

334 - Labour Laws and Industrial Relations

Unit – I

Industrial Relations – concepts, Significance, trends in India. Trade Unionism – theory, policy, their influence on HRM, objectives and functions, structure, types, Indian trade union movement, their strength and weakness.

INTRODUCTION OF INDUSTRIAL RELATIONS

Industrial relations imply the relation between both employer and employees during the period of employment in an industrial organization. However, the concept of industrial relations has a broader meaning. In a broader sense, the term industrial relations refer to the relation between various unions, state and union, and between employers and government. Relations of all those associated with the industry may be known as industrial relations.

According to the International Labour Organization (ILO), *industrial relations deal with relationships between either state and employers and workers organizations or the relationship between the occupation organizations themselves.*

MEANING:

The concept of industrial relations means the relationship between employees and the management in the day-to-day working of the industry. But the concept has a wide meaning. Industrial relations is a set of functional interdependence involving historical, economic, social, psychological, demographic, technological, occupational, political and legal variables.

Industrial relations deal with either the relationship between the state and employers and workers organizations or the relation between the occupational organizational themselves. The concept of industrial relations has been extended to denote the relations of the state with employers, workers and their organizations.

CHARACTERISTICS AND FACTORS OF INDUSTRIAL RELATIONS

CHARACTERISTICS OF INDUSTRIALRELATIONS

- Industrial relations are the outcome of employment relationship in an industrial enterprise
- Industrial relations develop the skills and methods of adjusting to co-operating with each other
- Industrial relations system creates complex rules and regulations to maintain harmonious relations
- The government involves shaping the industrial relations through laws, rules, agreements, and award
- The important factors of industrial relations are; employees and their organizations, employer and their association and the government.

FACTORS OF INDUSTRIAL RELATIONS

- + Institutional factors; These factors include government policy, labour legislations, voluntary courts, collective agreement, employee courts, employers federations, social institutions like community, caste, joint family, creed, system of beliefs, attitudes of works, systems of power status.
- + Economic factors; These factors include economic organization, like capitalist, communist mixed etc, the structure of labour force, demand for and supply of labour force.
- + Technological factors; These factors include mechanization, automation, rationalization, computerization
- + Social and cultural factors; These factors include population, religion, customs and traditions of people, ethnic groups, cultures of various groups of people
- + Political factors; These factors include political system in the country, political parties and their ideologies, their growth, mode of achievement of their policies, involvement in trade unions
- + Governmental factors; These factors include governmental policies like industrial policy, economic policy, labour policy, export policy

ACTORS AND OBJECTIVE OF INDUSTRIAL RELATIONS

Three actors of industrial relations

- Workers and their organization
- Employers and their organizations
- Government

OBJECTIVES OF INDUSTRIAL RELATIONS

To promote and develop congenial labour management relations

To enhance the economic status of the worker by improving wages, benefits and by helping the worker in evolving sound budget

To regulate the production by minimizing industrial conflicts through state control

- + To socialize industries by making the government as an employer
- + To provide an opportunity to the workers to have a say in the management and decision making
- + To encourage and develop trade unions in order to improve the workers strength
- + To avoid industrial conflicts and their consequences
- + To extend and maintain industrial democracy

FUNCTIONS AND CODE OF INDUSTRIAL RELATIONS

FUNCTIONS OF INDUSTRIAL RELATIONS:

- Communication is to be established between workers and the management in order to bridge the traditional gulf between the two.
- To establish a support between managers and the managed.

- To ensure creative contribution of trade unions to avoid industrial conflicts, to safeguard the interests of workers on the one hand and management on the other hand, to avoid unhealthily, unethical atmosphere in an industry.
- To lay down such considerations this may promote understanding, creativity and co-operativeness to raise industrial productivity and to ensure better workers participation.

CODE OF INDUSTRIAL RELATIONS

- The attitude of management towards trade unions and employees should be positive
- The attitude of employees and union towards management should be positive
- The attitude of employees towards trade unions should be positive
- There would be difference of opinions among trade unions, employees and management
- Management need not consult the trade unions and employees regarding disciplinary cases
- Management should not influence employees regarding joining or withdrawing from unions
- Management should not encourage the workers for forming rival unions
- Trade unions should not involve in managerial activities which do not affect the employees
- Issues in the collective bargaining should be disposed of at the earliest
- All employees should accept and attend the training programmes as and when they are asked to do so

CONDITIONS FOR CONGENIAL INDUSTRIAL RELATIONS

- Existence of strong, well organized and democratic employees' unions.
- Existence of sound and organized employers unions.
- Spirit of collective bargaining and willingness to resort to voluntary arbitration.
- Maintenance of industrial peace.

Industrial Relation Meaning:

The term industrial relations comprises two words, i.e. „industry“ and „relations“. The term „industry“ refers to any productive activity in the organisation in which the employees are engaged.

On the other hand, the term „relations“ refers to the relationship, which exists within the industry between the management and the employees. The relationship between management and employees within the organisation within the organizational settings is defined by industrial relations. Industrial relations emerge directly or indirectly from management-trade union relationships.

Characteristics (or) Features of Industrial Relation

Following are the significant features of industrial relations:

- ✚ Industrial relations are the result of employment relationships in industrial enterprises.
- ✚ Industrial relations introduced the concept and method of balancing and cooperating.
- ✚ Industrial relations formulate rules and regulations to maintain harmonious relations.
- ✚ The intervention of the Government to shape the industrial relation is made through laws, agreements, rules, charters, etc.
- ✚ Industrial relations incorporate both individual relations and collective relations.
- ✚ Several parties play a role in industrial relations. The main parties are employees and their organisation, employers and their association, and government.

Objectives of Industrial Relation

Following are the different objectives of industrial relation.” To establish industrial peace.

To safeguard the interests of both workers and management.

To avoid industrial disputes.

To raise the production capacity.

To establish industrial democracy.

To minimize the labour turnover rate and absenteeism.

To safeguard the workers economic and social interests.

To contribute to the economic development of the country through productivity.

To establish a full employment situation.

To minimize strikes, lockout, Heroes, etc., by providing good working conditions and fair wages to the workers.

Nature of Industrial Relation

- ✚ Relationship between management and workers.....industrial relations are concerned with the relationship between management and workers
- ✚ Safeguards: Industrial relations safeguard the interest of employees.
- ✚ Employers treat their employees: Industrial relations are concerned with the system, rules, and procedures used by unions and employees to determine the reward for effort and other conditions of employment, safeguard the interests of the employees and their employer and regulate how employers treat their employees.
- ✚ Industrial relations maintain a balance: Industrial relations maintain a balance with employee expectations, employer associations, trade unions, and other social and economic institutions of societies Resolving disputes:
- ✚ Industrial relations help in resolving disputes, conflicts, and controversies between labour and management.

Scope of Industrial Relation:

According to **Dale Yoder**, “Industrial relations incorporate policies related to recruitment, Selection, training of workers, personnel management, and collective bargaining.”

According to **the International Labour Organisation (ILO)**, industrial relations incorporate the relations between state and employers and relations between trade unions and employers associations.

According to **Richard A Lester**, the scope of industrial relations is no longer limited only to trade unions and industrial management, rather it includes all aspects of labour such as wages, productivity, social security, management, and employee policies. Trade Union policies also form part of it.

1. Management of policies and programs of industrial relations.
2. Public Relation
3. Labour Relation
4. Recruitment, Selection, and Placement of labourers.
5. To provide medical and health-related services.
6. To maintain employment records of the employees.
7. Provision of recruitment test, ability test, skill test, and intelligence test.

8. Provision of training and education program

Importance of Industrial Relations:

- a. **Promotes Democracy:** Industrial relations means employing collective bargaining to resolve issues faced by workers. This collective bargaining is generally employed through cooperation and mutual agreement amongst all the affected parties, i.e., democracy, management, and employees' unions. This enables an organisation to establish industrial democracy, which eventually motivates the workers to perform their best to the growth and prosperity of the organisation.
- b. **High Morale:** Good industrial relations enhance the morale of the employees and motivate the workers to work more efficiently.
- c. **Avoid Conflicts Between Management And Union:** Industrial relations minimize issues between unions and management. This is because industrial relations incorporate setting up machinery to resolve issues faced by management and employees through mutual agreement to which both these parties are bound. This results in ignoring any unfair practices that could lead to major conflicts between employers and trade unions.
- d. **Minimizes Wastage:** Satisfactory Industrial relations are maintained on the basis of co-operation and recognition of each other in the department. It helps to minimize wastage of material, manpower, and costs.
- e. **Economic Growth And Development:** Good and harmonious industrial relations result in increased efficiency and hence prosperity, which in turn minimizes turnover and other tangible benefits to the organisation. This promotes economic growth and development.

Recent Trends in Industrial Relations System:

The emerging trends in industrial relations from labour reform to judicial trends and managerial strategies are as under: 1. Labour Reforms 2. Judicial Trends:

3. Trade Unions Nexus:
4. Collective Bargaining:
5. Labour-Management Conflicts:
6. Managerial Strategies:
7. Government Strategies:

1. Labour Reforms: The product market and capital market reforms has increased bargaining power of the capital vis-a-vis labour.

The labour reforms in the following:

- ✚ Disinvesting instead of privatization.
- ✚ Liberalizing labour inspection.
- ✚ Amending trade union laws.
- ✚ Reducing interest rates on provident fund. v. Special concessions to SEZ.
- ✚ Different inspection authorities for SEZ.
- ✚ Simplify procedures of annual returns, maintenance of registers and so on.
- ✚ Declaring units in SEZs as „public utility services“ to make strikes more difficult.

2. Judicial Trends: From the era of „social justice“, „distributive justice“ and „discriminative justice“, where the judiciary was busy in giving many landmark, judgments for protecting the interest of workers. The trend has been reversed with the advent of liberalization and globalization, where our industries have to compete with the multinationals.

Judiciary has realized that our labour and trade unions have been over protected. They have started taking more realistic stand on the issues relating to industries, keeping in view the existing social norms and international practices.

For example- closure and shifting of factories in Agra to prevent pollution to Taj and closure of polluting industries and prohibition of moving activities in forest areas have been strongly opposed by the workers and trade unions. The courts have upheld the privatization of public sectors (BALCO case), despite the protests by public sector workers. There are number of examples of judicial judgments in which employers and workers have been happy or unhappy.

These are Examples of Judgments which Make Employers Happy:

Strike is not a fundamental right.

Ruling that a strike has not only to be legal, but also justified; application of the norm of no work on pay in the case of strikes and for those who do union work as against company work.

Imposition of fine on trade union leaders for indulging in arson, loss of company property etc.

Restrictions on protest demonstration, political bandhs, etc.

Decision that in the case of accidents by a bus or lorry, the compensation payable to the victims should be recovered from the earning of drivers.

3. Trade Unions Nexus: The bargaining power of trade unions has been weakened earlier.

IRS was mainly concerned with trade unions, management and the government. But now the consumers and community are also a part of dynamic Industrial Relations System (IRS). When the rights of consumers and community are affected, the rights of workers and trade unions and even managers/employers get a back seat. This is evidenced by ban on bandh and restriction on protests and dharnas. Now-a-days, trade unions can see their future by aligning themselves with the interests of the wider society. Unions have to make alliances with the society, consumers and community, otherwise they will find themselves dwindling.

4. Collective Bargaining: In IRS, collective bargaining constitutes one of the most important mechanisms of rule-making acceptable to both the employers as well as the workers.

Few emerging trends in the collective bargaining process are:

- ✚ Level of collective bargaining is shrinking day by day.
- ✚ In public enterprises, the government has withdrawn the budgetary support for expenditure arising out of collective bargaining. Further, the government prefers longterm settlement and brings to link pay with performance of both the workers as well as the public enterprises.
- ✚ In private enterprises, there has been decentralizing tendencies. The enterprise-level bargaining has become the dominant even in industries like cotton, silk, plantations in the regions of Mumbai, Coimbatore etc.
- ✚ The managerial objectives expected to be achieved through collective bargaining have also shown dominance in terms of reduction in labour costs, increased productivity, increase in work time, reduction of regular staff strength through VRS, stress on high quality and so on.
- ✚ Trade unions have also shown cooperation especially in crisis situations caused by external environment. They do agree on introduction of new work measurement systems, flexi working, changes in work practices, introduction of technological changes etc. Trade unions have cooperated in finding solutions to even financial problems of the industries in various ways.

