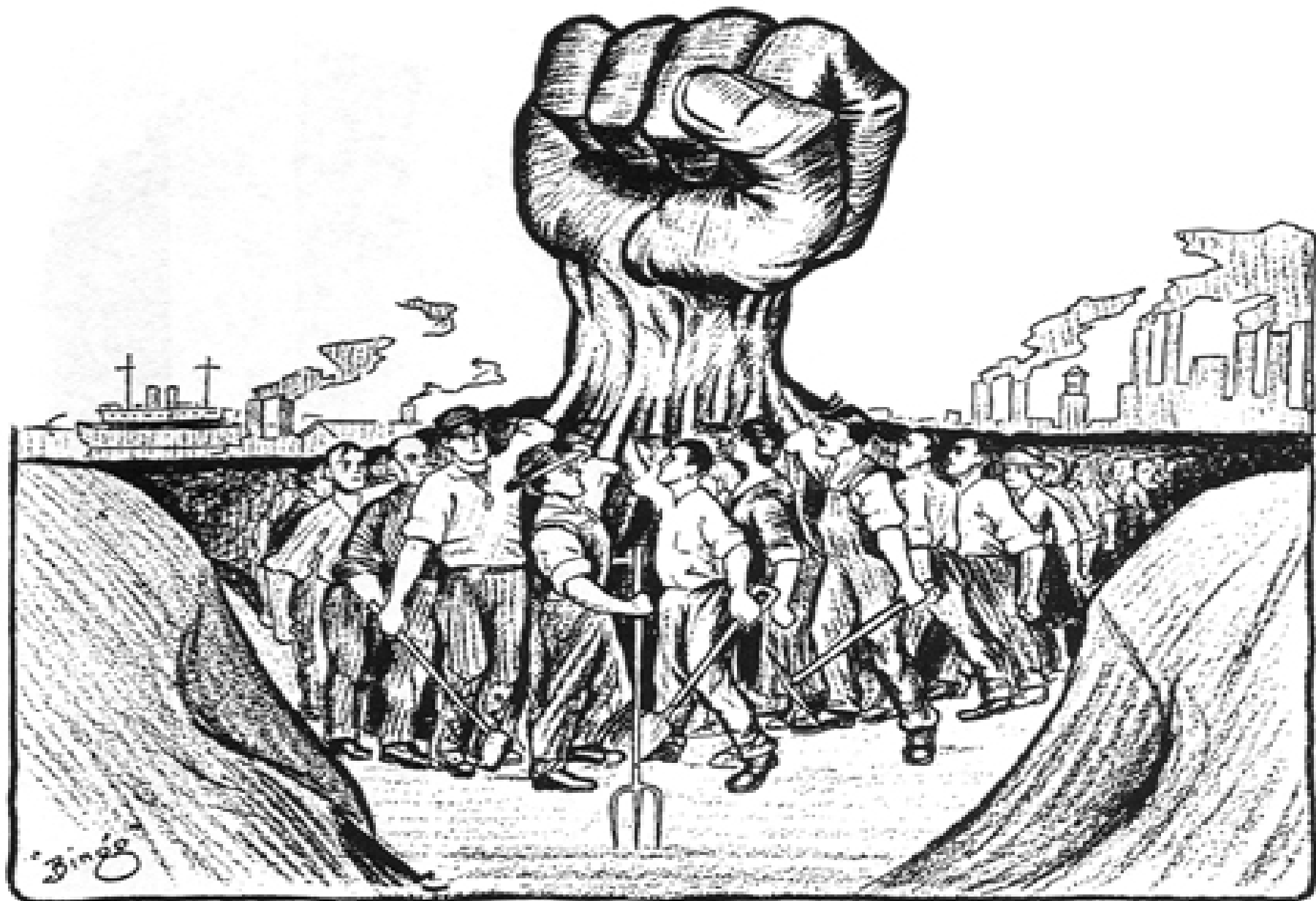






Industrial Disputes

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Solidarity, June 30, 1917. The Hand That Will Rule the World—One Big Union.

What is Industrial Dispute?

- **Industrial Dispute is a conflict between an employer and its employees, usually represented by a trade union, over some aspect of the terms or conditions of employment. A dispute may be followed by industrial action, in the form of a strike or a work to rule.**

Industrial dispute

- ❖ An industrial dispute may be defined as a conflict or difference of opinion between management and workers on the terms of employment.
- ❖ It is a disagreement between an employer and employees' representative; usually a trade union, and other working conditions and can result in industrial actions.



