CHAPTER IX

CONCLUSION AND SUGGESTIONS
In this concluding chapter, we have to suggest measures for bringing about harmonious relations between the workers and their employers. Industrial relations arise between them as a result of their involvement in a common enterprise. If there is agreement between them, all is well with the industry. If there are conflicts or lack of agreement, it is harmful to productivity and prosperity of both. In the latter case, industrial relations are worsened, and these worsened relations in their turn result in fresh disputes. Thus, a vicious circle is established, and so tension breeds tension, and opposition generates opposition. This harmful state is evidenced by such phenomena as strikes and lockouts, lay-offs, absenteeism, unusual turnover, closures, suspension, retrenchment, dismissal etc. If each partner performs his part properly, industrial peace would not be disturbed. The state has also to discharge her duty by intervening for the sake of welfare of the industry and the community. We shall, therefore, make our observations under the following heads, viz., (i) the responsibility of the management; (ii) the responsibility of the workers and their organisations; (iii) the role of the state; (iv) certain special problems. This arrangements is obviously not free from overlapping which is unavoidable.
(1) **RESPONSIBILITY OF THE MANAGEMENT:**

There are many evils on side of the management which directly operate to the harm of workers in their day-to-day working and general conditions of work, as covered by the Factories Act, 1948 and Industrial Employment (Standing Orders) Act, 1946. The relevant measures suggested for the removal of the evils are the following:-

(1) The Welfare, Labour and other officers concerned with personnel matters should be vigilant in discharging their duties regarding accidents, and welfare services at the plant level.

(2) In their own interest, employers should provide labour welfare activities and industrial housing.

(3) The only remedy for the employer's malafides in transfer, promotion and retrenchment is a change in the attitude of the employer, so as to create in him a human outlook towards the workers.

(4) Next we come to certain measures existing at the employers' end for the promotion of industrial relations, their working, and necessary suggestions. Revival of Works Committees in the private sector and of Joint Management Councils is not desirable owing to their poor record in the past, but in their place bi-partite ad hoc conferences may be encouraged as they are likely to be more effective and not likely to acquire rust owing to their ad hoc character. Grievance Machinery should be made simpler so as to bring the two partners of the industry into closer contact.
Another important measure suggested is to bring about a radical change in the employers' attitude towards labour. The prevailing feudal and authoritarian outlook, depending on the wrong notion of the master's right 'to hire or fire' the servant is outmoded. It is in the interest of the employers themselves to change this mentality for a mentality of cooperation with the worker. After all, no work can be performed without the workers' contribution. The workers' dignity should be recognised. This is no mere empty ideology, but a lesson enforced by the experience of employers in other countries. Progressive employers in India, too, have realised the necessity of this. The worker remains a human being first and last. "Until the spirit of partnership becomes the spirit of industrial relations, conflict as to the division of the existing product of industry obscures the need for cooperation towards greater productivity out of which alone can come a real advance in material prosperity."

To begin with, as a gesture of goodwill and a change of heart towards the workers, the employers should provide voluntary welfare services at the worker's dwelling. Provision of industrial housing by the employer is suggested as another useful step in the same direction. These steps will help to relieve the problems of absenteeism and labour turnover.

Now we come to the last and most important measure to be suggested. The absence of strikes and lockouts or reduction in absenteeism and labour turnover.

their number is no indication of good industrial relations. Minor pin-pricks and grievances pile up, and then they erupt in big industrial disputes. Therefore, the institution of a separate Personnel Department to deal with personnel matters and policies is suggested. The Personnel Department should look after all the aspects of industrial relations, through the Personnel Officers. These measures will nip the evil in the bud and prevent strikes and lockouts. Even lay-offs will not be resorted to unnecessarily by the employers. Meanwhile during the interim period preceding the introduction of the scheme of Personnel Department, the functions of the existing Labour Officer and Welfare Officers should be streamlined to ensure speed and efficiency and to avoid overlapping. Of course, the sovereign remedy for all industrial ills is a change of heart which will be discussed at the end of this chapter.

(11) THE RESPONSIBILITY OF THE WORKERS AND THEIR ORGANISATIONS:

In Kanpur the most important characteristic of labour is its village nexus. Village nexus is responsible, inter alia, for large scale absenteeism. Labour turnover on an extensive scale resulting in dislocation of and loss to the industry is another characteristic of labour in Kanpur. This shows lack of job satisfaction. The remedy suggested for both these evils which harm the labourers as much as the employers is a proper propaganda by the labour leaders to discourage these practices by the labourers. These practices result in huge loss to the workers. The responsibility for eradicating them lies partly on the workers themselves.
In a nutshell they should try to adjust themselves to their urban environment by giving up nostalgia for their village homes. Similarly they should avoid roaming from one unit to another, as in the long run they lose financially. Obviously, a rolling stone gathers no moss.