5. Labour-Management Conflicts: The globalization has brought significant changes in the labour market and the industrial relations system. Both the actors (management and workers) have exerted respective pressures on the government to introduce concrete actions favouring their interests. The government has responded to protect the dominant political interests while announcing labour reforms.

The government adopted the strategies that sought to placate capital without hurting the fundamental interests of the labour like employment security etc. Thus the role of the government has been complex while solving labour management conflicts, and cannot be fitted clearly as favouring either the capital or labour.

However, the conducive and peaceful industrial environment supported the employers to introduce both „hard“ (like lockouts, closure, antiunion measures) and „soft“ (like idleness pay, VRS) measures to achieve dynamism and weaken union power. The trade unions have also re-directed their attention to the hitherto neglected workers in the unorganized sector to create a „more inclusive“ union movement.

Few more emerging trends in this issue are:

- ✚ There have been fewer strikes, lockouts and less man days lost due to strikes. ii. Workers are more educated and do not believe in violent activities.
- ✚ Workers have shown responsibilities in cut-throat competition and are aware of their rights, thus leading to decline in strikes.
- ✚ Employees also avoid lockouts because decline in production even for hours lead to heavy losses to them.

6. Managerial Strategies: The economic reforms have toned down industrial conflicts, due to shift in the relative bargaining power in favour of capital. The employers devised various managerial strategies to achieve labour flexibility, weaken labour power, more control over production process, reduction in regular workers via VRS, transfers, multi-tasking, freeze in employment, increased use of contract labour, subcontracting etc., on both public as well as private enterprises.

As a result of such deliberate strategies, the employment of contract workers has shown manifold increase in the organized manufacturing sector of Indian industry. The management looks upon

such strategies as a weapon to gain control over production process and weaken their collective bargaining.

7. Government Strategies: In the positive direction, to boost the industrial harmony and economic activity, the government has adopted two strategies namely disinvestment and deregulation, which are expected to be mutually beneficial for the workers as well as the management.

Disinvestments:

It refers to the action of an organisation (or the government) selling or liquidating an asset or subsidy. It affects IRS in the following ways:

- It changes ownership, which bring changes in the work organization and employment and also in the trade union dynamics.
- It changes the work organization by necessitating retaining and redeployment.
- It affects the rights of workers and trade unions by providing job security, income security and social security.
- Disinvestment makes workers the owners by issue of shares.
- It safeguards existing benefits and negotiate higher compensation for voluntary separations.
- vi. It also set up further employment generation programmers.

TRADE UNION:

Trade union is any combination of persons, whether provisional or permanent, primarily for the use of regulating the relations among the workers and employers, or connecting the workers and workers, and for striking the limiting conditions on the conduct of any trade or business and including the association of two or more trade unions. Trade union is and crucial and central feature of production or industry in all countries. This is because of the factory system and capitalization customs. In before time stages of industrialization, there was shortage of authorized security for employees. The workers felt browbeaten at the hands of the employers or in the hands of upper management. They tied hands to defend their welfare throughout collective battle. Trade union is basically is the association prepared for the definite intention of advancing the benefits of members in their working relationships. A trade union is structured idiom of the needs, attitudes and prospect of workers. To a normal person, a trade union signifies an organization of workers occupied in securing the economic benefits for its members. In the modern context, however, activities of trade union are not confined to mere securing the monetary benefits. Trade union is the union in which all staff, employers, and self-governing personnel joined hands to care for their rights and interests of their own. The purview of actions now includes even the opinionated and interests activities undertaken by them for the profits of its members.

Objectives of Trade Unions

A trade union must effort to guard and promote the welfare of workers and the circumstances of their service. For all that the trade unions generally have the objectives given below-

Working conditions-Trade union aims to advance the working environment by securing the shorter working hours, better survive amenities, superior housing, enough social security, and edification or education and other good benefits.

Reorganization and participation-Another objective that unions request to accomplish is winning reorganization for the workers that they are equally associate with organization in the mission of production. The union try to secure for workers a say in the board and industrial democracy thereby bring about a new social order.

- ✚ Rationalization of personal policies-The monetary security of an employee is strongminded not only by the point of wages and time of his employment but also by the management's policies in respect of recruitment, selection, promotions, transfer and training etc. if such decisions are governed by constitutional set of laws and relation policies, there is the better guarantee of fair action and equal justice, otherwise there is no protection for the workers.
- ✚ Employee compensation-The matter which drew the workers. This item is related to the policy matter of the project. However differences may arise in their implementations. In the case of unorganized region the trade unions pay a key role in bargaining the pay scales.
- ✚ Harmonious relations-As the ambassador of all the workers trade union may carry out nonstop conciliation with the management with a vision to prop up industrialized piece.
- ✚ Miscellaneous services-Modern trade unions are also occupied in providing educational, medical and other facilities for the improvement and welfare of their members, if they have sufficient finances at their removal.

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Unit – II

Industrial relations industrial disputes, causes, handling and settling disputes, employee grievances, steps in grievance handling, causes for poor industrial relations, remedies. *****

Meaning of Industrial Dispute

Industrial dispute means any dispute of difference between employees and employers or between employers and workmen or between workmen and workmen, which is connected with the employment or non-employment of the terms of employment or the conditions of work of any person (The industrial Disputes Act 1947, Section 2K).

Every human being (say a labour) has certain requirements/needs e.g., economic needs, social needs, security requirements. When these requirements do not get satisfied, there arises a conflict between the worker and the capitalist/employer.

The industrial disputes are of two types i.e., individual disputes and collective disputes. The individual disputes may be disputes such as reinstatement, compensation for wrong termination etc. Disputes relating to wages, bonus, profit sharing hours of work etc. are collective disputes.

Causes of Industrial Disputes:

The common causes of industrial disputes are as follows:

Psychological Causes:

- Authoritarian leadership (nature of administration).
- Clash of personalities.
- Difficulty in adjusting in given conditions or with each other (employee and employer).
- Strict discipline.
- Demand for self-respect and recognition by workers.

Institutional Causes:

- ✚ Non recognition of trade/labour union by the management.
- ✚ Matters of collective bargaining.
- ✚ Unfair conditions and practices.
- ✚ Pressure on workers to avoid participation in trade unions. **Economic**

Causes:

- ✚ Terms and conditions of employment.
- ✚ More work hours.
- ✚ Working in night shifts.
- ✚ Disputes on promotions, layoff, retrenchment and dismissal etc.
- ✚ Working conditions. Working conditions such as too hot, too cold, dusty, noisy etc.
- ✚ Improper plant and work place layout.
- ✚ Frequent product design changes etc.
- ✚ Wages and other benefits. Inadequate wages.
- ✚ Poor fringe benefits.
- ✚ No bonus or other incentives etc.

Settlement of Industrial Disputes:

- ✚ If industrial peace is the backbone of a nation, strikes and lockouts are cancer for the same as they effect production and peace in the factories.
- ✚ In the socioeconomic development of any country cordial and harmonious industrial relations have a very important and significant role to play.
- ✚ Industry belongs to the society and therefore good industrial relations are important from society's point of view.

The following is the machinery for prevention and settlement of industrial disputes:

- ✚ **Works Committees:** This committee represents of workers and employers. Under the Industrial Disputes Act 1947, works committees exist in industrial establishments in which one hundred or more workmen are employed during the previous year.

It is the duty of the Works Committee to promote measures for securing and preserving amity and good relations between the employers and workers. It also deals with certain matters viz. condition of work, amenities, safety and accident prevention, educational and recreational facilities.

Conciliation Officers: Conciliation Officers are appointed by the government under the Industrial Disputes Act 1947.

- ✚ **Employee Grievances:** Employee grievance can be defined as the discontentment caused by the gap between what your employees expect and what they fail to get. It may or may not be justified but needs to be tackled very carefully. A considerable amount of time must be invested by the HR person to talk to the employees to understand their grievances.
- ✚ **Changed Behavior:** Human behavior reflects a lot about how they are feeling. Every good HR manager should have the considerable emotional intelligence to handle a grievance. A routine direct observation can be a great problem solver. Periodic one on one conversations, group meetings, collective bargaining, and employee counseling sessions are the best occasions when direct observation can be the highest effective.
- ✚ **Suggestion Boxes:** For anonymous complaints, it can be placed in different accessible locations within the office. The fear of adverse managerial actions can be avoided through this method.
- ✚ **Open-door Policy:** It is one of the best employee empowerment techniques in the workplace. Open door policy refers to open communication and transparency that allows them to be in touch with the senior management to get their grievances addressed.
- ✚ **Opinion Surveys:** We can use these surveys in understanding different employee opinions regarding workplace satisfaction. It may be conducted periodically in the form of questionnaires and self-report measures.
- ✚ **Effective Exit-Interviews:** If answered honestly, exit interviews can provide constructive reflections on the impact that the company culture has on its employees. By knowing the reasons for leaving the job, employers can make the best possible changes with improved management policies.

Steps To Handle Employee Grievances Most Effectively:

Create the system:

The first thing is to set up the grievance redressal system for your companies to help your employees lodge complaints and grievances so that you can resolve them. Something that you must consider here is-

The grievance procedure must be added to the employee handbook's content so that all can easily access it.

Acknowledge the grievance:

It would help if you listened more than you talk while dealing with employee grievances. When your employees come to you lamenting over an issue, lend them your ear.

That doesn't mean that you should resolve it immediately but so that your employees know that their complaint is acknowledged. Let your employees know that you have received their report and are willing to do something about it.

Investigate:

Not all issues qualify for a hearing. Generally, it is essential to review whether the grievance is valid or not. Inquire about the incidents or situations and gather any relevant information. It may not always be necessary but if the matter involves other staff, they will need to be informed and given a chance to explain themselves and put forward their own shreds of evidence.

Hold the formal meeting:

The employee with the grievance and all the relevant parties should be called to be present in the formal hearing. The employee can put forward any evidence that backs up the complaint and explain how they would like the problem to be resolved. Later on, you can circulate the minutes of the meeting notes.

Take your decision and act accordingly:

This is the decision making phase. Once you have collected all the required information and closely examined the situation, you should decide.

You might decide to accept the grievance in whole or part or reject it altogether. It would help if you let the employee know in writing about the actions that you will take. At the same time, you can advise the employee on how they should deal with similar situations.

Appeal process:

Your employee might not accept your decision and has the right to an appeal. Here again, your grievance policy should outline the terms and conditions of the appeal process.

It should start with an appeal letter written by the employees, informing them why they want the decision to be reconsidered. To ensure impartiality, the appeal should be heard by another manager or supervisor who was not a part of the first meeting.

Review the situation:

It's always healthy to have an objective look back at your decisions. If the employee is happy with the resolution, you were good at settling the issue. In fact, it can prove significant to your company culture.

If the prevailing policy ensures justice, it can foster a sense of pride and accountability in the employees' work. That's the benefit of implementing a fast and effective grievance procedure.

Uproot the main cause of grievance:

Your aim is to go for a long-lasting solution. That is, a formal complaint should be addressed once and for all. This prevents your employees from coming back again and again with the same issue.

Conclusion

The successful operation of a grievance procedure requires the maintenance of sufficient records, experience, and fair treatment to all.

However, some exceptional circumstances might arise when the process mentioned above needs to be modified for the better. The Human Resource Department reserves the right to revise the same as necessary and appropriate.

C a u s e s & E f f e c t s o f P o o r I n d u s t r i a l R e l a t i o n s

Industrial relations are of great importance in industrial life.

These relations have great bearing on the economic, social and political spheres of our society. If in an organisation, relations between labour and management are cordial, there will be industrial peace and interests of both the parties will be automatically safeguarded. However, organisations where industrial relations are strained, the organisations have to face lot of problems. The atmosphere of such organisations is always surcharged with industrial unrest leading either to strikes or lockouts. Organisations which ignore the importance of industrial relations face high cost of production. Adverse effect on efficiency, low-grade production, negligence in the execution of work, absenteeism among the workers, high rate of labour turn-over etc. are the evils that result from poor industrial relations.

Demerits of bad industrial relations can be expressed as under:**Effect on Workers:**

- Loss of wages.
- Physical injury or death on account of violence during labour unrest,.
- Excesses by employers.
- Economic losses, Bitterness in relations, ○ Adverse effect on career.

+ Effect on Employers / Industrialists:

- Less production.
- Less Profit.
- Bad effect on organization.
- Bad effect on human relations. ○ Damage to machines and equipment's. ○ Adverse effect on development of companies.
- Burden of fixed expenses.