Case Study

<http://www.slideshare.net/subhaprasad79/toyota-case-study-ir>

Definition

The industrial dispute means any dispute or difference between:-

- (i) Employers and employees
 - (ii) Employers and Workmen or
 - (iii) Workmen and workmen, which is connected with
- Industrial disputes may be said to be disagreement or controversy between management and labor with respect to wages, working conditions, other employment matters or union recognition.



As per Industrial Dispute Act, 1947,

- ▶ **Industrial Dispute means any dispute or difference between employer and employees, or between employer and workmen or between workmen and workmen, which is connected with the employment or non employment or the terms of employment or with the conditions of Labour, or any person**

**When top level guys look down
they see only shit.**

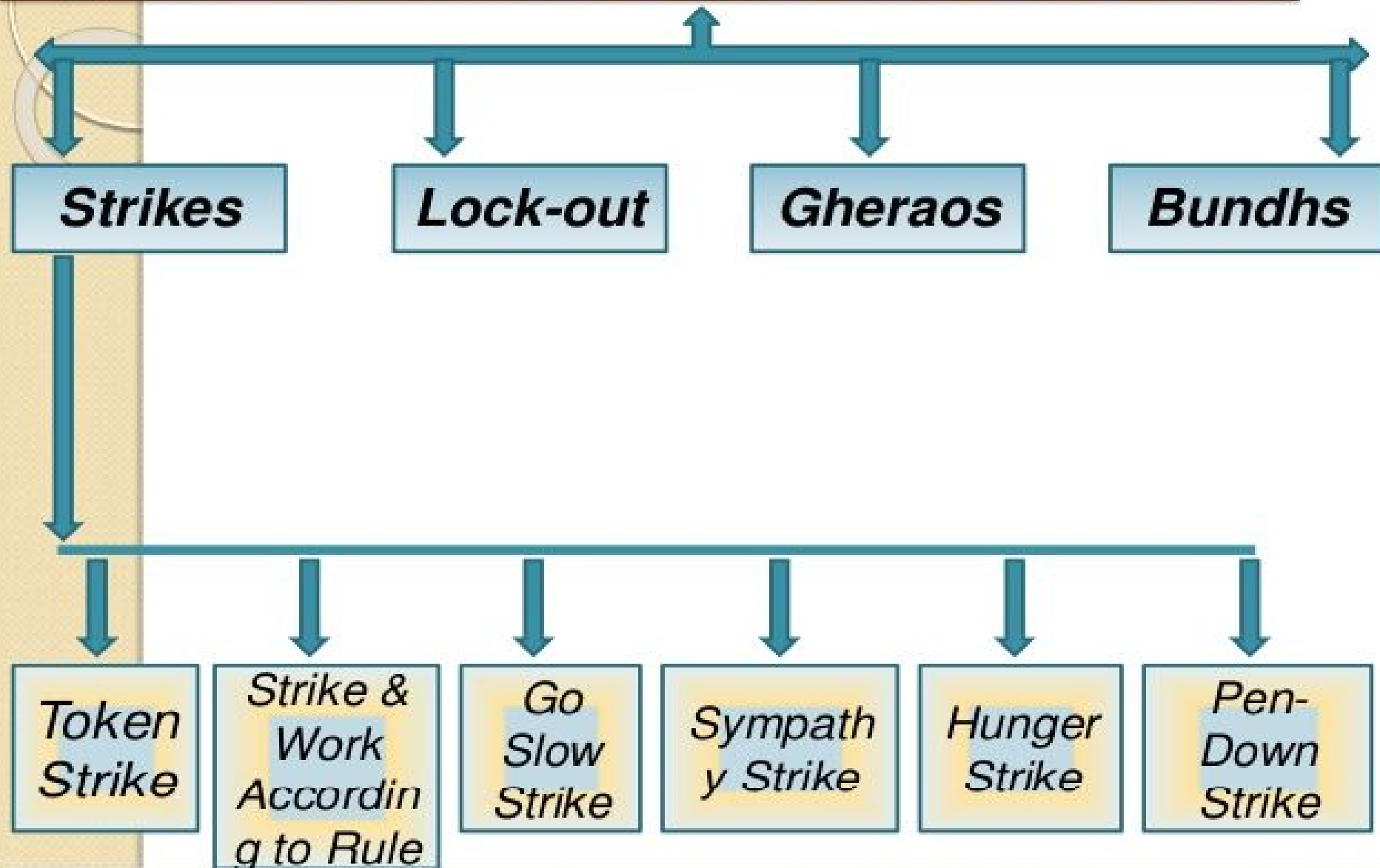


**When bottom level guys look up
they see only assholes.**

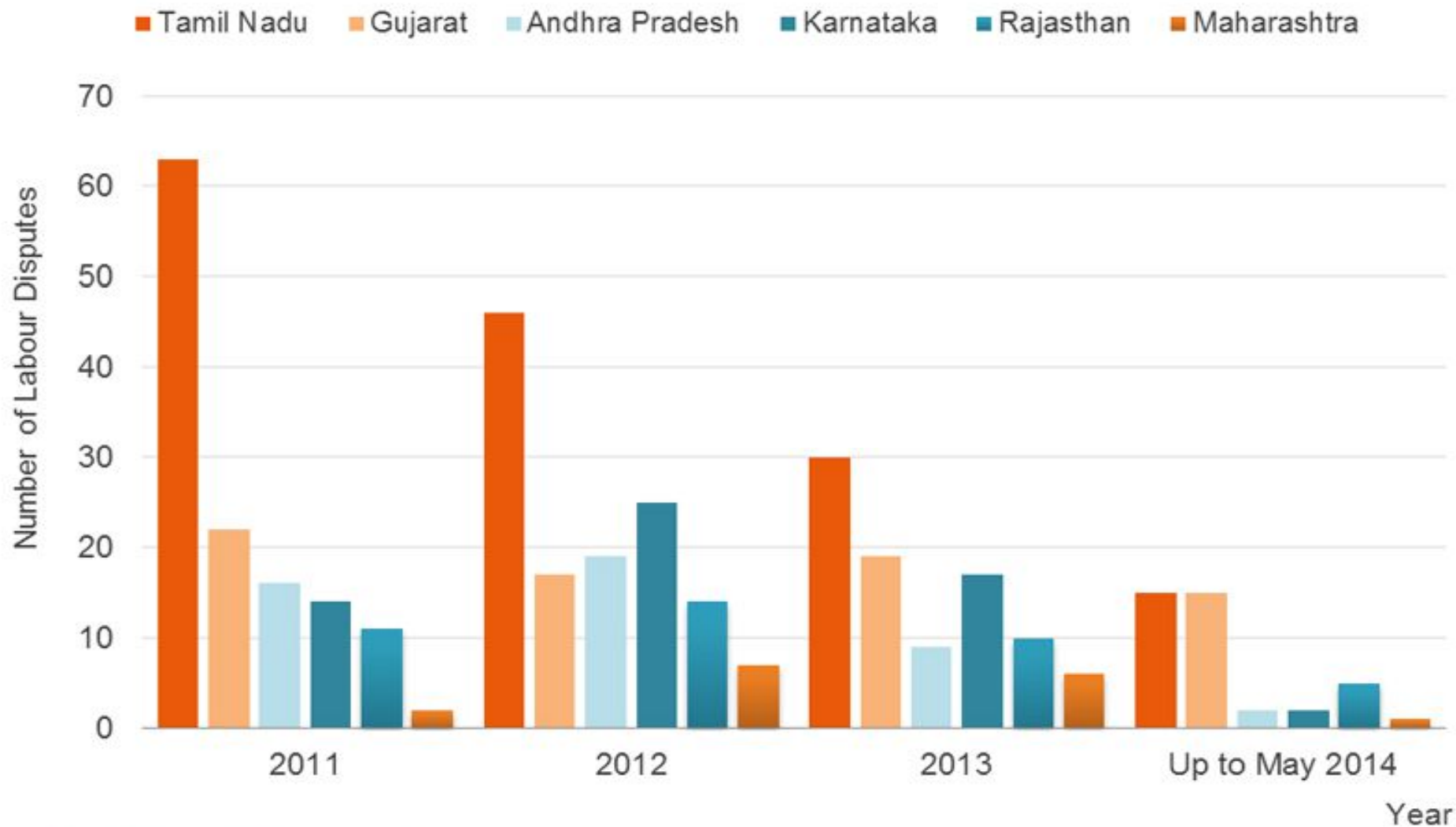
Characteristics of industrial dispute

- Industrial dispute is a collective dispute between employer and employees.
- The relationship existing between the parties to the industrial dispute must be that of employer and employee or co-workers.
- The dispute may arise out of disagreements between employers and employees over the terms of employment.
- It could also be connected to the conditions of labour.
- The industrial dispute may even relate to non-employment causes of workmen.