Coming to labour unions, we remark that the poor financial, organisational and cultural basis of these trade unions renders them unable to attain the ideal of one union in one industry with affiliates at the lower levels. It is still a distant goal in our country.

The pivot, however, of a sound functioning of the trade unions is the education of workers. It is the workers themselves who can safeguard their interests by organising themselves on sound democratic lines. They can realise their interests, objectives and goals only if they have the necessary education. Collective bargaining is meaningless unless both parties are equally strong and knowing. The remedy, suggested, therefore, is necessary propaganda through Workers' Education Scheme, already in operation. It is to be re-inforced by regular payment by the State of grants-in-aid held up at present by red-tapism, improvement in the quality and quantity of literature distributed, and enlarging the coverage of the scheme, at present covering only about 50% of the workers. Training Programme is also to be intensified for educating the workers on sound lines.
The major evils from which the labour unions are suffering at present, namely, multiplicity of unions, inter-union rivalry, outside leadership and their exploitation by political parties, can be eradicated only if there is an enlightened labour force, capable of understanding the various labour problems and of forming their voluntary organisation on sound democratic lines. As already mentioned, all these things depend on a sound scheme of workers' education.

(iii) The Role of the State:

In India the state has played an important role, partly by legislative enactments and partly by encouraging bi-partite and tripartite agreements, conferences and meetings etc. to promote industrial relations. Such activities of the state fall broadly into four categories: (i) enactment for resolving industrial disputes; (ii) enactments for preventing industrial disputes; (iii) enactments for providing welfare and social security and (iv) non-statutory arrangements for encouraging cooperation between workers and employers. In U.P., the settlement of industrial disputes is governed by the U.P. Industrial Disputes Act, 1947. Its working has revealed that conciliation has worked satisfactorily only in minor issues, that adjudication has not been a success, and that arbitration has achieved only a limited success. The procedure for adjudication is expensive and discriminatory. On the whole, the machinery has failed to encourage collective bargaining and voluntary arbitration which are the ideals to be aimed at for
resolving industrial disputes. It is contended by a majority of people that adjudication has hindered the growth of collective bargaining. The measures suggested are the following:

(1) A permanent Industrial Relations Commission both at the Centre and in the States should be constituted to deal with industrial disputes, having adjudication, conciliation and certification of unions as their functions. It will be independent of government control, and will function more expeditiously. Until the formation of the Industrial Relations Commission, some amendments in the Industrial Disputes Act are suggested.

(2) The power of reference to the settlement machinery in certain cases should lie with the parties also, and necessary amendment should be made in the Industrial Disputes Act.

(3) Separate sets of machinery for private and public sector should be abolished, and one machinery for both should be provided.

(4) Labour Courts and Industrial Tribunals should be empowered to substitute their judgments for the decision of the management in cases of dismissal of workers even where malafides are non-existent.

In the second category are the Factories Act, 1948, and the Industrial Employment (Standing Orders) Act, 1946. The amendments required in the former to make its working more effective are as under:

(1) Inspections should be made more effective by improving the qualifications and number of inspectors.
(ii) As the number of accidents in factories is alarming, a Safety Inspector should be appointed in each factory by the management.

(iii) Reduction of hours of work in night shifts should be provided to avoid large-scale absenteeism.

On the whole, the coverage under the Factories Act and the Industrial Employment (Standing Orders) Act is good in Kanpur.

Statutory measures for providing welfare and social security are covered by the Factories Act, 1948, Employees' State Insurance Act, 1948, Provident Funds Act, 1952 and Payment of Bonus Act, 1965. The measures are functioning satisfactorily, although no scheme contains perfection, for there is always room for improvement by extension of the schemes to cover hitherto uncovered industrial units.

Non-statutory arrangements for improving industrial relations are the following:

The Code of Discipline, the Code of Conduct and Wage Boards functioning both at the centre and in the states. The Code of Discipline is a bi-partite mutual agreement between labour and management binding both parties to cooperate in agreed specified spheres and to eschew activities harmful to the industry. The Code of Conduct is a set of generalisations binding the workers in the interest of inter-union relations and loyalty to the union. The achievements of these codes has not been commendable owing to
their voluntary character. It is proposed that the possibility of introducing some statutory measure of compulsion may be explored, for better performance under the codes.