+ Effect on Government:

- Loss of revenue (less recovery of income tax. sales tax, etc.). ○ Lack of order in society.
- Blame by different parties.

+ Effect on Consumers: ○ Rise in prices. ○ Scarcity of goods.

- Bad effect on quality of goods.

+ Other Effects:

- Adverse effect on International Trade (Fall in exports and rise in imports).
- Hindrance in Economic Development of the country.
- Uncertainty in economy.

Causes of Poor Industrial Relation:

IR is often found poor in industrial organisations. Several factors cause poor IR. These factors are viewed differently by different groups both within and outside an organisational context. For example, while an economist interprets poor IR in terms of demand and supply of (human) resources factor, a psychologist perceives the same in terms of opposing interests, and a leader (political) views poor IR in terms of ideological differences between the parties.

Nature of Work:

It is the work only that gives birth to relationship between the employee and employer. A good work i.e., work interesting to the employee fosters good IR. The reason being an employee interested in his work remains absorbed in his/her job. This results in job satisfaction. On the contrary, a work not interesting to the employee breeds bad or poor IR.

Dissatisfactory Compensation and Work Conditions:

Employees work for compensation i.e., wages and salaries. Often, compensation as low and working conditions as poor viewed by employees become an important reason for poor IR. Employees often demands for equity, i.e., wages equal to what the employees of other organisations are getting in the region, industry, etc. Not fulfillment of such demands is interpreted as employee exploitation by the management. This worsens relationship between the employees and management.

Dysfunctional Trade Union:

Essentially, trade unions are meant to protect the interests of its members. The ongoing trade union system in India is characterised by politicization, multiplicity, and inter-union rivalry. These often lead trade unions dysfunctional and ineffective in playing their roles.

Non-conducive Organisational Climate:

Organisational climate essentially emphasises work environment. It consists of a set of characteristics that describe an organisation, distinguish it from other organisations, are relatively enduring over time, and influence the behaviour of people in it. Organisational climate affects organisational processes and behaviour in more than one ways.

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Unit – III

Concept, function and Importance, principles and forms of collective bargaining procedure conditions for effective bargaining. Workers' participation in management, Role and methods of workers' participation – Joint Management Councils, Works Committees.

Collective Bargaining in India: Procedure

Collective bargaining is a term used to describe the procedure, whereby employers workers must attempt to reach an agreement regarding terms of employment and the working conditions of labour with the trade unions, instead of with individual

Characteristics of collective bargaining:

- I. It is a group action as opposed to individual action and is initiated through the representatives: on the management side are its delegates at the bargaining table, on the side of the workers is their trade union, which may represent the local plant, the city membership or nation-wide membership.
- II. It is flexible and mobile, and not fixed or static: it has fluidity and scope for compromise, for a mutual give-and-take before the final agreements is reached or the final settlement is arrived at. Baker and Kerr observe _Essentially, a successful collective bargaining is an exercise in graceful retreat-retreat without seeming to retreat. The parties normally ask for more or offer less than they ultimately accept or give. The take-it-or-leave-it' proposition is not viewed as being within the rules of the game. One of the most damaging criticisms is that a party is adamant in holding to its original position. Before retreating with as much elegance as circumstance permit, each party seeks to withdraw as little as possible. This involves ascertaining the maximum concession of the opposing negotiator without disclosing one's own ultimate concession. In this sense, all negotiations are exploratory until the agreement is consummated.
- III. It is a two way process: it is a mutual give-and-take rather than a take-it-or-leave-it method of arriving at the settlement of a dispute. Both parties are involved in it. In this connection, Clark Kerr observes _collective bargaining can work only with the acceptance by labor and management of their appropriate responsibilities. It can succeed only when both labor and management want it to succeed. It can flourish only in an atmosphere which is free from animosity and reprisal. There must be a mutual eagerness to develop the collective bargaining procedure and there must be attitudes which result in harmony and progress.
- IV. It is a continuous process: which provides a mechanism for continuing and organized relationships between the management and trade unions. The heart of collective bargaining is the process for a continuing joint consideration and adjustment of plant problems' it does not end with negotiation, but as Glen Gardiner puts it, _it begins and ends with the writings of a contract. Actually, it is only the beginning of collective bargaining. It goes on 365 days of the year... the most important part of collective bargaining is the bargaining that goes on from day to day under the rules established by the labor agreements.

- V. It is dynamic and not static: because it is a relative new concept, and is growing, expanding and changing. In the past, it used to be emotional, turbulent and sentimental, but now it is scientific factual and systematic, factual and bargaining has become, with surprising swiftness, one of the greatest forces in our society. In anything like its present scale and power, it is a new thing. It is a process which transforms pleading into negotiations, which present scale and power, it is a new thing. It is a process which transforms pleading into negotiation, which permits employees dignity as they participate in the formulation of their terms and conditions of employment which embrace the democratic ideal and applied it correctly at work place.
- VI. It is industrial democratic at work: industrial democracy is the government of labor with the consent of the governed and the workers. The principle of arbitrary unilateralism has given way to that of self- government in the industry. Collective bargaining is not a mere signing of an agreement granting seniority, vacations and wage increase. It is not a mere sitting on the table, discussing grievances. Basically, it is democratic; it is joint formulation of the company policy on all matters which directly affect the workers in a plant. It is self-government in action. It is the projection of a management policy which gives the workers the right to be heard.
- VII. Collective bargaining is not a competitive process but it is eccentrically a complement: each party needs something that the other part has, namely, labor can make a greater productivity effort and management has the capacity to pay for that effort and to organize and guide it for achieving its objectives. The behavior scientific have made a distinction between, a distributive bargaining and integrative bargaining. The former is the process of dividing the cake which represents the whole which has been produced by the joint effort of the management and labor. In this process, if one party wins something, the other party, to continue the metaphor of the cake, has a relative smaller size of it. So it is a win-lose relationship. In other words, words, distributive bargaining deals with issues or an issue in which two or more parties have conflicting. Integrative bargaining is a process where both the parties can win, each contributing to something for the benefits of the party. Such a process develops common objectives, a better understand of each other's needs and capabilities, a better respect for each other, and a greater involvement of commitment to the well-being and growth of the enterprises as a whole.
- VIII. It is an art, an advanced form of human relations: to substantiate this, one need only witness the bulling, the oratory, dramatics and coyness mixed in an inexplicable fashion which may characterise a bargaining session.

Proce Importance of collective bargaining

- i. Increase the economic strength of unions and management
- ii. Establish uniform conditions of employment with a view to avoiding industrial disputes and maintaining stable peace in the industry.
- iii. Secure a prompt a fair redressal of grievances.
- iv. Avoid interruption in work which follows strikes, go-slow tactics and similar coercive activities.
- v. Lay down fair rates of wages and norms of working conditions.
- v. Achieve an efficient operation.
- vi. Promote the stability and prosperity of the industry.

- vii. It provides a method for the regulation of the conditions of the employment of those who are directly.
- ix. It provides a solution to the problem of sickness in the industry, and ensure old age pension benefits and other fringe benefits.

Procedure for initiating collective bargaining

A charter of demands

The trade union will notify the employer for initiating collective bargaining negotiations. The representatives of the trade union draft a charter of demands which contains issues related to terms of employment and the working conditions namely wages and allowances, bonuses, working hours, benefits, holidays. In some cases, an employer may also notify the trade union and initiate collective bargaining negotiations.

Negotiations

Negotiation is the next step after the submission of the charter of demands by the trade union. Both the employer and the employee seek opportunities to suggest compromise solutions in their favour until an agreement is reached. If it impossible to reach out to an agreement, a third party (mediator / arbitrator) may be brought in from outside. If, even with the assistance of the third party, no viable solution can be found to resolve the parties' differences, the trade union may decide to engage in strikes.

Collective bargaining agreement

Pursuant to the negotiations between the parties, a collective bargaining agreement will be executed between the employer and workmen represented by trade unions, setting out the terms of employment and the working conditions of labour.

Strikes

If both parties fail to reach an agreement because of mutual consensus, the union may go on a strike, which shall be in accordance with the provisions of the Industrial Disputes Act 1947 (—ID Actl).

Conciliation

Once the conciliation officer receives a notice of strike or lockout, the conciliation proceedings shall commence. The State Government may appoint a conciliation officer or a Board of Conciliation to investigate disputes, mediate and promote a settlement. Workers are prohibited from going on strike during the pendency of such conciliation proceedings. Conciliation proceeding may have one of the three outcomes, namely (i) a settlement; or (ii) no settlement; or (iv) reference being made to the appropriate labour court or any other industrial tribunal.

Conditions for Effective Collective Bargaining

The five conditions necessary for effective collective bargaining are as follows:

-  Favourable Political and Social Climate
-  Trade Unions
-  Problem Solving Attitude
-  Availability of Data
-  Continuous Dialogue.

Favourable Political and Social Climate:

That existence of a favourable political and social climate is a necessary condition for effective collective bargaining, is well confirmed by the history of collective bargaining worldwide. Collective bargaining has made headways in settling industrial disputes in the countries where it has been duly supported by the government and favoured by the public. From this point of view, the political climate has not been much favourable for collective bargaining in India.

Trade Unions:

Like in a democratic country like ours, employees should have fundamental rights to form trade unions for protecting their interests. More the stronger the trade union f lie effective collective bargaining and vice versa. The employer should also recognize a trade union and its representatives.

Problem Solving Attitude:

Both the parties while negotiating should adopt a problem solving, or say compromising attitude to reach an agreement. Neither party should adopt an adamant or fighting aide. The negotiating teams should follow give and take approach. It means that one party may win concessions over the other depending upon their relative strengths.

Availability of Data:

Data and information serve as inputs for decision-making. Hence, the availability of required data serves as a pre-requisite for successful collective bargaining. While the employer lke available data required for collective discussion, their union representatives also must accept and trust on data supplied by the employer.

Continuous Dialogue:

Collective bargaining sometimes may not reach to an agreement. In- stead, there may be deadlock, or say bargaining impasse. In such case, dialogue must not end but continue with problem solving approach. Keeping the controversial issues aside for the time being may help narrow down disagreement and continue the dialogue. Possibility for agreement may increase with continuation of dialogue.

CONDITIONS FOR THE SUCCESS OF COLLECTIVE BARGAINING

- i. Constructive consultation between the trade union and he management is possible only when the bargaining power of two parties is relative equal and is exercised with responsibility.
- ii. Two parties of collective bargaining accept the principle of free consultation and free enterprises consistent with the advancement of public interest.
- iii. The willing acceptance by the management to recognize representative union for this purpose.
- iv. Both parties must have mutual confidence, good faith and a desire to make collective bargaining machinery a success.
- v. Management should not wait the union to raise problems but should make every reasonable effort to prevent them from arising and remove them promptly when they arise.
- vi. An emphasis upon a problem solving approach with-de-emphasis upon excessive legalism.

- vii. Dispose issues in the same meeting and minimize pending time. Desire of the management to settle the issues to satisfaction of employees. This does not mean that the management must relinquish its right to direct the company.
- viii. Unions must understand the economic implication of collative bargaining and realize that union demands must be met from the income and resources of the organization.
- ix. Both the parties should represent the right and responsibilities of each other.
- x. The process of bargaining should be free from unfair practice.
- xi. Unanimity among workers. Before entering into negotiations, there must be unanimity among workers.

The attitudes of the parties should be positive. Parties involved in collective bargaining should be prepared to give away something in order to gain something.

Workers Participation In Management

According to Keith Davis, Participation refers to the mental and emotional involvement of a person in a group situation which encourages him to contribute to group goals and share the responsibility of achievement.

According to Walpole, Participation in Management gives the worker a sense of importance, pride and accomplishment; it gives him the freedom of opportunity for self-expression; a feeling of belongingness with the place of work and a sense of workmanship and creativity.

Levels of Workers Participation In Management

There can be 5 levels of Management Participation or WPM:

1. Information participation:

It ensures that employees are able to receive information and express their views pertaining to the matter of general economic importance.

2. Consultative importance:

Here workers are consulted on the matters of employee welfare such as work, safety and health. However, final decision always rests with the top-level management, as employees' views are only advisory in nature.

3. Associative participation:

It is an extension of consultative participation as management here is under the moral obligation to accept and implement the unanimous decisions of the employees. Under this method the managers and workers jointly take decisions.

4. Administrative participation:

It ensures greater share of workers' participation in discharge of managerial functions. Here, decisions already taken by the management come to employees, preferably with alternatives for administration and employees have to select the best from those for implementation.