FORMS OF INDUSTRIAL DISPUTES



Number of Labour Disputes in Major Indian States



Source: Maharashtra Industrial Development Corporation

ON THE WANE

The fall in the number of strikes and lockouts has been steep since 2012. In 2012, 447 such incidents were reported compared with 143 in 2014.

Year	Strikes and lockouts	Workers involved	Person-days lost (in thousands)
2007	389	724,574	27,167
2008	421	1,579,298	17,433
2009	345	1,867,204	17,622
2010	371	1,074,473	23,131
2011	370	734,763	14,458
2012	447	1,307,505	12,876
2013	198	1,057,887	3,665
2014	143	1,008,275	3,636
2015*	40	NA	446

(* January-April)

Source: Labour ministry

Sectors	2003	2004	2005
Public Sector			
No. of disputes	59	49	57
Workers involved ('000)	1099	1590	2039
Mandays lost ('000)	6856	1806	2322
Wages lost (Rs. in crores)	39.35	82.52	79.09
	-47	-41	-44
Value of Production loss (Rs. in crores)	27.47	36.97	59.8
	-22	-22	-19
Private Sector			
No. of disputes	493	428	399
Workers involved ('000)	717	482	875
Mandays lost ('000)	23400	22061	27343
Wages lost (Rs. in crores)	26.79	25.64	37.02
	-144	-119	-102
Value of Production loss (Rs. in crores)	391.02	318.62	285.28
	-127	-109	-102

CAUSES FOR INDUSTRIAL DISPUTE

- *Economic*

- wages , bonus and allowances
- conditions for work, working hours, leave and holidays without pay
- unjust layoffs and retrenchments.

- *Non-Economic*

- victimization of workers
- ill treatment by staff members
- sympathetic strikes
- political factors
- indiscipline



Causes for Industrial Disputes.

1. Demand for Higher wages

The employees want higher wages. The employer wants more profit by paying lower wages. This results in frustration among employees and they resort to agitation.

2. Non-Implementation of Bonus Schemes

Bonus is a strong incentive for the employees. They want share in the profit in the form of bonus. However, the employers generally show deficit and do not pay bonus to the employees. This results in industrial dispute.

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3. Demand for better working condition -

The employees want better working conditions. If their demand is not accepted by the employer they resort to agitation approach. The result is industrial disputes

4. Failure to recognise Unions -

The employers cannot tolerate trade unions as they feel that these unions are threat to their profit. Therefore, they discourage union movement by the policy of divided and rule. But the workers believe in collective bargaining and desire the recognition of unions by the employers.

5. Demand for proper leave Rules

The employers want that leave rules and working hours should as laid down in factory act. No worker should be forced to work more than 48 hours or more in a week. However, generally employers ignore these rules which results in industrial dispute.

6. Over Time Payment

The employees demand over-time payment as prescribed in the factory act. But the employer either does not make any payment or makes under-payment. This causes frustration among employs and they resort to agitations.

7. Political Interference -

Most of the trade unions in India are dominated by political parties. Sometimes, political leaders use workers as tool for their selfish ends. They excite the workers to go on strike or adopt other agitational approach.

8. Punishment to Workers

Sometimes, the employer adopts dictatorial policy and victimises the employees by suspending or dismissing them from services. In order to get the victimisation redressed the employees resort to agitational approach. This disturbs the industrial peace.

- **9. Mass retrenchment & undue promotions :-**
- One major cause of industrial dispute is the mass retrenchment and undue **promotions** of the employees. The employees start agitation to show their resentment against the callous attitude of the management.

- **11. Wrong policy or decision** -
- Sometimes, the policy or decision taken by the management is detrimental to the interests of employees. This causes frustration among the employees and they went to agitational approach in bid to put pressure on the management to withdraw the wrong decision.

- **10. Insecurity of Service** -

- In India, the employment opportunities are very tight. The employees want security of service. If the employer does not meet with their demand they adopt agitational approach.

12. Bad Behaviour -

The pre-requisite of industrial peace is the cordial relations between the employer and employees. If the behaviour of the management is bad towards the employees, good will disappears and dispute arises.

