tapered off, started declining and come down to 1428 in 1991. The table also reveals an increase in the workers involvement in industrial disputes numbered over 512 thousands in 1961 to 2358 thousand in 1973, registering a decline in 1975, it increased to 2874 thousands in 1979; thereafter it started declining till 1983. It also reflects a further decrease in the involvement of workers in 1991, i.e. 991 thousands. Inferences to be drawn from the analysis of number of mandays lost shows that there has been a loss of 4919 thousands mandays due to industrial disputes in 1961. However, the number declined thereafter and stood at 3261 thousands in 1962, and rose tremendously to 43854 thousands in 1979 and 56025 thousands in 1984. There prevailed industrial peace after 1983 as evident from as low number of mandays lost, and workers involvement in industrial disputes. In 1991, merely 15729 thousands mandays lost have been placed on records which are less than what they were in the previous
year. The additional information available from Indian Labour Journal reveals that a total of 131 industrial disputes resulting in work stoppages were reported during January to February 1992. In these disputes 58 thousands workers were involved and 409 thousands mandays were lost. During the corresponding year of 1991 (i.e. January to February 1991) there were 418 industrial disputes in which 266 thousands workers were involved and 2869 thousands mandays were lost.

Thus, from the above analysis it is observed that the present labour relations situation in India appears to be by and large cordial and satisfactory. Improvement in industrial disputes promises healthy growth of industrial sector of the country.

**Causes of Industrial Disputes**

Workers are susceptible to agitation mainly due to economic or non-economic causes, major economic causes of industrial disputes are related to wages and allowance, payment of bonus, retrenchment, dismissal and discharge, leave and hours of work and several such other causes as conditions of work and employment, methods of job evaluation; changes
in the method of production, non-recognition of trade unions, inter-union rivalry, non-implementation of awards and agreements, lack of job security, incentives and fringe benefits, etc.

There are many non-economic causes which lead to industrial disputes as the workers may oppose the scheme of rationalization which may lead to retrenchment of workers. Sometimes, workers go on strike in sympathy with their fellow-workers on strike in other industries. One basic factor underlying disputes in recent times has been the industrial discipline, because of which the relations between workers and management do not remain cordial as it is denial of freedom to the workers.

Growing number of disputes occur in connection with the ill-treatment of workers by the supervisory staff and refusal of management to recognize workers organization. Lastly, politicians encourage workers to go on strike as all the trade unions in India are dominated by them. Thus, a magnitude of economic and non-economic causes blended together result in industrial disputes. Percentage of industrial disputes on account of causes has been shown in table (1.1).
### TABLE - 1.1

Showing the Trends of Industrial Disputes by causes in percentages from 1961-1990