5. Decisive participation:

Highest level of participation where decisions are jointly taken on the matters relating to production, welfare etc.

Methods of Workers Participation In Management

1. Participation at the Board level:

This would be the highest form of industrial democracy. The workers' representative on the Board can play a useful role in safeguarding the interests of workers. He or she can serve as a guide and a control element.

He or she can prevail upon top management not to take measures that would be unpopular with the employees.

He or she can guide the Board members on matters of investment in employee benefit schemes like housing, and so forth.

2. Participation through ownership:

This involves making the workers' shareholders of the company by inducing them to buy equity shares.

In many cases, advances and financial assistance in the form of easy repayment options are extended to enable employees to buy equity shares. Examples of this method are available in the manufacturing as well as the service sector.

Advantage: Makes the workers committed to the job and to the organization.

Drawback: Effect on participation is limited because ownership and management are two different things.

3. Participation through complete control:

Workers acquire complete control of the management through elected boards. The system of self-management in Yugoslavia is based on this concept. Self-management gives complete control to workers to manage directly all aspects of industries through their representatives.

4. Participation through Staff and Works Councils:

Staff councils or works councils are bodies on which the representation is entirely of the employees. There may be one council for the entire organization or a hierarchy of councils. The employees of the respective sections elect the members of the councils. Such councils play a varied role.

Their role ranges from seeking information on the management's intentions to a full share in decision-making..

5. Participation through Joint Councils and Committees:

Joint councils are bodies comprising representatives of employers and employees. This method sees a very loose form of participation, as these councils are mostly consultative bodies.

Work committees are a legal requirement in industrial establishments employing 100 or more workers. Such committees discuss a wide range of topics connected to labour welfare.

6. Participation through Collective Bargaining:

Through the process of CB, management and workers may reach collective agreement regarding rules for the formulation and termination of the contract of employment, as well as conditions of service in an establishment. Even though these agreements are not legally binding, they do have some force. For CB to work, the workers' and the employers' representatives need to bargain in the right spirit. But in practice, while bargaining, each party tries to take advantage of the other. This process of CB cannot be called WPM in its strongest sense as in reality; CB is based on the crude concept of exercising power for the benefit of one party. WPM, on the other hand, brings both the parties together and develops appropriate mutual understanding and brings about a mature responsible relationship.

7. Participation through Job Enlargement and Job Enrichment:

Excessive job specialization that is seen as a by-product of mass production in industries, leads to boredom and associated problems in employees.

Two methods of job designing — job enlargement and job enrichment — are seen as methods of addressing the problems.

8. Participation through Suggestion Schemes:

Employees' views are invited and reward is given for the best suggestion. With this scheme, the employees' interest in the problems of the organization is aroused and maintained. Progressive managements increasingly use the suggestion schemes. Suggestions can come from various levels. The ideas could range from changes in inspection procedures to design changes, process simplification, paper-work reduction and the like. Out of various suggestions, those accepted could provide marginal to substantial benefits to the company. The rewards given to the employees are in line with the benefits derived from the suggestions.

9. Participation through Quality Circles:

Concept originated in Japan in the early 1960s and has now spread all over the world. A QC consists of seven to ten people from the same work area who meet regularly to define, analyze, and solve quality and related problems in their area. These circles require a lot of time and commitment on the part of members for regular meetings, analysis, brainstorming, etc. Most QCs have a definite life cycle — one to three years. Few circles survive beyond this limit either because they lose steam or they face simple problems. QCs can be an excellent bridge between participative and non-participative approaches. For QCs to succeed in the long run, the management needs to show its commitment by implementing some of the suggestions of the groups and providing feedback on the disposition of all suggestions.

10. Empowered Teams:

Empowerment occurs when authority and responsibility are passed on to the employees who then experience a sense of ownership and control over their jobs. Employees may feel more responsible, may take initiative in their work, may get more work done, and may enjoy the work more. For empowerment to occur, the following approach needs to be followed as compared to the traditional approach:

Joint Management Councils (JMC) Joint Management Councils (JMC):

An idea to form the Joint Management Councils was developed in a labor management cooperation that was held in New Delhi in 1958. The functions have been divided into four categories that include general functions, functions with the workers' rights, functions that are linked with the right to receive the latest information and functions linked to rights for exercising administrative powers.

The important attributes of Joint Management Councils are:

- ✚ It can be consulted by management on certain specified matters.
- ✚ In certain matters management is expected to share information with members of council.
- ✚ The council has administrative responsibilities.
- ✚ Subjects under collective bargaining, such as wages, bonus and allowances have been excluded from the scope of JMC.
- ✚ JMC differ from work committee in two major aspects. It has wider scope than work committee.
- ✚ JMC have administrative responsibility for safety, vocational training and welfare of workers.

Objectives of JMC:

- Promote healthy relations between management and workers.
- Build trust and understanding between management and workers.
- Improve worker efficiency.
- Provide welfare facilities to the workers.
- Educate workers about the scheme for their increased participation.

However, the working of these Joint Management Councils that were formed in both the public and private sectors have not been satisfactory owing to hostility of employers and workers and also due to lack of proper understanding of purposes and benefits.

Some of the reasons are:

- ✚ Management did not showed faith and commitment in working of these councils.
- ✚ Objectives, scope and functions of the council were not clearly defined.
- ✚ Differences between management and employers over working of the councils.
- ✚ Management and employees lacked proper understanding the scheme and were rather indifferent towards it.
- ✚ Delayed or non-implementation of the council decisions. Inter-council and intra- council disputes.

Works Committee:

According to the Industrial Disputes Act of India, every employer should form a works committee if they have more than 100 employees in the organization.

The works committee members should be comprised of equal number of workmen (employees) and individuals representing employers.

The employer should select the employees in consultation with the Union (if already formed in the organization).

The Need for Works Committee Procedure

The need for the works committee procedure is to reduce the material differences between both parties. This committee looks after maintaining a healthy relationship between the employer and the employees through the collective efforts of both parties. It also aims at improving industrial peace and works on matters involving general peace and work-related issues.

Features of Works Committee

1. In this section, we will discuss some of the common features of the works committee procedure that will help you constitute a committee.
2. The number of members in the committee should be fixed and not more than 20. Here, it is also specified that the members of employers should not be more than members of employees.
3. The representatives from the employer's side should be selected with the consent of the employer and these people should be associated with the organization directly.
4. Before the formation of the works committee, the employer should inform the union if they have one. Further, during elections, two groups should be formed: one of the union members who want to be a part of the committee and other non- union members.
5. The candidates added to the committee should have worked with the company for at least 1 year and should have attained a minimum age of 19 years.
6. The voters who are voting for committee members should be at least 18 years of age and must have worked in the company for at least 6 months.
7. The Central Government or the equivalent authority holds the right to dissolve this committee if they feel it is not constituted as per the guidelines.
8. If you wish to understand the full works committee procedure, visit here. **Conclusion**

The works committee is important in industrial organization. Hence, it should be constituted with proper guidelines as laid out by the government.

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Unit – IV

Industrial Conflicts – Causes, Types, Consequences, Prevention, Settlement, Conciliation, Arbitration, Adjudication. Causes of Grievances & Disputes. Role IR Officer. Government Machinery for Industrial Relations.

CAUSES AND TYPES OF INDUSTRIAL CONFLICTS

CAUSES OF INDUSTRIAL CONFLICTS:

- ✚ It is not easy to identify a single factor as a cause of industrial conflicts as multifarious causes blended together result in industrial disputes. ✚ Causes of industrial conflicts may be grouped into four categories; ✚ Industrial factors.
- ✚ Management attitudes towards workers.
- ✚ Government machinery.
- ✚ Other causes.

TYPES OF INDUSTRIAL CONFLICTS

Industrial conflicts are basically two types;

- A. Strikes
- B. Lock-outs

Strikes are the result of more fundamental maladjustments, injustices and economic disturbances. Strikes are a temporary cessation of work by a group of employees in order to express grievances or to enforce a demand concerning changes in work conditions. Strikes are divided into primary strikes and secondary strikes. Primary strikes are generally against the employer with whom the disputes exit. They take the form of stay away strike, sit-in, sit-down, pen-down, tools-down or mouth-shut strikes, go slow, work-to-rule, token or protest strike, lightening or wildcat strike, picketing or boycott.

The Outcome of the Strikes

The outcome of the strikes include; Settlement of the dispute in favor of employees, loss of work, loss of jobs by employees, loss of earnings by employees, inconveniences to customers, suppliers and market intermediaries.

Lock-outs means the action of an employer in temporarily closing down or shutting down his undertaking or refusing to provide his employees with work with the intention of forcing them either to accept demands made by him or to withdraw demands made by them on him.

Lock-out is used with some intention thus to coerce or force the workmen to come to terms. Lockouts, thus, necessarily involves an overt act on the part of the employer involving an element of motive of ill- will. In the absence of this overt act, the temporary suspension of work would not amount to a lockout and the workmen cannot claim wages for the period of closure.

But the following does not constitute LOCKOUT

- ✚ Prohibiting an individual employee is not lockout.
- ✚ Termination of employment by retrenchment does not amount to lockout.
- ✚ Termination of services of more than one person at the same time would not lockout.
- ✚ Declaration of lockout by an employer merely on the ground that the workmen have refrained from attending work.
 Loss of income to the employees.
 Loss of property to the employer.
 Loss of employment.
 Inconvenience to the customers and general public.
 Inconvenience to the suppliers and market intermediaries.

PREVENTION OF INDUSTRIAL CONFLICTS

1. Labour welfare Officer;

Specifies that every factory where in 500 more workers are ordinary employer, at least one Welfare Officer must be appointed, where the number of workers is in excess of 2500, the assistant and additional welfare officer are required to be appointed to assist the welfare officer.

2. Tripartite and bipartite bodies

Industrial relations have been shaped largely by the policies and practices of tripartite and bipartite bodies. The purpose of consultative machinery is to bring the partners together for mutual settlement of differences in the spirit of co-operation and goodwill.

3. Standing orders;

Majority of the industrial disputes are related to conditions of employment. To prevent the industrial conflicts relating to employment conditions, standing orders are formulated. It was made

obligatory that standing orders should govern the conditions of employment under the industrial employment orders.

4. Grievance procedure;

Generally arise from day-to-day working relations. Grievances of the employees are redressed by the management. Management can prevent the occurrence of industrial disputes by solving the individual problems.

5. Collective Bargaining;

As discussed earlier, collective bargaining helps for settlement of issues and prevention of industrial disputes. Government also help trade unions and government to come closer to each other and come to an agreements.

6. Strong trade unions;

Strong trade unions have the stability of membership, sound financial position and healthy policies. Such unions think and act constructively for the mutual benefit of the employees and management.

7. Labour Co-partnership and profit sharing;

Create a sense of belongingness among the employees and they feel that they are the partners in the company. As such, they think and act for the benefit of the company

8. Joint consultations

Joint consultation between the employees and employer air the differences between them and prevents industrial conflicts.

SETTLEMENT OF CONFLICTS

The methods of the settlement of conflicts generally include;

- ✚ **Investigation:** this is conducted by a board or court appointed by the government. It may be voluntary or compulsory. If the investigation is conducted on an application by either or both the parties to the dispute, it is voluntary.
- ✚ **Mediation:** Another attempt to settle disputes are mediation. In this method, an outsider assists the parties in their negotiation. It takes place with the consent of both the parties. The mediator performs the messenger's job for both the parties and he neither imposes his will nor his judgment upon them.
- ✚ **Conciliation:** the main objective of a conciliation and arbitration is to reunite the two conflicting groups in the industry in order to avoid interruption of production, distrust. Conciliation is a process by which representatives of both workers and employers are brought together before a third party with a view to persuading them too arrive at some sort of settlement.
- ✚ **Voluntary Arbitration:** if the two parties to the disputes fail to come to an agreement, either by themselves or with the help of mediator or conciliator, who agrees to submit the dispute to an impartial authority, whose decisions, they are ready o accept

Compulsory Arbitration/ Adjudication: where trade unions are weak, the method of compulsory arbitration is used. Compulsory Arbitration is utilized generally when the parties fail to arrive at a settlement through the voluntary methods.

GRIEVANCES PROCEDURE

Meaning/Definitions

The concept grievances have been defined in several ways by different authorities. Some of the definitions are as follows;

Beach defines grievance as any dissatisfaction or feeling of injustices in connection with ones' employment situation that is brought to the notice of the management, whereas Flippo indicates the grievances as a type discontent which must always be expressed. A grievance is usually more formal in character than a complaint. It can be valid or ridiculous, and must grow out of something connected with company operation policy. It must involve an interpretation of the provisions of the labor contract.