(iv) **CERTAIN SPECIAL PROBLEMS**:

Two things to be considered in the context of industrial relations, in Kanpur and elsewhere, are (a) the introduction of rationalisation schemes, including modernisation and automation and (b) collective bargaining. The necessity of rationalization in Kanpur industries is real, but the fears of the workers are no less real. The following measures may meet the requirements of the situation:

(i) No crash programme of rationalisation is possible at present. Therefore, only a phased programme will serve the purpose. To begin with, pilot schemes may be started.

(ii) State help in financing the scheme should be available through loans or/and subsidies.

(iii) Reduction in Excise duty and Corporation tax should be made to units that rationalise.

(iv) The labourers rendered surplus should be absorbed in fresh and new State undertakings.

(v) Incentives from the employers should be given to labourers in the form of gratuity for voluntary retirement before superannuation.

(vi) A scheme for training labourers rendered surplus should be started by the state as well as by the industry.

Collective bargaining described sometimes as the king-pin of industrial relations, has not made any headway in our country.
It is urged by the protagonists of collective bargaining and voluntary arbitration that in the presence of compulsory adjudication machinery, there is little possibility of success to the former methods of settling disputes. Collective bargaining is the technique through which industrial democracy works. It is an art of making compromises and rapprochement. It is only possible if the negotiating parties are equally strong and intelligent, in regard to the understanding of the issues involved. There can be no real peace between the weak and the strong. For the attainment of this objective, strength of trade unions is the first and foremost pre-requisite. The trade Unions symbolise industrial democracy. The only measure suggested is to give more and more scope to the parties to settle their differences mutually, without the help of any external governmental agency. No doubt, there will be failures in the beginning, but they need not dishearten the parties. Sri V.V. Giri, in his address to the 12th session of the Indian Labour Conference, said, "It may be that until the parties have learnt the technique of collective bargaining, there are some unnecessary trials of strength, but whoever has heard of a man learning to swim without having to drink some gulps of water? ......

It has, therefore, been my firm conviction all these years that internal settlement of disputes is eminently to be preferred to compulsion from outside, and that collective bargaining and voluntary arbitration should be encouraged in preference to compulsory arbitration."
THE STATE AND LABOUR POLICY:

The policy of the state towards labour since Independence in our country is in glaring contrast to the policy regarding labour prevailing in the earlier period of British rule. The National Commission on Labour sums up the main postulates of labour policy during the last twenty years in India in the following manner:

- Recognition of the State, the custodian of the interests of the community, as the catalyst of 'change' and welfare programmes.
- Recognition of the right of workers to peaceful direct action, if justice is denied to them.
- Encouragement to mutual settlement, collective bargaining and voluntary arbitration.
- Intervention by the State in favour of the weaker party to ensure fair treatment to all concerned.
- Primacy to maintenance of industrial peace.
- Evolving partnership between the employer and employees in a constructive endeavour to promote the satisfaction of the economic needs of the community in the best possible manner.
- Ensuring fair wage standards and provision of social security.
- Cooperation for augmenting production and increasing 'productivity'.
- Adequate enforcement of legislation.
- Enhancing the status of the worker in industry.
- Tripartite consultation.
The First Plan adumbrated these principles and they were reaffirmed in successive Plans. In giving effect to them in practice, the accent has been on reciprocity and mutuality of obligations and recognition of workers' contribution to production and productivity. A subtle change in emphasis with regard to modes of settlement of disputes, in successive plans is also discernible. Legalistic approach is gradually yielding place to voluntary bilateral arrangements. Strengthening of trade unions to secure better labour-management relations has also been a part of this approach.

The tripartite consultative machinery formed during the Second World War has now grown into an oft-resorted instrument for formulation of labour policy. Though its role is advisory, its deliberations have had a distinctive influence on the policies and the manner of their implementation and in reaching many voluntary arrangements. Labour Ministers get together periodically for reviewing policy and exchanging views on administrative matters. A labour administration machinery, including an elaborate institutional set-up under the Industrial Disputes Act, 1947, has been built up. Wage policy generally has not operated to the disadvantage of the economy, though labour, which is its main beneficiary, has had reason to expect that the policy could have been more liberally interpreted and applied. Other areas where significant developments have taken place in pursuance of the Directive Principles embodied in the Constitution are social security and labour welfare, for both of which new enactments have been passed and old legislation
amended to provide for greater coverage and extension of facilities to an increasingly larger number of workers.