- **13. Non-redressal of grievances**

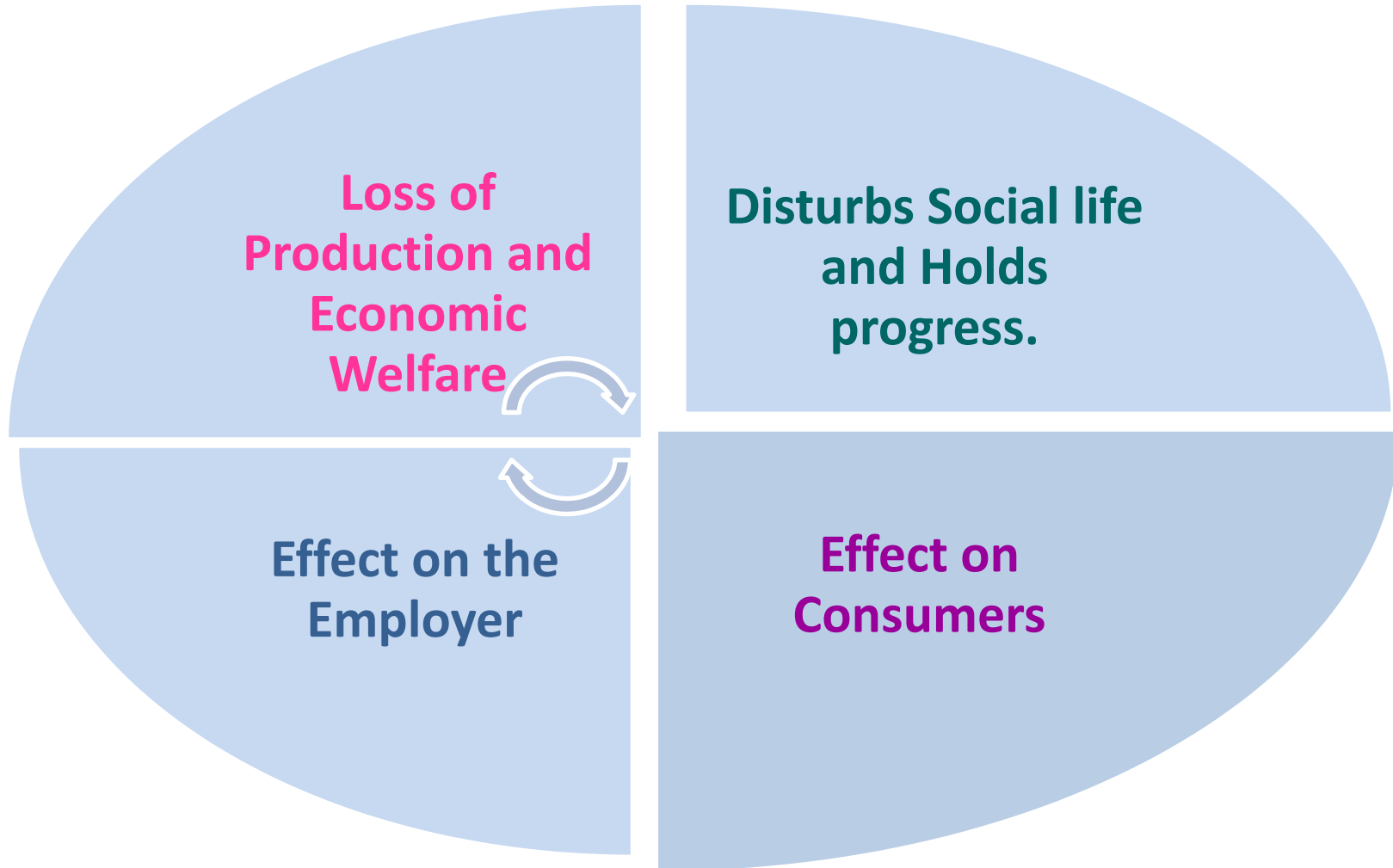
EFFECTS of Industrial Disputes

Case Study :

Bombay textile workers' strike, 1982:

- ▶ That even a single strike badly costs to the nation is well confirmed by the Bombay Textile Workers strike in 1982. This was the longest strike in the world staged by Datta Samant on January 13, 1982 which lasted for about 18 months. In this strike, more than 2.5 lakh workers of 60 textile mills in Bombay (now Mumbai) were involved.
- ▶ The strike resulted in a wage loss of Rs. 300 crore to the workers and Rs. 200 crore loss to the mills, and cloth production worth about Rs. 2,000 crores was badly hit. Out of the total mandays lost of 74.61 million due to industrial disputes in 1982, 41.40 million mandays were lost in this Bombay textile strike alone”

Effects of Industrial Disputes



1. Loss of Production and Economic Welfare

Pigou, 'Idleness of labour and equipment in the form will lead to affect the national dividend by injuring economic welfare. Affects other industries, lessens demand with fall income, fall in output'.