Jucius defined grievances as any discontent whether exposed or not, whether valid or not, arising out of anything connected with the company which an employee thinks, believes or even feels to be unfair, unjust or inequitable.

Need for a Grievance Procedure:

Grievance is necessary due to the following;

- i. Most grievances seriously disturb the employees. This may affect their morale, productivity and their willingness to cooperate with the organization. If an explosive situation develops, this can be promptly attended to if a grievances handling procedure is already in existence.
- ii. It is not possible that all the complaints of the employees would be settled by first time supervisors, for these supervisors may not have had a proper training for the purpose, and they may lack. Moreover there may be personality conflict and other causes as well.
- iii. It serves as a check on the arbitrary actions of the management because supervisors know those employees are likely to see to it that their protest does reach the higher management.
- iv. It serves as an outlet for employees' gripes, discontent and frustrations. It acts like a pressure valve on a steam boiler. The employees are entitled to legislative, executive and judicial protection and they get this protection from the grievances redressal procedure, which also act as a means of upward communication.

Views of the National Commission on Labor, 1969

Views of the national commission on labor, 1969 on employees associations include;

- Compulsory registration of employees association.
- Provision of certificates of the employers association.
- Wider consultation on all matters.
- Provision for regular and intensive training for all supervisory and middle management levels.
- Promotion of collective bargaining at all levels.
- Implementation of bipartite and tripartite agreements.
- Expedited implementation of wage awards by members.
- Adoption of sound human resources policy by members.
- Promote rationalization of management.
- Promote employee welfare.
- The Causes of Grievances
- Demands for individual wage adjustment;
- Complaints about the incentives system;
- Complaints about the job classification;
- Complaints about particular foremen
- Complaints against disciplinary measures and procedure;
- Objections to the general methods of supervision;
- Loose calculation and interpretation of the seniority rules and unsatisfactory interpretations of agreements;
- Promotions;
- Disciplinary discharge or lay-off;
- Transfer for another department or another shift;
- Inadequacy of safety and health services delivery;

- Non-availability of materials in time;
- Violation of contracts relating to collective bargaining;
- Improper job assignment;
- Undesirable conditions of work;
- Victimization and fines.

Pre-requisite of a Grievances Procedure

The efficiency of a grievances procedure depends upon the fulfillment of certain pre-requisite.

These are as follow;

Conformity with prevailing legislation: while designing the grievances procedure, due consideration must be given to the existing grievances machinery as provided by law and may be made use of.

- ✚ **Clarity:** there should be clarity regarding each and every aspect of the grievances procedure. An aggrieved employee must be informed about the person to whom a representation can be made, the form of submission, the time limit for the redressal of grievances etc. similarly, the redressing authority should be very clear about what is expected from him, what measures he can take, the limits within which he should resort to an action.
- ✚ **Simplicity:** the grievances procedure should be simple. Every employee must understand different stages of the procedure, the forms to be filled up, the witness required. If there are too many stages in the procedure, too many forms to be filled up, too much going around etc. the very purpose of the procedure is defeated. Instead of resorting to the formal procedure, an employee may ignore it.
- ✚ **Promptness:** the promptness with which a grievance is processed adds further to the success of the grievance procedure. Since justice delayed is justice denied, the procedure should aim at rapid disposal of the grievances.
- ✚ **Training:** the success of the procedure also depends upon imparting training to the supervisors and union representatives in handling grievances.
- ✚ **Follow-up:** the successful working of a grievances procedure depends upon a proper follow-up by the personal department. The department should periodically review the procedure and introduce the essential structural changes making it more effective.

Grievances Procedure

At the outset, an aggrieved worker shall approach the foreman, inform his grievances orally and seek the redressal of his grievances. If it is not redressed to his satisfaction, he approaches the supervisor who has to the decision to the complaints of the workers within 48 hours.

If the decision is not acceptable to the worker or if a superior does not give the answer, the worker can go to the next step. At the third stage, the worker can either in person or accompanied by his departmental representative, approach the head of the department who has to give the answer before an expiry of three days.

If the department head fails to do so or if the decision given by him is not acceptable by the worker, then the worker can resort to grievances committee which comprises of representatives of employees and employers. This committee shall communicate its recommendations to the manager within seven days of the grievances reaching it. If there are unanimous decisions, these shall be implemented by the management.

In case unanimous decisions have not been arrived at, the views of the members of the committee shall be recorded and all the relevant records shall be placed before the manager to make decision. The manager shall communicate his decision within three days. The worker has got the right to appeal against the manager decision. These appeals shall be decided within a week. If the aggrieved desires, he can take along with him a union and management may refer the grievances to the voluntary arbitration within a week of receipt of the management within a week from the date of dismissal.

All the above mentioned steps may not be resorted by a worker. In case the grievance arises on account of dismissal of the worker, he can resort to the second step. In the later stage, he can make an appeal to the dismissing authority designated by the management within a week from the date of dismissal.

Thus, there is voluntariness in so far as the implementation of the model grievances procedure is concerned. But there is great need for providing a statutory backing to the grievance machinery since voluntariness failed to get desired result in a number of cases. Further, there is need to introduce suggestion schemes which are helpful in overcoming the barriers in upward channels of communication. In the western countries, suggestion schemes have helped a lot in harmonizing the relation between the management. In India also, suggestion schemes have been successful in some organization due to monetary rewards, establishment of suggestion committees and decimation of full information about the suggestions received. Hence, the importance of suggestion schemes should be recognized and measures should be initiated for the introduction of such schemes.

Duties of an Industrial Relations Officer:

An industrial relations officer typically works in a human resources position and manages relations between factory employees and upper management. These relations officers do not work outside manufacturing industries. Instead, they specialize on issues key to manufacturing the business they represent. There are few third-party industrial relations officers. Most work for only one company and are hired on a full-time basis.

Conflict Management

One of the key jobs of the industrial relations office is conflict management. Conflicts occur when upper management makes decisions that factory employees find unreasonable, or vice versa (a possibility in unionized industries). These conflicts can spill over into widespread legal matters or even strikes and lawsuits. The industrial relations officer works to meet with both properties, discuss differences of opinion and create a compromise that solve the problem for both sides without causing it to escalate.

Representation

If a conflict between factory employers and employees does escalate and enters into legal areas, the industrial relations officer will represent a side. Which side he represents may depend on the duties of his job. Some industrial relations officers may represent their company before an industrial tribunal, if their industry and government regulations require this.

Analysis

Industrial relations officers typically start their jobs in research, and research continues to be an important part of the job once they are promoted. The officers must study legal matters (a background in law is useful), including other industrial disputes and how they were resolved, along with new regulations and how they may affect the industry or company decisions.

Communication

Industrial officers do not prefer conflict. One of their responsibilities is to prevent it whenever possible. They often communicate important business decisions to employees and relay employee communications back to upper management, acting as a go between. This way, the officers can help the different parties understand each other and their sometimes differing motivations.

Management Role in Industrial Relations:

Industry management is one of two key players in the realm of industrial relations. Industrial relations describes the relationship between management (often top-level management) and employee organizations (like unions).

Top-level management

Top-level management must communicate and negotiate with employee organizations to avoid strikes, law-suits and protests. This level of management interacts with employee organizations on a large-scale, as opposed to lower tiers of management which mostly rely on human resources to conduct employee interactions.

Low-level management

Low-level (or local) management interacts with employees on an individual basis (often through a human resources department). All levels of management are involved in industrial relations, but low-level management has little or no say in big-picture decisions (employee compensation and benefit alterations).

Managements purpose in industrial relations

In an industrial relations negotiation, management represents the interest of the company (and shareholders if applicable). Management must work with employees to develop compensation packages and policies that are acceptable for both parties.

Problems for management in industrial relations

When the relationship between management and employees sour, management may be forced to develop a crisis-management plan. If an employee organization initiates a large-scale strike or protest, management must act quickly (either give-in to employee demands or find an alternate solution) to avoid crippling profit losses.

History of management's involvement in industrial relations

Historically, management is depicted as a foe of employees and their organizations. While this stereotype is not entirely true, the media often portrays management as the "bad guy" of the two organizations (unions are usually cast as the hero of the "little guy"). This negative media attention (and historical stereotype) can lead to extremely damaging public relations, which can eventually cripple an entire industry.

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Unit – V

Factories Act 1948 – The Workman's Compensation Act, 1923. The Employees State Insurance Act 1948. The Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Payment of Wages Act, 1936. The Minimum Wages Act, 1948. The Industrial Disputes Act 1987. The Industrial Employment (standing orders) Act, 1946. The Trade Union Act, 1926 and latest legislations.

Introduction:

The Factories Act of 1948 was enacted to protect the welfare of workers in a factory by regulating employment conditions, working conditions, the working environment, and other welfare requirements of specific industries. The Court held in *Ravi Shankar Sharma v. State of Rajasthan (1993)* that the Factory Act is social legislation that covers the health, safety, welfare, and other aspects of factory workers. The Factories Act lays out guidelines and safety measures for using machinery, and with its strict compliance, it also provides owners with instructions. When factory workers were taken advantage of and exploited by paying them low wages, the Factories Act was passed.

History of Factories Act, 1948

Evolution of factories and industries

The Factory Act has a history that goes back more than a century. Modern industrialization was introduced to India over a century after it began in the United Kingdom.

The first cotton textile factory was established in Bombay in 1854. By 1870, a huge number of industries had been constructed in Bombay, Nagpur, Kanpur, and Madras.

In Bihar, the first iron and steel works were established in 1873. Jute spinning mills were established at Rishra around 1855.

In 1881, Bengal had 5000 power looms in operation.

During the 1870s, Bally paper mills were created at Hooghly and many other tanning and leather factories were established in Kanpur, resulting in the development of factory establishments in India.

- ✚ The early employment of women and children, the length of the working hours, and the hazardous and unhygienic working conditions brought issues and crises to India, and due to these scenarios, legislation was established for all factories and industries.
- ✚ The necessity for protective labour legislation to combat working conditions, particularly for women and children, was recognised as early as 1850, but the British government did very little.
- ✚ The Bara Bazar organisation was founded in 1878 by Sasipad Bannerjee to promote the welfare of jute mill employees.
- ✚ There were strikes in 1877 at Nagpur Empress Mill, which are recorded. The production methods were changed throughout the industrial revolution that occurred in England between 1760 and 1820.
- ✚ The development of several mechanical innovations began, such as the steam engine, which gave humans the capability to drive powerful machines.

Factory Act of 1881

In 1875, a committee was established to look into the working conditions of Indian employees working in a factory. The first Factory Act was passed in 1881, under Lord Ripon's leadership. The Factory Act is a central body of legislation in India.

This Act was based on the terms of the Factory Act of Great Britain, which was enacted in 1937. Local governments had the power under the Factory Act of 1881 to enact rules governing the implementation of the Act's provisions to control the employment of children, the fencing of machinery, the responsibility to notify factory workers when accidents occur, and other occupations in a factory. This Bill (1881) was amended by the Council and passed on the first day of July 1881, after receiving approval from the Viceroy. The Act was immediately codified as the Indian Factories Act of 1881. This Act was applied to the entire of British India. The Act governs the working conditions of the workforce by establishing several laws relevant to workers' health, safety, working circumstances, and hazardous processes. If any of the Factory Act's principles are violated, there are various penalty procedures.

The Factory Act of 1881 included protective labour laws. The Factory Act of 1881 was the result of the efforts of philanthropic individuals, social activists in India, and Lancashire manufacturers in Great Britain. Narayan Meghaji Lokhandey, a follower of Mahatma Jyotiba Phule, was the country's first labour leader. He worked as a storekeeper at a textile mill and spent his whole life advancing the interests of the labour movement. A memorandum signed by 5300 employees was also given by him to the Factory Commission, which was formed in 1884. The Indian government appointed the factory commission in 1890.

Important provisions of the 1881 Act

- ✚ The important provisions of the 1881 Act are as follows:
- ✚ Children under the age of seven are not allowed to work, and they cannot work two jobs on the same day.
- ✚ The working hours for children were nine hours per day.
- ✚ Four holidays must be given to children each month.
- ✚ Intervals must be provided to take a rest.
- ✚ Care must be taken when handling machinery's dangerous parts fence.
- ✚ Accidents in a factory or industry must be reported.
- ✚ The Act was applicable to factories with mechanical power and 100 or more employees.
- ✚ Since the Factory Act of 1881 was not enough and did not cover all aspects of the Act, there was a further amendment to the Act called the Factory Act of 1891.