The successive plans have given effect to these postulates. The main emphasis has been on the following objectives:

(a) reciprocity and mutuality of obligations;
(b) recognition of workers role in production and productivity;
(c) replacement of legalistic approach by voluntary bilateral arrangements for settlement of disputes; and,
(d) strengthening of trade unions.

Apart from these, the role of the State in an advisory capacity has resulted in several bipartite and tripartite organisations including Wage Boards for harmonious industrial relations. Several social security and labour welfare statutory measures are now operating for the benefit of workers.

HUMAN RELATIONS IN INDUSTRY:

Human Relations, as an area of management practice, is the "integration of people into a work situation in a way that motivates them to work together productively, cooperatively and with psychological and social satisfaction. Three important goals of Human Relations, thus, are:

a) To cooperate;
b) To produce; and
c) To gain satisfaction from their work.
There is a marked difference between Human and Industrial Relations. The latter term pre-supposes a conflict of interests between labour and management. Devising of ways and means to reconcile this conflict constitutes Industrial Relations. Human Relations, on the other hand, is an attempt at complete abnegation of any conflict whatsoever.

The fundamental concepts, or the golden principles of Human Relations, may be summarised here:

1. Importance of the individual.
2. Mutual acceptance.
3. Common interest.
4. Open Communication.
5. Employees participation.
7. Local decision.
8. High moral standards.

Man is a bundle of wants—termed as 'Drives', 'Motives', 'Desires', 'Goals' and 'Values' etc. The most important of these is the 'Economic drive' which goads men to work and earn money to satisfy their bare physical needs. The social ill-health among industrial communities which is reflected in the phenomena of strikes, excessive absenteeism and constant industrial unrest, is mainly due to economic factor.

In a search for happiness, money may be one of the basic satisfactions, but there are other satisfactions which are equally important, and which can be better 'drives' than money. These are:

(a) Prestige and Status; (b) Security for settling down well to
the job; (c) A sense of belonging; (d) Approval of good work by some one in authority; and (e) Creativeness.

These non-financial motives or satisfactions can neither be exchanged for money nor can they be imposed from without. They have to develop from within and have to be based on mutual trust and confidence. The important point to note regarding them is that their development does not lie with the workers. It lies with the Managers and with all those who have to lead men to work, e.g., Production Managers, Foremen, Factory Superintendents, Departmental Managers etc. It is they who should start the move sincerely not as a technique for handling people but as a means of getting along with them in business.

For this purpose, the managers should cultivate in themselves the following qualities:

- (a) emotional maturity;
- (b) ability to ignite the 'inner human drives'.
- (c) a good morale; and
- (d) ability to maintain a congenial working environment.

Investment on human beings pays rich dividends in the shape of industrial peace and higher productivity. Management in India needs the qualities mentioned above. Social reconstruction of the twentieth century demands proper appreciation of 'Humanisation in Industry' which is not adaptation of MAN TO INDUSTRY, but of INDUSTRY TO MAN. Thus the Manager of to-day should be a social psychologist who can have a sociological approach to human problems.
THE RESPONSIBILITY OF LABOUR TOWARDS INDUSTRY:

Much has been said about the responsibility of the management towards the workers. It should not be supposed that no responsibility rests on the workers, because they are the weaker party. The fact is that they are under an obligation to do everything that promotes the industry and to refrain from indulging in activities harmful to production. The tyranny of the weak is also a fact to be recognised. In their own interest, if not in others' interest, they should seek to promote the prosperity of the industry in which they work. They should know that they sink or swim with their employers. Apart from strikes and go-slow tactics, a new type of coercion by the workers, in the form of 'Bundhs' and 'Gheraos' is increasingly in evidence to mar industrial peace. The National Commission on Labour has listed the various unfair practices of workers and their organisations that are harmful to the industry, and they are as follows:-

(1) For the union to advise or actively support or to instigate an irregular strike or to participate in such strike.

(2) To coerce workers in the exercise of their right to self-organisation or to join unions or refrain from joining any union, that is to say:

(a) for a union or its members to picket in such a manner that non-striking workers are physically debarred from entering the work-place;

(b) to indulge in acts of force or violence or to hold out threats of intimidation in connection with a strike against non-striking workers or against managerial staff.
(3) To refuse to bargain collectively in good faith with the employer.

(4) To indulge in coercive activities against certification of a bargaining representative.

(5) To stage, encourage or instigate such forms of coercive actions as wilful 'go slow' or squatting on the work premises after working hours or 'gherao' of any of the members of the managerial staff.

(6) To stage demonstrations at the residence of the employers or the managerial staff members.

Apart from these, the positive functions of the workers and their unions should be to cooperate whole-heartedly in all bipartite and tri-partite organisations for the promotions of productivity and production in industry.