<table>
<thead>
<tr>
<th>Year</th>
<th>Wages &amp; Allowance</th>
<th>Bonus</th>
<th>Personnel &amp; Retrenchment</th>
<th>Leave &amp; Hours of work</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>30.4</td>
<td>6.9</td>
<td>29.3</td>
<td>3.0</td>
<td>30.4</td>
</tr>
<tr>
<td>1963</td>
<td>27.8</td>
<td>10.0</td>
<td>25.9</td>
<td>4.6</td>
<td>31.7</td>
</tr>
<tr>
<td>1965</td>
<td>33.5</td>
<td>9.9</td>
<td>27.3</td>
<td>2.5</td>
<td>26.8</td>
</tr>
<tr>
<td>1967</td>
<td>39.9</td>
<td>10.9</td>
<td>23.6</td>
<td>1.0</td>
<td>24.6</td>
</tr>
<tr>
<td>1969</td>
<td>36.4</td>
<td>10.0</td>
<td>26.6</td>
<td>2.2</td>
<td>25.2</td>
</tr>
<tr>
<td>1971</td>
<td>34.3</td>
<td>14.1</td>
<td>23.0</td>
<td>1.4</td>
<td>27.2</td>
</tr>
<tr>
<td>1973</td>
<td>34.1</td>
<td>10.3</td>
<td>24.3</td>
<td>1.5</td>
<td>29.8</td>
</tr>
<tr>
<td>1975</td>
<td>32.0</td>
<td>8.0</td>
<td>29.8</td>
<td>2.3</td>
<td>27.9</td>
</tr>
<tr>
<td>1977</td>
<td>31.2</td>
<td>15.2</td>
<td>23.0</td>
<td>2.2</td>
<td>28.4</td>
</tr>
<tr>
<td>1979</td>
<td>31.9</td>
<td>8.8</td>
<td>21.7</td>
<td>2.4</td>
<td>35.3</td>
</tr>
<tr>
<td>1981</td>
<td>28.7</td>
<td>7.8</td>
<td>21.4</td>
<td>2.2</td>
<td>39.0</td>
</tr>
<tr>
<td>1983</td>
<td>27.7</td>
<td>6.0</td>
<td>21.4</td>
<td>1.9</td>
<td>43.0</td>
</tr>
<tr>
<td>1984</td>
<td>27.7</td>
<td>8.1</td>
<td>19.6</td>
<td>1.9</td>
<td>42.7</td>
</tr>
<tr>
<td>1985</td>
<td>22.7</td>
<td>17.3</td>
<td>29.0</td>
<td>1.8</td>
<td>29.2</td>
</tr>
<tr>
<td>1986</td>
<td>25.7</td>
<td>9.7</td>
<td>23.3</td>
<td>1.3</td>
<td>40.0</td>
</tr>
<tr>
<td>1987</td>
<td>27.6</td>
<td>7.7</td>
<td>17.1</td>
<td>1.2</td>
<td>46.4</td>
</tr>
<tr>
<td>1988</td>
<td>27.8</td>
<td>6.9</td>
<td>17.0</td>
<td>1.6</td>
<td>46.7</td>
</tr>
<tr>
<td>1989</td>
<td>23.4</td>
<td>4.1</td>
<td>19.9</td>
<td>1.1</td>
<td>51.5</td>
</tr>
<tr>
<td>1990*</td>
<td>25.2</td>
<td>3.0</td>
<td>16.8</td>
<td>0.6</td>
<td>54.4</td>
</tr>
</tbody>
</table>

* - Denotes provisional figures.

**SOURCE:** Various issues of Pocket Book of Labour Statistics, Ministry of Labour, Government of India, New Delhi.
An analysis of industrial disputes by causes shows that wages and allowance were a major cause responsible for industrial unrest during 1961 while personnel and retrenchment came next. Leave and hours of work were only a minor issue, the other causes were also as important as wages and allowance. By 1967, the share of wages and allowance and bonus increased from 30.4 percent to 39.9 percent and 6.9 percent and 10.9 percent respectively, while the share of personnel and retrenchment as well as leave and hours, and other causes declined. Wages and allowance and bonus causes revealed a decline in 1973 from 39.9 percent to 34.1 percent and 10.9 percent to 10.3 percent respectively. There is an increase in disputes as personnel and retrenchment causes recorded a minor increase. Share of leave and hours of work and other causes also rose. In 1979, the contribution of wages and allowance and bonus and personnel and retrenchment causes showed a declining trend, while leave and hours of work and other causes increased over 1977. Interestingly, since 1981, there has been a perceptible decline in the share of wages and allowance, bonus, personnel and retrenchment and leave and hours of work as major causes for strikes while share of other causes displayed rising trends. In 1989 the same above mentioned economic causes showed a declining trend and other non-economic causes went up considerably. The same trend has persisted even during 1990.
Duration-wise Industrial Disputes

The duration of industrial disputes gives the idea about the seriousness of the dispute. The data mentioned in the table on the next page indicates the duration of the time taken during 1981 to 1990.

From the data, it can be observed that during 1981, 77 percent of the disputes continued less than 30 days. More or less the same trend persisted till 1983. From 1984 to 1988 the disputes were somehow prolonged in nature but again in the year 1989 about 80 percent of the disputes could not continue more than one month. So, a definite idea can not be formed about the duration-wise industrial disputes since there is a typical kind of trend in it.