Factory Act of 1891

Later, in 1885, a Factory Commission was established. In 1891, a Royal Commission on Labour was created, and it was enforced in 1892. The Act was amended, known as the Factories Act of 1891. This amendment Act of 1891 placed certain restrictions on the working hours of the factory.

Important provisions of the 1891 Act

The important provisions of the 1891 Act are as follows:

Registration of a factory with 50 or more employees.

Local governments were obliged to report activities that employed even 20 employees in a factory.

The employment of children under the age of nine was prohibited.

In the case of children aged 9 to 14, seven hours of work were given.

In the case of women, eleven hours of work were given with a 1.5-hour break per day.

Women and children were not permitted to work between the hours of 8 p.m. and 8 a.m.

All employees must be offered weekly holidays.

✚ A rest interval of at least 0.5 hours must be provided.

✚ Provincial governments are empowered to enact sanitation and comfort rules. **Factory Act of 1948**

The Factory (Amendment) Act of 1948 played an effective and more important role in improving India. A five-year plan was developed during the Interim Congress Regime to improve certain labour conditions in India, and it also referred to the Factory Act of 1934, the Great Britain Factory Act, and the most recent ILO Convention in matters of safety, health and welfare, working hours, industrial hygiene, medical examination of young people, and submissions of factory building plans. The first effort at cooperation between the government, employers, and workers with respect to labour took place at the conference in 1942. As a result, after Conference 1942, a Plenary Tripartite Conference and a Standing Labour Committee were established to provide the government with labour-related advice. This led to the submission of legislative measures, including the drafted bill. The factories bill was proposed on January 30, 1948, and it was approved by the Constituent Assembly on August 28, 1948. It also received the Governor-General of India's approval on September 23, 1948, and it became effective on April 1, 1949.

The Factory Act of 1948 is longer and more exhaustive than the previous amendment, and it primarily focuses on health, safety, the welfare of factory workers, working hours, the minimum age to work, leave with pay, etc. The industry is a consistent and systematic activity that organises commerce. A factory is a place where certain operations take place. The Factories Act of 1948 controls the daily operations that take place in an enterprise. This includes Jammu and Kashmir as well as the whole of India.

The Act was then amended in 1891, 1911, 1922, 1934, 1948, 1976, and 1987. The Factories Act's exclusive amendment was in 1948.

Salient features of Factories Act, 1948

The important features of the 1948 Act are as follows:

The word “factory” has been expanded by the Factories (Amendment) Act of 1976 to include contract labour when determining whether a factory has a maximum of 10 or 20 employees.

The Act increased the minimum age for children to work in workplaces from 12 to 14 and reduced their daily working hours from 5 to 4 and a half.

The Act forbids women and children from working in factories from 7 p.m. to 6 a.m.

- ✚ The difference between a seasonal and non-seasonal factory has been abolished by the Act.

- ✚ The Act, which has provisions for factory registration and licencing.

- ✚ The state government is required to make sure that all factories are registered and also have valid licences that are renewed from time to time.

- ✚ The Act gives state governments the authority to enact rules and regulations that ask for management and employee association for the benefit of employees.

- ✚ The state government has the authority to apply the Act’s requirements to any establishment, regardless of the number of employees inside and regardless of whether the establishment engages in manufacturing operations.

✚ In *Rabindra Agarwal v. State of Jharkhand* (2010), the Jharkhand High Court held that the Factories Act, special legislation would prevail over the Indian Penal Code **Objectives of Factories Act, 1948**

The important objectives of the 1948 Act are as follows:

The major goal of the Factories Act of 1948 is to establish adequate safety measures and to enhance the health and welfare of workers employed in a factory. The Act also protects workers from various industrial and occupational hazards.

Heath: According to the Act, all factories must be kept clean, and all essential safeguards must be taken to safeguard the health of workers. The factory must have a sufficient drainage system, adequate lighting, ventilation, temperature, etc. There must be clean water supplies. Separate restrooms and urinals must be built in convenient locations for males and females. These must be freely accessible to employees and kept clean. □

Safety: The Act requires that machines be properly fenced; that no young adults work on any dangerous machines in enclosed places, and also that appropriate manholes be provided so that employees may escape in an emergency.

Welfare: The Act specifies that appropriate and suitable washing facilities for workers must be provided and maintained in every factory. There must be storage and drying facilities, as well as sitting areas, first-aid equipment, shelters, restrooms and lunch rooms.

The Act also imposes some restrictions on the employment of women, small children, and teenagers, such as working hours, intervals, holidays, etc., as well as on annual leave with pay, etc.

Working hours: The Act sets working hours for all workers, and no adult worker must be permitted to work in a workplace for more than 48 hours per week. Weekly holidays need to be granted.

The Act also imposes specific restrictions on owners, occupiers, or the manufacturer's head in order to safeguard employees and ensure their health and safety precautions.

The Act protects workers from exploitation and improves working conditions and the environment within factory premises.

- **Penalties:** The Act also specifies specific rules created with provisions under the Act, and written orders that are violated. It is an offence, and penalties will be imposed, imprisonment for up to a year; a fine of up to one lakh rupees; or both fine and imprisonment. Any employee who misuses equipment related to the welfare, safety, and health of other employees, or those connected to the performance of his duties, suffers a Rs.500 fine.

Application of the Factories Act, 1948

The important applications of the 1948 Act are as follows:

- ✚ The Act also applies to the whole country of India, including Jammu and Kashmir, and covers all manufacturing processes and premises that fall under the definition of a factory as defined in Section 2(m) of the Act. It also applies to factories owned by the central or state governments, as defined in Section 116 of the Act.

The Act is applied and limited to factories that use power and employ 10 or more people on any working day in the preceding 12 months.

The Act is applied and limited to factories that do not use power and employ 20 or more people on any working day in the preceding 12 months.

The Act is also covered under Section 85 of the Factories Act by the state governments or Union Territories.

Definitions under the Factories Act, 1948

The important definitions under the 1948 Act are as follows:

Adult and child: An adult is defined as someone who has attained the age of eighteen, as defined in Section 2(a) of the Act.

A child is someone who has not attained the age of fifteen, as defined in Section 2(c) of the Act.

Adolescent: Adolescent is defined in Section 2(b) of the Act. An adolescent is defined as someone who has attained the age of fifteen but has not yet attained the age of eighteen.

Calendar year: The calendar year is defined in Section 2(bb) of the Act. A calendar year is a period of twelve months commencing on January 1st of any year.

Competent person: A competent person is defined in Section 2(ca) of the Act. A competent person is someone or a group of individuals who have been approved by the Chief Inspector to conduct tests, examinations, and inspections that must be conducted in a plant. He/she is someone who has the necessary knowledge and experience to handle the complexity of the issue.

Hazardous process: Hazardous process is defined in Section 2(cb) of the Act. A hazardous process is defined as any process or activity related to the industry that requires special care of raw materials that are used in it, intermediate or finished products, by-products, wastes, or effluents that would cause material impairment to the health of those engaged in or connected with it or that result in polluting the environment.

Machinery: Machinery is defined in Section 2(j) of the Act. The term covers prime movers, transmission machinery, and any other equipment and appliances that produce, transform, transmit, or apply power.

Power: Power is defined in Section 2(g) of the Act. Power is defined as any type of mechanically transmitted energy that is not created by a human or animal agency.

Week: Week is defined in Section 2(f) of the Act. A week is defined as a seven-day period beginning at midnight on Saturday night or other nights that have been approved in writing for a specific area by the Chief Inspector of Factories.

Day: Day is defined in Section 2(e) of the Act. A day is defined as a 24-hour period beginning at midnight.

Young person: Young person is defined in Section 2(d) of the Act. A young person is defined as a child or an adolescent.

Factory: The definition of a factory is specified in Section 2(m) of the Factories Act 1948. A factory is any premises, where it has certain limits and boundaries-

If a manufacturing process is regularly carried out in any portion of the premises with the use of power and with ten or more workers now engaged in such activity or were engaged in such work on any day during the previous twelve months; or

If any element of a manufacturing process is performed inside the premises without the use of power and is regularly performed with twenty or more employees working or having worked there on any given day within the previous twelve months.

Manufacturing process: The manufacturing process definition is specified under Section 2(k). The term “manufacturing process” refers to any process for:

- ✚ Generating, altering, repairing, ornamenting, finishing, packing, oiling, washing, cleaning, demolishing, or otherwise treating or adapting any article or;
- ✚ A substance in preparation for use, sale, transportation, delivery, or disposal or;

- ✚ Producing, transforming, or transmitting energy or;
- ✚ Creating type for printing, letterpress printing, lithography, bookbinding, or any other similar process or;
- ✚ Constructing, reconstructing, repairing, refitting, finishing, or breaking up ships or vessels, etc. (as defined by the 1976 Amendment Act);
- ✚ Preserving or storing any item in cold storage.

Worker: The worker definition is specified under Section 2(1). A worker is someone who performs any job associated with a manufacturing process, whether they are employed directly or indirectly through an agency, a contractor, or any other means. This helps to maintain any equipment or facilities utilised in the manufacturing process. The worker may be hired with or without the principal employer's knowledge and with or without compensation.

Important provisions in the Factories Act, 1948

Getting approval, licencing and registration of factories (Section 6)

- A. The state government shall make rules that require formal submission of plans of any category or description of factories, as well as the site on which the factory is located, for construction or extension must be submitted to the chief inspector or the state government.
- B. This Section requires the registration and licencing of factories, as well as the payment of fees for such registration and licencing, as well as the renewal of licences.
- C. No licence is issued or renewed unless the occupier gives notice to the chief inspector.
- D. If the state government refuses to grant permission to the site or construction of a factory, then within 30 days of the refusal, the applicant can appeal to the central government.

Labour and welfare:

The word „labour welfare“ refers to the services offered to employees within as well as outside the factory, such as canteens, restrooms, recreation areas, housing, and any other amenities that support employee well-being. States that take welfare measures care about the overall well-being and productivity of their workforce

After gaining knowledge about the deficiencies and limitations of the previous Act, the Factories Act of

1948 was amended. The definition of „factory“ was expanded to encompass any industrial facility employing 10 or more people that uses power or any industrial establishment employing more than 20 people that uses no power, which was a significant development.

Other significant amendments included-

- ✚ Raising the minimum age of children who can work from 12 to 14 years old.
- ✚ Reducing the number of hours a child can work from five to four and a half.
- ✚ Preventing the kids from working between the hours of 7 p.m. and 6 a.m.

The health, safety, and well-being of all types of employees are given particular attention.

Welfare measures

The three main components of welfare measures are occupational health care, appropriate working hours, and appropriate remuneration. It speaks of a person's complete health, including their physical, mental, moral, and emotional states. The goal of welfare measures is to integrate the socio-psychological demands of the workforce, the particular technological requirements, the organisational structure and procedures, and the current socio-cultural environment. It fosters a culture of work dedication in enterprises and society at large, ensuring increased employee happiness and productivity.

Washing facilities (Section 42)

All factories should supply and maintain enough appropriate washing facilities for the use of the employees.

For male and female employees, separate, well-screened facilities must be provided; these facilities also need to be easily accessible and maintained clean.

The standards for appropriate and suitable facilities for washing must be set by the state government.

Facilities for storing and drying clothing (Section 43)

The state government has a specific authority. It specifies that the state government has the authority to give instructions to the manufacturers regarding where to store the worker's clothing.

They can also provide them with instructions on how to dry the workers' clothes. It refers to the circumstance in which workers are not dressed for work.

Facilities for sitting (Section 44)

All factories should provide and maintain seating arrangements in appropriate areas for all workers who are required to work in a standing position in order to take advantage of any chances for rest that may arise throughout the course of the job.

According to the chief inspector, workers in any factory involved in a certain manufacturing process or working in a specific room are able to perform their work effectively while seated.

First aid appliance (Section 45)

All factories must have first aid kits, appliances, or cupboards stocked with the required supplies during all working hours, and they must be easily accessible for all manufacturing employees to access. Accordingly, there must be more first aid boxes or cupboards than the usual ratio of one for every 150 industrial employees, which must be fewer than that.

The first aid box or cupboard should only include the recommended supplies.

Throughout the factory's operating hours, each first aid box or cupboard should be kept under the supervision of a specific person who is accountable for it on a separate basis and must be readily available at all times during the working hours of the factory.