SUMMING UP:

To establish and maintain harmonious relations between the two main factors of production is an intricate problem in the present era. Attempts have been made to devise ways and means to achieve cordial and smooth relations between the twin partners of production, but without success. The importance of harmony in Industrial Relations cannot be over-emphasised, because we want to establish an industrial society which could maintain spontaneous cooperation between the labourers and the captains of industries. It is to be noted that the absence of strikes or other economic sanctions is not an adequate proof of harmonious relationship in an
industrial society. Neither industrial harmony can be achieved by coercive legislative measures, nor can it be obtained by outside interference. It can only be achieved voluntarily. Some common formula which is acceptable to both capital and labour must be evolved for the development of spontaneous healthy relationship between them.

Harmony in an industrial society is more valuable than peace in industry. Peace may be defined as the absence of dispute, and harmony may be termed as the presence of cooperation. In the present state of affairs of an industrial society, what is needed is harmony between operatives and managements. Authoritarian outlook will not be of any help for achieving harmony. Harmony according to Hubert Somervell "can find less and less expression while authoritarianism reigns, even when tempered with benevolence."¹ Prohibition of or prescribing strikes will not be of any use in achieving harmonious relations.

Workers cannot be prevented from going on strikes. The coercive power of the state cannot altogether eliminate strikes and agitations. It is certainly the function of the state to seek to know in advance the basic symptoms of disharmony, so that proper steps may be taken to save the situation from worsening, when the occasion arises. Therefore, proscription of strikes by authoritarian measures is not conducive to industrial harmony. Our President, Shri V.V. Giri, rightly said recently that it was not

¹ Hubert Somervell, Industrial Peace in our time, p. 52.
the intention of the State to ban strikes. He, however, desired a moratorium on strikes, for the present.

One may legitimately feel that talking emphatically about the necessity for industrial harmony is to emphasise the obvious. Unfortunately, this is not so. It would be a happy day for the country when such a need would be felt by all concerned in the industry. The mentality of the captains of Indian industry, in the latter part of the 19th century, towards the operatives still lingers to a considerable degree, although the present industrialists are not bold enough to proclaim it owing to the rapidly changing concept of industrial relations. "The capitalists in India - both Indian and British - are reported to have exacted 16 to 17 hours of work from their operatives for many years."¹ The necessity of changing this mentality is as great now, as it was formerly. Unless there is a genuine desire for harmony in industrial relations on both sides, matters cannot improve. This truth has to be driven home both to the labourers and to the employers. Mere industrial peace is one thing, and industrial harmony, quite another. Indeed industrial peace may sometimes be the peace of the grave-yard, i.e., one of the two parties or both might be coerced by circumstances into peace. Such peace is rarely lasting, and the eruption of industrial unrest is always to be expected when circumstances permit. It has been truly said in the United Nations Charter that war begins in the minds of men. Even so is the case between labour and capital.

¹. R.J. Soman, Peaceful Industrial Relations their Science and Technique, p. 46.
As things are, they are organised at present into opposite camps, making plans to foil the scheme of the other party, and spending all their energy in devising a suitable strategy for offence and defence. This animosity between the two is most harmful to the industry. Proper propaganda and planning in this direction can work miracles, provided there is a band of devoted workers. Even deep-seated and long-standing rivalries can be eradicated by suitable methods. A change of heart is needed on both sides. It is not a platitude to assert that the problem is mainly psychological. Even the die-hard and hard-hided imperialists have come to appreciate the futility of imperialistic methods in dealing with their peoples. Is it too much to hope that our industrial magnates will take the cue from the fate of imperialism at the present day? As Dean Inge says in one of his essays, "Nothing fails like success in imperialism". The other party, i.e., the labourers have also to discharge their responsibility in the matter. They should not adopt coercive methods and pressure tactics at the slightest provocation. Conciliation and mutual understanding should be allowed to play their part in industrial relations. Political parties should not complicate matters by siding with one party or other, on political considerations. The welfare of the industry should be the paramount consideration of all concerned.

If the psychological change mentioned above is brought about in the mentality of the twin partners of industry, the old glory of Kanpur, as the Manchester of India, may be revived within
a miraculously short time. Indeed, the conditions for such a bright transformation are much greater now than they were in the pre-Independence era. The state is friendly and sympathetic to industrial development, the foreign employers are altogether withdrawn, and there is consciousness among the workers. These factors were non-existent formerly. Let us hope that Kanpur will utilise, to the full, opportunities available for industrial development by improving industrial relations to the optimum level.