Settlement of Industrial Disputes

Machinery for the settlement of industrial disputes i.e. Conciliation Officer, Board of Conciliation, Court of inquiry, three adjudicatory levels (Labour Courts, Industrial Tribunals and National Industrial Tribunals) and arbitration is the result of the adoption of the Industrial Disputes Act 1947. The first two can be described as 'quasi-administrative' and the court of Inquiry and the three adjudicating
**TABLE - 1.2**

*Showing the Duration-wise Classification of Industrial Disputes during 1981 to 1990 in India*  
(Percentage)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>One day or Less</td>
<td>22.9</td>
<td>23.1</td>
<td>25.2</td>
<td>19.7</td>
<td>15.6</td>
<td>14.3</td>
<td>16.0</td>
<td>19.1</td>
<td>25.5</td>
<td>27.6</td>
</tr>
<tr>
<td>More than 1 up to 5 days</td>
<td>21.2</td>
<td>23.2</td>
<td>22.4</td>
<td>21.3</td>
<td>19.8</td>
<td>20.0</td>
<td>19.5</td>
<td>21.1</td>
<td>19.8</td>
<td>24.1</td>
</tr>
<tr>
<td>More than 5 up to 10 days</td>
<td>12.2</td>
<td>11.4</td>
<td>12.9</td>
<td>13.2</td>
<td>14.6</td>
<td>13.7</td>
<td>11.8</td>
<td>11.5</td>
<td>13.5</td>
<td>9.8</td>
</tr>
<tr>
<td>More than 10 up to 20 days</td>
<td>12.0</td>
<td>11.8</td>
<td>10.1</td>
<td>12.4</td>
<td>14.0</td>
<td>14.3</td>
<td>14.4</td>
<td>12.1</td>
<td>12.9</td>
<td>11.9</td>
</tr>
<tr>
<td>More than 20 up to 30 days</td>
<td>8.7</td>
<td>6.1</td>
<td>5.3</td>
<td>7.3</td>
<td>8.1</td>
<td>9.4</td>
<td>7.7</td>
<td>7.3</td>
<td>6.0</td>
<td>5.2</td>
</tr>
<tr>
<td>More than 30 days</td>
<td>23.0</td>
<td>24.4</td>
<td>24.1</td>
<td>26.1</td>
<td>27.9</td>
<td>28.3</td>
<td>30.6</td>
<td>28.9</td>
<td>21.3</td>
<td>21.4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**SOURCE:** Various issues of Pocket book of Labour statistics, Ministry of Labour, Government of India, New Delhi
levels as 'quasi-judicial' whereas the arbitration is a voluntary action by both the parties.

The Act has placed greater emphasis on the conciliation machinery through Conciliation Officers appointed for specific areas or specific disputes. The Conciliation Officer may hold conciliation proceedings in a prescribed manner if any industrial dispute exists or is apprehended. To bring about a settlement of dispute without delay, the conciliation officer is required to investigate into all matters affecting them and "do all such things as he thinks fit for the purpose of inducing the parties to come to a fair and amicable settlement. In case of failure of conciliation, the government may refer the dispute for amicable settlement to a Board of Conciliation consisting of a Chairman who is an independent person and two or four members appointed in equal numbers to represent the parties to the dispute; to a court of Inquiry for investigation, or to a Labour Court or Industrial Tribunals or National Industrial Tribunals for adjudication. The awards of adjudication are binding on the parties concerned.

The Act makes it compulsory that when an industrial dispute exists or is apprehended and the employer and the
workmen agree to refer the dispute to arbitration by a written agreement, the Act has laid down the procedure, powers and duties of the authorities involved. Moreover, the Government set up a National Arbitration Promotion Board in July 1967, with a tripartite composition. Thus, the industrial Relations Machinery is encompassing every type of device to settle industrial disputes. Table (1.3) reveals the number of disputes referred to central industrial relations machinery during 1961-89.