2. Disturbs Social life and Holds progress.

**Embitter employer-employee relation,
welfare of the worker and national revenue.**

3. Effect on the Employer

Idle capital, loss of profit, delaying of orders and the loss of goodwill.

4. Effect on consumers

Employer shifts burden of loss to the consumer and the society through rising prices, reducing quality of product. Ultimate shift in the burden of social and economic cost to the consumer

5. Effect on the workers

Loss of wage, made victims and sometimes bearing all the losses if employer wins in the battle with the workers

Prevention and Settlement of Industrial Disputes

While prevention of Industrial Dispute means measures taken in advance to avoid any dispute in a firm , Settlement of dispute means the measures initiated to solve after the arousal of dispute.

Prevention of Industrial Disputes

The consequences of an Industrial dispute will be harmful to the owners of industries, workers, economy and the nation as a whole. This will result in loss of productivity, profits, market share and even closure of the plant.

Hence, Industrial disputes need to be averted by all means for which we have preventive measures.

Prevention of Industrial disputes is a pro-active approach in which an organisation undertakes various actions to prevent Industrial disputes. It is like the old saying goes, “prevention is better then cure”.

Machinery for prevention and settlement of industrial dispute in India

Voluntary method

- Collective Bargaining
- Trade Unions
- Joint Consultants
- Standing orders
- Grievance procedures
- Code of discipline

Government Machinery

- Labour Administration machinery
 - State level
 - Central Level

Statutory Measures

- Work Committees
- Conciliation (conciliation officer and conciliation board)
- Arbitration
- Adjudication (Labour Courts, Industrial Tribunals, National Tribunals)

1. Model Standing Orders:

Standing orders define and **regulate terms and conditions of employment** and bring about uniformity in them. They also **specify the duties and responsibilities of both employers and employees** thereby regulating standards of their behaviour. Therefore, standing orders can be a good basis for maintaining harmonious relations between employees and employers.

Under Industrial Dispute Act, 1947, every factory employing 100 workers or more is required to frame standing orders in consultation with the workers

Code of Industrial discipline

The code of Industrial discipline defines duties and responsibilities of employers and workers.

The objectives of the code are:

- ❖ To secure settlement of disputes by negotiation, conciliation and voluntary arbitration.
- ❖ To eliminate all forms of coercion, intimidation and violence.
 - ❖ To maintain discipline in the industry.
 - ❖ To avoid work stoppage.
- ❖ To promote constructive co-operation between the parties concerned at all levels.

Works Committee

Every industrial undertaking employing 100 or more workers is under an obligation to set up a works committee consisting equal number of representatives of employer and employees.

The main purpose of such committees is to promote industrial relations.

According to Indian Labour Conference work committees are concerned with:-

- Administration of welfare & fine funds.
- Educational and recreational activities.
- Safety and accident prevention
- Occupational diseases and protective equipment.
- Conditions of work such as ventilation, lightening, temperature & sanitation including latrines and urinals.
- Amenities such as drinking water canteen, dining rooms, medical & health services.

Joint Management Councils

Just to make a start in labour participation in management, the govt. suggested in its Industrial Resolution 1956 to set up joint management councils.

- ❖ It consists of equal numbers of workers and employers (minimum 6 & maximum 12)
- ❖ Decisions of the JMC should be unanimous and should be implemented without any delay.
- ❖ JMC members should be given proper training.
 - ❖ JMC should look after 3 main areas:-
 - * information sharing
 - * consultative
 - * administrative

Representation of workers to the JMCs should be based on the nomination by the representation.

Objectives :

- Satisfy the psychological needs of workers
- Improve the welfare measures
- Increase workers efficiency
- Improve the relation and association between workers, managers and promoters.
- JMC deals with matters like:-
 - Employee welfare
 - Apprenticeship scheme

Joint Councils

Joint Councils are set up to take decisions on optimum production and efficiency and the fixation of productivity norms for man and machine.

In every industrial unit employing 500 and more workers there should be a Joint Council for the whole unit.

Functions

- ❖ Optimum use of raw materials and quality of finished products
- ❖ Optimum production, efficiency and function of productivity norms of man and machine as a whole.
 - ❖ Preparation of schedules of working hours and of holidays.
 - ❖ Adequate facilitates for training.
- ❖ Rewards for valuable and creative suggestions received from workers.

Collective Bargaining

Collective Bargaining is a process in which the representatives of the employer and of the employees meet and attempt to negotiate a contract governing the employer-employee-union relationships.

Collective Bargaining involves discussion and negotiation between two groups as to the terms and conditions of employment.