Canteen (Section 46)

A canteen must be provided and kept up by the occupier for the benefit of the workers in any specified factory where more than 250 people are usually employed, according to rules that the state government may set.

Food must be served, and prices must be established for it.

Shelters, restrooms and lunch rooms (Section 47)

Every factory with more than 150 employees must have appropriate and suitable restrooms or shelters and a lunchroom with drinking water where employees can eat food they have brought with them and that is kept for their use. If a lunchroom is available, employees should stop eating in the work area.

The shelters or restrooms need to be well-lighted, ventilated, kept clean, cool, and in good condition. The state government sets the standards.

Creches (Section 48)

Every factory with more than 30 female employees must have a suitable room for the use of children under the age of six of such women.

Such rooms must be well furnished, well-lighted, and ventilated, and they must be kept clean and hygienic. They must also be under the care of women who have received training in child and infant care.

In addition, facilities for washing and changing clothes can be made available for the care of the children of female workers.

Any factory may be forced to provide free milk, refreshments, or both to such children. Small children can be fed by their mothers in any industry at necessary intervals.

Health

Sections 11-20 of Chapter III of the Act deal with the Health of the Factories Act, 1948.

Cleanliness (Section 11)

Every factory needs to be kept clean and clear of any effluvia from drains, latrines, or other annoyances.

In particular:

Dirt must be cleaned daily from floors, benches, staircases, and passages by sweeping or by another method, and it must be properly disposed of.

The floor should be disinfectant-washed at least once a week.

During the manufacturing process, the floor becomes moist; this must be drained via drainage.

Disposal of wastes and effluents (Section 12)

Every factory has to have a method in place for treating wastes and effluents produced by the manufacturing process they use.

Ventilation and temperature (Section 13)

In order to ensure worker comfort and prevent health problems, sufficient ventilation must be created for the circulation of air in a factory, which should be maintained at a specific temperature.

Walls and roofing should be made of a material that is intended for a particular temperature that shouldn't go over as much as possible.

Certain precautions must be taken to protect the employees in facilities where the manufacturing process requires extremely high or low temperatures.

Dust and fume (Section 14)

Every factory has to have efficient measures to remove or prevent any dust, fumes, or other impurities that might harm or offend the employees employed and cause inhalation and buildup in any workroom.

No factory may operate an internal combustion engine unless the exhaust is directed outside, and no other internal combustion engine may be used. Additionally, precautions must be made to avoid the buildup of fumes that might endanger the health of any employees inside the room.

Overcrowding (Section 16) There should be no overcrowding in factories that might harm the health of the workers.

All employees must have ample space in a room to work in the building.

Lighting (Section 17)

Every area of a factory where employees are employed must have adequate natural, artificial, or both types of lighting installed and maintained.

All glass windows and skylights that provide lighting for the workroom in factories must be kept clean on the inside and outside.

The production of shadows should not cause eye strain during any manufacturing process, and all factories must have preventative measures that should not cause glare from the source of light or via reflection from a smooth or polished surface.

Drinking (Section 18)

All factories must have the appropriate installations in place, and maintain convenient locations with an adequate supply of clean drinking water.

The distance between any drinking water and any washing area, urinal, latrine, spittoon, open drain carrying sullage or effluent, or another source of contamination in the factory must be 6 metres unless the chief inspector approves a shorter distance in writing. The labelling must be legible and in a language that workers could understand.

In all factories with more than 250 regular employees, there needs to be a suitable method for providing cold drinking water during hot weather.

Latrines and urinals (Section 19)

All factories should have enough restrooms, and urinal accommodations of the required types must be offered in a location that is convenient and always accessible to workers.

Male and female employees must have separate enclosed rooms.

These locations must be thoroughly cleaned, kept in a hygienic state, and have sufficient lighting and ventilation.

Sweepers must be used to maintain latrines, urinals, and washing facilities clean.

Spittoons (Section 20)

All factories must have spittoons in easily accessible locations, and they must be kept clean and hygienic.

The state government specifies the number of spittoons that must be given, their placement in any factory, as well as their maintenance in a clean and hygienic manner.

Except for spittoons designed, for this reason, no one should spit within the premises of a factory. A

notice must be posted if any violations occur, with a fine of five rupees.

Safety

Safety is covered in Chapter IV of the Act and is covered in Sections 21–41 of the Factories Act, 1948.

Employment of young person's on dangerous machines (Section 23):

No young person is permitted to operate dangerous machines unless he has been adequately taught the hazards associated with the machine and the measures to be taken, and has received suitable training in working at the machine or adequate supervision by a person who has complete knowledge and experience of the equipment.

Prohibition of employment of women and children near cotton openers (Section 27):

Women and children are not permitted to work in any area of a cotton pressing facility while a cotton opener is in operation. Women and children may be employed on the side of the partition where the feed-end is located if the inspector so specifies.

Hoists and lifts (Section 28):

Every hoist and lift must be of strong mechanical structure, enough strength, and sound material. They also need to be regularly maintained, completely checked by a qualified person at least once every six months, and a register kept for the mandatory exams.

A cage that is properly designed and installed must enclose all hoist and lift ways to prevent people from being trapped between any of the equipment.

No larger load should be carried; the maximum safe operating load must be marked on the hoist or lift.

Every hoist or lift gate must have interlocking or another effective system installed to prevent the gate from opening except during landing.

Protection of eyes (Section 35):

The state government may require effective screens or appropriate goggles to be provided for the protection of persons employed or in the vicinity of the process during any manufacturing process carried out in any factory that involves risk to the eyes due to exposure to excessive light or injury to the eyes from particles or fragments thrown off during the process.

Precautions against dangerous fumes, gases etc (Section 36):

No person shall be required or permitted to enter any chamber, tank, vat, pit, pipe, flue, or other confined space in any factory where any gas, fume, vapour, or dust is present to such a degree as to involve risk to persons being overcome, unless such chamber, tank, vat, pit, pipe, flue, or other confined space is provided with an adequate manhole or other effective means of egress.

Penalty for the contravention of certain provisions

- ✚ Section 96A of the Factories Act, 1948 defines the penalty for the contravention of certain provisions, such as Sections 41B, 41C, and 41H.
- ✚ Anyone who disobeys or violates any of the rules or the provisions of Sections 41B, 41C, or 41H will be sentenced to 7 years in prison and a fine of Rs. 2,00,000. If the offender continues to commit the same offence, he will also be fined Rs. 5,000 every day after the conviction of the same offence. If the failure or violation persists more than a year after the conviction, the offender will face a 10-year jail sentence.

Duties of various authorities under the Factories Act

Duties of occupier

Notice given by occupier (Section 7)

According to Section 7 of the Act, the occupier is required to send notice to the chief inspector of everything that is stated in this Section.

According to Section 7(1), the occupier must give the chief inspector a written notice at least fifteen days before occupying or using any factory premises.

The notice should include the following information:

The name and location of the factory;

The occupier's name and address;

The owner's name and address of the property or building (including its establishments) mentioned in Section 93; and the address to which communications pertaining to the factory may be sent;

The nature of the manufacturing process-

carried out in the factory over the last 12 months in the case of factories that exist on the date of the Act's commencement;

carried out in the factory during the next 12 months in the case of all factories;

the name of the factory manager for the purposes of this Act;

the number of workers who are presently employed there and have already been employed in the factory from the date this Act was enacted;

the average number of workers per day employed over the previous 12 months;

When a new manager is appointed, the occupier must give written notice to the inspector and a copy to the chief inspector within seven days of the day, such person takes over in charge.

During any period when no one has been appointed as manager in the factory or when the appointed person is not managing the factory, or if no one is found, the occupier must be the factory's manager.

General duties of the occupier (Section 7A)

Every occupier is responsible for the welfare, health, and safety of every worker while they are in the factory.

He is responsible for ensuring that the factory's equipment is maintained in a way that is safe and poses no health hazards.

When utilising, handling, storing, and transporting items and chemicals, the factory's arrangement needs to be examined to ensure safety and the absence of health dangers.

In order to ensure the health and safety of all employees while they are at work, he must examine the information, teaching, training, and monitoring requirements.

He is responsible for inspecting or supervising the maintenance of a working environment that is secure, free from health risks, and equipped with the necessary facilities and arrangements to ensure the welfare of the employees while they are at work.

He is required to inspect the maintenance of all work areas in the factory in a manner that is secure and free from any danger to health, as well as the maintenance of methods of access and egress; such locations must be safe and free from such risks.

Duties of Manufacturers:

General duties of manufacturers (Section 7B)

- ✚ This Section states that anyone who deals with designing, manufacturing, importing, or supplying any article to use in any factory must make sure, to the extent that it is reasonably practicable, that the article is constructed so that it is safe and without risks to the health of all workers when used properly;
- ✚ He must also carry out and arrange for tests and examinations to ensure effective implementation;

- ✚ He must take action to guarantee that there is sufficient information regarding the product's usage in factories, the uses for which it was intended and tested, and the requirements that must be met to ensure that the article is used in a way that is safe and does not endanger the health of the employees;
- ✚ It must be provided that when an article is developed or made outside India, the importer must inspect the article to ensure that it conforms to the same standards as if it were manufactured in India, or if the standards set in the country outside for the production of such article are higher than the standards adopted in India, the article must conform to much higher requirements.
- ✚ Anyone who designs or produces a product for use in a factory is allowed to do, or arrange for the conduct of, any required research in order to determine to the extent that is reasonably possible, the removal or minimization of any hazards to the health or safety of the employees.
- ✚ An article that is mentioned in this provision includes plant and machinery.

When the Indian government accepted the ILO conventions prohibiting the employment of women and children in factories at night. Sections 66, 70, and 71 of the Factories Act of 1948 were amended in order to indicate this ratification. The other provisions were amended at the same time. Therefore, on December 25, 1954, the Factories (Amendment) Act, 1954 became effective and made the following significant changes:

Amendment to Section 4.

The amendment to the definition of the manufacturing process includes type composing for printing. Women and young people were prohibited from cleaning, lubricating, and operating motion machinery.

Encasement of machinery. The safety criteria for lifting equipment were explicitly stated in an amendment to Section 29.

The employees may work for 6 straight hours without being required to take a rest during a 6-hour shift.

Shift workers are free from overtime duties if a shift worker arrives late.

Amending Chapter VIII on leave with pay to fix 240 days of attendance and increase the limit on carried forward leaves, etc.

Section 93 has been rewritten to explain the responsibilities of the owner and occupier.

Amendment (1976)

After the amendments of 1948 and 1954, there was a continuation of industrial growth and a need for safety officers to advise management on concerns about industrial safety and health. The Factories (Amendment) Act 1976 was passed and came into effect on October 26, 1976, as a result of numerous judgments concerning the definition of a worker; a tendency to not include contract labour from that definition but there must be proof of master and servant relationship; and a need for amendments to many other provisions, including the penal Section.

The definition was amended to the terms manufacturing process, employee, factory, and occupier.

The term “worker” also covered contract labour.

There must be an approved plan and permission for the site. There are amendments to the following provisions:

- Section 8 deals with inspectors.
- Section 10 deals with certifying surgeons.
- Section 11 deals with cleanliness.
- Section 12 deals with the disposal of waste and effluents.

- Section 21 deals with the fencing of machinery.
- Section 22 deals with work on or near machinery in motion.

- Section 24 deals with striking gear and devices for cutting off power.
- Section 31 deals with pressure plants.

- Section 32 deals with floors, stairs, and means of access.
- Section 36 deals with precautions against dangerous fumes.
- Section 38 deals with precautions in case of fire.

- Section 39 deals with specifications of defective parts.
- Section 40 deals with the safety of buildings and machinery.
- Section 45 deals with first aid devices.
- Section 48 deals with creches.

- ✚ Section 56 deals with spread over.
- ✚ Section 59 deals with overtime wages.
- ✚ Section 73 deals with the register of child workers.
- ✚ Section 79 deals with taking leave with wages.
- ✚ Section 87 deals with dangerous operations.
- ✚ Section 88 deals with notices of accidents.
- ✚ Section 92 deals with penalties for offences.
- ✚ Section 101 deals with the determination of the occupier in certain cases.
- ✚ Section 106 deals with the limitation of prosecutions and various other amendments etc.
- ✚ Section 36A for the use of portable power lights, Section 40B for safety officials, Section 88A involves the notice of dangerous occurrences, and Section 91A regarding safety and health surveys were included as new provisions in this Amendment of 1976.
- ✚ A new Section 40A was added, giving the authority to order the implementation of measures recommended by the Inspector for building maintenance, while Section 40B required the requirement of safety officers for firms employing 1000 or more workers.