**TABLE - 1.3**

<table>
<thead>
<tr>
<th>Year</th>
<th>Referred</th>
<th>Reported</th>
<th>Referred for Conciliation</th>
<th>Referred for Adjudication</th>
<th>Referred for Arbitration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1963</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1965</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1967</td>
<td>33,989</td>
<td>6852</td>
<td>3952</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>1969</td>
<td>30,365</td>
<td>7322</td>
<td>4368</td>
<td>131</td>
<td></td>
</tr>
<tr>
<td>1971</td>
<td>38,450</td>
<td>8962</td>
<td>6106</td>
<td>280</td>
<td></td>
</tr>
<tr>
<td>1973</td>
<td>45,293</td>
<td>11588</td>
<td>8519</td>
<td>93</td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td>46,452</td>
<td>13488</td>
<td>9025</td>
<td>152</td>
<td></td>
</tr>
<tr>
<td>1977</td>
<td>38,918</td>
<td>12929</td>
<td>8615</td>
<td>117</td>
<td></td>
</tr>
<tr>
<td>1979</td>
<td>67,456</td>
<td>20607</td>
<td>11707</td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>1981</td>
<td>17,133</td>
<td>5959</td>
<td>4833</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>1983</td>
<td>39,075</td>
<td>13144</td>
<td>7888</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td>1984</td>
<td>22,094</td>
<td>5188</td>
<td>5696</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>1985</td>
<td>45,776</td>
<td>18417</td>
<td>15381</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>1986</td>
<td>29,218</td>
<td>11739</td>
<td>9626</td>
<td>63</td>
<td></td>
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<tr>
<td>1987</td>
<td>25,118</td>
<td>7311</td>
<td>6180</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>1988</td>
<td>31,595</td>
<td>15033</td>
<td>11501</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>1989*</td>
<td>57,691</td>
<td>25836</td>
<td>20503</td>
<td>19</td>
<td></td>
</tr>
</tbody>
</table>

* Represents Provisional figures.

**SOURCE:** Various Issues of the Pocket Book of Labour Statistics, Ministry of Labour, Govt. of India, New Delhi.
Data set out in the above table clearly exhibits that there is no doubt that a large number of industrial disputes are settled through conciliation machinery in India and the conciliation officers succeed in solving about a settlement in more than 50 percent of the cases. It is also noted that only a small percentage of disputes referred from conciliation officers to the Government for adjudication and the parties agree to arbitration in very few cases.

Table given below reveals the number of disputes resolved by different methods of settlement during 1961 - 1990.

TABLE - 1.4
Showing the number of disputes Resolved by Different Methods of settlement during 1961-1990

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Disputes settled by</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Government intervention settlement</td>
<td>Mutual Resumption</td>
</tr>
<tr>
<td>1961</td>
<td>487</td>
<td>334</td>
</tr>
<tr>
<td>1963</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1965</td>
<td>-</td>
<td>-</td>
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<tr>
<td>1967</td>
<td>1122</td>
<td>717</td>
</tr>
<tr>
<td>1969</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1971</td>
<td>1070</td>
<td>659</td>
</tr>
<tr>
<td>1973</td>
<td>1150</td>
<td>831</td>
</tr>
<tr>
<td>1975</td>
<td>614</td>
<td>501</td>
</tr>
<tr>
<td>1977</td>
<td>1105</td>
<td>681</td>
</tr>
<tr>
<td>1979</td>
<td>775</td>
<td>755</td>
</tr>
<tr>
<td>1981</td>
<td>573</td>
<td>590</td>
</tr>
<tr>
<td>1983</td>
<td>464</td>
<td>473</td>
</tr>
<tr>
<td>1984</td>
<td>552</td>
<td>352</td>
</tr>
<tr>
<td>1985</td>
<td>541</td>
<td>343</td>
</tr>
<tr>
<td>1986</td>
<td>642</td>
<td>402</td>
</tr>
</tbody>
</table>

contd....
Table 1.4 contd...

<table>
<thead>
<tr>
<th>Year</th>
<th>Cases Disputes</th>
<th>Conciliation</th>
<th>Adjudication</th>
<th>Other Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>638</td>
<td>295</td>
<td>391</td>
<td>1324</td>
</tr>
<tr>
<td>1988</td>
<td>485</td>
<td>207</td>
<td>539</td>
<td>1231</td>
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<tr>
<td>1989</td>
<td>223</td>
<td>143</td>
<td>304</td>
<td>670</td>
</tr>
<tr>
<td>1990*</td>
<td>208</td>
<td>76</td>
<td>376</td>
<td>660</td>
</tr>
</tbody>
</table>

* Denotes provisional figures

**SOURCE:** Various Issues of the Pocket Book of Labour Statistics, Ministry of Labour, Government of India, New Delhi.

The data given in the above table show that a vast majority of disputes for which bipartite solutions are not feasible were solved by industrial relations machinery, which acts on a wide scale in India but is far from satisfactory. The mechanism of conciliation as a primary agency has been very much limited due to the time limit placed on the conciliation proceedings because the work of conciliation is delegated to the officers of the labour department, who are already over-burdened and, therefore can not do full justice in the matter. Further, most of the conciliation Officers are inexperienced and untrained and often refer the cases directly to Adjudication. On the other hand, conciliation is looked upon by the parties as a hurdle to be crossed for reaching the adjudication process. Its existence, tempts labour to resort to adjudication, arbitration or even
collective bargaining. In fact, the adjudication process, also makes delays in the settlement of industrial disputes and hardly promotes industrial harmony. Similarly, arbitration has also been opposed in the absence of the provisions for appeal against perverse awards and lack of experienced and trained arbitrators who are often biased against labour and their award is usually not in favour of labour because they are not well-versed in the economic and technical aspects of industry. Further, it also involves delay in arriving at the award and settlement of industrial disputes.

Suggestions for the prevention of Industrial Disputes:

The first and foremost need to avoid industrial disputes is to improve the economic conditions of the workers. Maximum number of disputes are related to unfair wage policies. It calls for proper wage policy. The wage structure should be rationalized and anomalies removed. Personnel policy is very important tool to be effectively deployed. The personnel department consists of competent and experienced staff, they should deal properly with the workers. Personnel policy depends upon the attitude, belief and honesty of the purpose of management in handling the workers problems, ranging from recruitment to retirement of the
workers. Modern techniques of management should be introduced for the evolution of better labour management relations. Management should not refuse to recognize workers organizations to avoid discontentment among workers. Supervisors and jobbers must be considerate towards workers. When parties concerned fail to reach an agreement, at that time arbitration is a very effective method of settling disputes. In which both the parties concerned agree to depute a third party and are bound to abide by its decisions legally. Workers participation in management play a very important role in minimising industrial disputes. It envisages involvement of workers in programmes to improve productivity and progress of industry. Thus, workers participation in management should be encouraged. Trade Unions also play a significant role in the development of harmonious industrial relations. Trade union leaders should put forward their genuine and real demands and develop mutual confidence and traditions of 'give and take' to solve industrial disputes.

Labour Relations and Indian Labour Policy

Industrial peace and harmony are the essential pre-requisites for growth and development of the country. Without the cooperation of labour and management economic activities
cannot achieve the desired goals. This is all the more time in planned economies. The plan targets and objectives can be achieved through cooperation of all the parties including labour in the task of national economic development. Keeping this in view, the Government of India laid emphasis on harmonious labour relations in the successive five year plans.

The First Five Year Plan (1951-56) pointed out that, "Harmonious relations between capital and labour are necessary for the realization of the targets of the plan in the industrial sector. The prime importance was given to the maintenance of industrial peace. Industrial relations are, therefore, not a matter between employers and employees alone but a vital concern of the community, which may be expressed in measures for the protection of its larger interests." The plan emphasised the significance of setting up a tripartite body consisting of representatives of employees, employers and Government to minimise the industrial conflicts. During plan period, the Provident Fund Act, 1952 was passed and Industrial Disputes Act, 1947 was amended in 1953 to compensate the workers in case of lay off and retrenchment.

The plan conceived the "work committee" at plant level as the key system for settlement of differences between
the workers and the management. It also recommended the setting up of "Joint Committee" at plants and for industry as a whole for tackling problems of wider interest. The idea of Joint Management Councils was sponsored by the Government with a view to encourage joint consultation between workers and management.\textsuperscript{42}

The Second Five Year Plan (1956-61), envisaged a marked shift in Industrial Relations Policy consequent on the acceptance of socialistic pattern of society and the goal of planning. The plan stated that greater stress should be laid on the creation of industrial democracy in which a worker feels himself to be a part and parcel of industrial apparatus that was to usher in socialistic pattern of society.\textsuperscript{43} During this plan period, the tripartite machinery, the Indian Labour Conference set up in 1942 was effective in evolving certain norms such as mechanism and practices – formulated for need based minimum wages, wages boards, guide lines for rationalization, Code of Discipline, Code of Conduct, Scheme for workers participation in management. List of items on which works committees could conduct their business, model grievance procedure, evaluation and implementation machinery and emphasis on voluntary arbitration.\textsuperscript{44}
The Third Five Year Plan (1961-66) recommended no major change in the Industrial Relation Policy. During the emergency caused by the Chinese war in 1962, the Industrial Truce Resolution was adopted, and employers and workers pledged themselves to maximise the production. The Bonus Act was passed in 1965 with a view to resolving the most important item of discord between the two parties. The rights of an individual worker came to be better safeguarded when the Industrial Disputes Act of 1947 was amended, granting to an individual worker the right to raise a dispute even if his cause was not espoused by any union.

The plan also elaborated the policy of associating labour more and more with management and accepted the progressive extension of the scheme of Joint Management Councils (JMCs) as a major programme. It recommended the setting up of JMCs in all industrial undertakings found suitable for the purpose so that, in due course, the scheme might become a normal feature of the industrial system.

The Fourth Five Year Plan (1969-74) also stressed the need of effective labour administration for better enforcement of labour laws. By the end of 1966 the Government...
of India, appointed the 'National Commission on Labour', which submitted its first report in 1969, for studying and making recommendations on various aspects of labour including wages, working conditions, welfare, trade unions development and labour management relations. For the promotion of collective bargaining and raising of productivity through labour management cooperation the plan has expressed its derivability of according priority to the growth of a healthy trade union movement.

The Fifth Five Year Plan (1974-79) stressed the need for greater involvement of labour by ensuring its vertical mobility in the industrial organizations. The plan document said, "Stress will be placed on strengthening industrial relations and conciliation machinery; better enforcement of labour legislation, research in labour relations and labour law, imparting training to labour officers, improvement of labour statistics and undertaking studies in the field of wages and productivity. Special attention will be devoted to bring about improvement in productivity in all spheres of economy."  

The Sixth Five Year Plan (1980-85) did not introduce any major change in the Industrial Relations Policy. However,
there were two aspects which drew the attention of planners. Firstly, it stressed the need of simplifying the procedure for the settlement of industrial disputes in order to ensure quick justice to workers and a feeling of certainty among employers. Secondly, it emphasised the need of increasing the number of existing labour courts and Tribunals and for setting up new machinery for speedy settlement of industrial disputes.

The Seventh Five Year Plan (1985-90) has emphasised on improving the capacity utilization, efficiency and productivity. The responsibility of unions and employees has to be identified. Inter-union rivalry and intra-union divisions should be avoided. Further, the quality of training imparted to the workers must be upgraded. Due attention has given to industrial safety. Provisions have been made for the welfare, working and living conditions of un-organized labour not only in rural areas but also in urban areas. Working conditions of women and child labour have also been given attention.

The Eighth Five Year Plan has also stressed in the need of good industrial relations. This is more so in the context of the openness and liberalization of our indus-
trial policy that requires a purposeful retrenchment and reduction in the workforce of public sector units in particular and other segment of our economy in general under this new dispensation, the policy of industrial relations in our industry will have to be re-shaped and re-designed.

Conclusion

From the discussion above in part I and II of the chapter it can be safely deduced that present labour situation in India showed a declining trend in the number of industrial disputes and mandays lost, which tend to suggest an overall improvement in the labour situation in the country. This trend is expected to persist, though the indications are that there will be a deterioration in the labour relations in the years to come. Whether this will manifest itself in the form of actual disruption of work depends on how the trade unions will respond to changing conditions of industry. Industrial disputes can not be completely avoided but surely they can be minimized. This can be done by government intervention and regulation. Government must come forward with strong policies such as labour laws and its implementation at the right time.
Besides, timely measures suggested above would go a long way in smoothing labour relations to accelerate the industrial growth which is urgently required for the economic development of our country.

In the next chapter, a survey of literature on the subject will be attempted in order to show the importance of this subject and highlight the findings of the various works and projects undertaken before this study.
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