Amendment (1987)

The Bhopal accident increased safety awareness on a worldwide level and compelled governments to impose stricter regulations on worker and public health and safety. As a result, both the central government and the state governments amended their laws and regulations as needed. On May 23, 1987, two new laws were passed: the Environment (Protection) Act of 1986 and the Factories (Amendment) Act of 1987. These laws included a new chapter IV A on hazardous procedures, numerous restrictions, and harsh fines and imprisonments for violations.

The Workmen Compensation Act 1923

- ✚ The Workmen Compensation Act 1923 allows for the payment of compensation to employees and their families in the event of an injury or accident (including certain occupational diseases) arising out of and in the course of employment, resulting in disability or death. The Act covers railway servants and those engaged in any of the roles listed in Schedule II of the Act. Persons working in factories, mines, plantations, mechanically propelled vehicles, construction, and several other hazardous activities are included in Schedule II.
- ✚ The amount of compensation due is determined by the type of the damage, average monthly pay, and the workers' age.
- ✚ The minimum and maximum rates of compensation payable for death (in such cases, it is paid to workmen's dependents) and disability have been established and are subject to periodic revision. ✚ The Workmen Compensation Act 1923
- ✚ An employer is liable to pay compensation: I if a workman suffers personal injury as a result of an accident occurring during and in the course of his employment; and (ii) if a workman employed in any occupation contracts any disease designated by the Act as an occupational disease peculiar to that occupation.
- ✚ However, under the following situations, the employer is not responsible to pay compensation:-
- ✚ If the worker is not completely or partially disabled for more than three days as a consequence of the accident.

If the injury is caused by an accident that is directly attributable to:

- I. The workman being under the influence of drink or drugs at the time of the accident; or
- II. The workman's willful disobedience to an order expressly given, or to a rule expressly framed, for the purpose of securing the safety of workmen; or
- III. The workman's willful removal or disregard of any safety guard or other deviant; or I

The Act's Key Features

The "Workers Compensation Act, 1923" is a law that requires employers to compensate employees for any injuries they sustain in the course of their employment. This Act was formerly

known as the Workmen Compensation Act of 1923. When the employer is not responsible for compensating the employee:

If the employee is not completely or partially disabled for more than three days as a result of the accident.

If the harm does not result in death or permanent complete disability, and it is caused by an accident that is directly caused by:

Employee who was under the influence of alcohol or drugs at the time of the accident;

The employee's wilful disobedience to an order if the rule is clearly stated or specifically formulated for the aim of ensuring employee safety; or

Willful removal or disobedience by an employee of any safety guard or other device installed for the aim of ensuring employee safety.

Compensation Policies and Procedures:

On behalf of the dead, who will get compensation?

Compensation is due to a widow, a minor who is a legal son or daughter, or a widowed mother.

If the deceased's family is entirely reliant on the employee's wages at the time of his death, or if a son or daughter has reached the age of eighteen

A widowed man

A parent who isn't the bereaved mother

If married and a minor, or if widowed and a minor, an illegitimate son, an unmarried illegitimate daughter, or a daughter legitimate or illegitimate or adopted

If a minor, a minor brother, an unmarried sister, or a widowed sister

A daughter-in-law who is widowed

A minor son of a dead father

A minor child of a predeceased daughter who has no living parents, or

If none of the employee's parents are living, a paternal grandparent.

Principles Governing Compensation

Who will be receiving the compensation on behalf of the deceased?

A widow or a minor who is a legitimate son or unmarried daughter or a widowed mother is entitled to compensation;

If the family of the deceased is wholly dependant on the earnings of the employee at the time of his death or a son or daughter who has attained the age of eighteen years;

A widower;

A parent other than a widowed mother;

A minor illegitimate son, an unmarried illegitimate daughter or a daughter legitimate or illegitimate or adopted if married and a minor or if widowed and a minor;

✚ A minor brother or an unmarried sister or a widowed sister if a minor;

✚ A widowed daughter-in-law;

✚ A minor child of a predeceased son;

✚ A minor child of a predeceased daughter where no parent of the child is alive, or;

✚ A paternal grandparent if no parent of the employee is alive.

Employee's Provident Funds (E PF) and Miscellaneous Provisions Act, 1952

Introduction

Employees' Provident Funds (EPF) And Miscellaneous Provisions Act, 1952 is an important piece of Labour Welfare Legislation which was enacted by the Parliament of India to provide social security benefits to the workers of industries. It is implemented by the Employees Provident Fund Organisation. Presently, the act and the schemes framed thereunder provide for three types of benefits:

- Contributory provident fund.
- Pensionary benefits to the Employees or the family members of the employee.
- Insurance cover to the members of the provident fund.

Therefore, we can say that there are three schemes framed under this act.

Historical Background:

Initially this Act was known as The Provident Fund Act, 1952. This Act is implemented by Employees Provident Fund Organisation of India. This organization have a mission to provide security in terms of old age income. The Employees Provident Fund bill was passed by both the houses of the Parliament which is Rajya Sabha and the Lok Sabha and received the assent of the President on 4th March ,1952. From 1st August 1976, the nomenclature of the Act was changed as Employees' Provident Funds (EPF) And Miscellaneous Provisions Act, 1952. Employees' Provident Funds (EPF) And Miscellaneous Provisions Act, 1952 has been amended 15 times.

Extent of this Act

The provisions of Employees' Provident Funds (EPF) And Miscellaneous Provisions Act, 1952 extended to whole of India except the state of Jammu and Kashmir and also the State of Sikkim where it has not been notified so far after its annexation with the Union of India.

Objectives behind the enactment of this Act

Following are the objectives which are kept in mind before the promulgation of Employees' Provident Funds (EPF) And Miscellaneous Provisions Act, 1952:

- ✚ To provide security to the industrial worker after his retirement.
- ✚ ✚ To provide money to the dependents of industrial worker after early death.
- ✚ To provide a kind of social security to the industrial workers. To provide the retirement and old age benefits.
- ✚ To provide risk free deposit acceleration .
- ✚ It also inculcate healthy habit of saving.

Nature and Scope

Employees' Provident Funds (EPF) And Miscellaneous Provisions Act, 1952 is beneficial to the employees working in factories and many other establishments. This Act applies to each and every kind of factory which is engaged in any industry specified in Schedule and other establishments which employ twenty or more workman. Employees' Provident Funds (EPF) And Miscellaneous Provisions Act, 1952 does not apply to any factory or any establishment which is registered under Co-operative Societies Act, 1912 or any other statutory law relating to Cooperative Societies engaging less than 50 persons and working without the aid of power. Central Government has the discretionary power to extend the Act to nonfactory units or establishments.

Applicability of this Act

- This act applies to every establishment with less than 20 employees (5 or more in case of cinema) is eligible to opt for PF registration to protect employee's benefits. However, it is mandatory for Companies with more than 20 employees to register themselves under EPFS.
- Once a company is covered under the Employees Provident Funds (EPF) And Miscellaneous Provisions Act, 1952, then if its employee strength drops below 20, it will still be covered.

Conditions for applicability

According to Employees' Provident Funds (EPF) And Miscellaneous Provisions Act, 1952 there are following conditions to be fulfilled for activating the applicability:

- There must be a manufacturing process carried.
 - Industry must be engaged in manufacture of any products listed under Schedule.
 - In industry or an establishment there must be 20 persons to be employed in.

Not applied to certain organisations-

Under section 16 of Employees' Provident Funds (EPF) And Miscellaneous Provisions Act, 1952 does not apply to the following:

- Cooperative societies which is employed with less than 50 persons and working without the aid of power.
- Voluntary organizations engaged in leprosy eradication programmes.

Administration

Employees' Provident Funds (EPF) And Miscellaneous Provisions Act, 1952 is administered by Central Board of trustees. The Chief executive officer of Employees PF organization is the Provident Commissioner who act as head of this organization.

Membership

- Employees withdrawing not exceeding Rs. 6500 per month are eligible for the membership of the provident fund.
- Every employee who is in connection with the work of a factory or the establishment result required to become a member of the provident fund from the date of his joining to the factory or an establishment.

Key components of this Act

1. Employee Provident Fund , 1952 This scheme guarantees the promotion of retirement savings.
2. Employee Pension Scheme, 1995 (EPS): This scheme guarantees to provide post retirement pension.
3. Employee Deposit Linked Insurance Scheme, 1976 (EDLI): On the other hand, this scheme provides life insurance to family members in case of members sudden death.

Contribution

Statutory rate of contribution to the provident fund by the employees and employers is 10% of the pay of the employees. The wages include basic wage, DA, including cash value of food concession and retaining allowance if there is any. Central government have a discretionary power to enhance this rate to 12%. These contributions after paying advances and final withdrawals are to be invested in government securities, negotiable securities or bonds, national saving certificates.

Withdrawal rules

Employees' Provident fund can be withdrawn by the member to his credit in the fund in the following situations:

At the time of retirement from the service after attaining the age of 55. At the retirement period on account of permanent or total incapacity.

At the time of migration from India for permanent settlement in abroad. At the time of termination of service in course of miss retrenchment.

Nomination criteria

1. For the nomination purpose a separate nomination form shall be filled in duplicate and one copy duly accepted by the PF office be maintained by the member.
2. If in case there is no nomination whole amount shall be paid to the members of the family in equal share except:
 - Sons (majors). ◦ Sons of deceased son who is major.
 - Married daughters whose husbands are alive. ◦ Married daughters of deceased son whose husband are alive.

Obligations for employers

There are various obligations for the employers that are listed below:

- Arranging to pay the employers and employees contribution with administrative and inspection charges.
- Maintaining accounts contributed by employer and his employees.
- Furnishing of particulars regarding the owners, occupiers, directors, managers, partners or any other persons who have ultimate control over the factory or an establishment.
- Transferring the amount of accumulated contribution to the credit of the employee of an exempted establishment if he leaves and obtained reemployment.

- Submission of consolidated report within 3 months to the RPFC. Implementing of directions issued by the Central Board of trustees.
- Submission of a statement of every contractor within last 7 days of every month.

Obligation for employees

- ✚ Providing Information for Employees particulars about himself or nominee as required by the Provident Fund Organization.
- ✚ Informing the employer in writing at the time of employment whether he is a member of provident fund or not.

Benefits

Following are the benefits attained under this act: Superannuation on attaining the age of 58.

Benefit at the time of retirement.

Benefits at the time of permanent total disablement.

Benefit situation when the death occurs after the retirement.

Benefit of children pension to the beneficiaries of employees.

Benefits of orphan pension to the beneficiaries of employees.

Penalties

- Under Section 14 of Employees' Provident Funds (EPF) And Miscellaneous Provisions Act, 1952 the penalties are governed.
- Section 406 and Section 409 of Indian penal code also relates to the penalties.
 - A suit can be filed for the revenue under Revenue Recovery Act.

Payment of Wages Act 1936

payment of Wages Act 1936

The Payment of Wages Act 1936 regulates payment of wages to employees (direct and indirect). The act is intended to be a remedy against unauthorized deductions made by employer and/or unjustified delay in payment of wages. The main objective for the introduction of the Payment of Wages Act, 1936, is to avoid unnecessary delay in the payment of wages and to prevent unauthorized deductions from the wages.

Purpose of Payment of Wages Act 1936

The main objective of the Act is to avoid unnecessary delay in the payment of wages and to prevent unauthorized deductions from the wages. Every person employed in any factory, upon any railway or through sub-contractor in a railway and a person employed in an industrial or other establishment. The State Government may by notification extend the provisions to any class of persons employed in any establishment or class of establishment. The benefit of the Act prescribes for the regular and timely payment of wages (on or before 7th day or 10th day of after wage period is greater than 1000 workers) and Preventing unauthorized deductions being made from wages and arbitrary fines.

Section 2 of the Payment of Wages Act, 1936 offers the definition of wages and many other important terms as follows:

Appropriate Government

According to section 2(i) of the Act, Appropriate Government means:

The Central Government in relation to railways, air transport service, mines, and oilfields

The State Government in relation to all other cases

Employed Person

According to section 2(ia) of the Act, an employed person also includes the legal representative of the deceased employed person.

Employer

According to section 2(ib) of the Act, an employer also includes the legal representative of the deceased employer.

Factory

According to section 2(ic) of the Act, a factory means a factory which the clause (m) of Section 2 of the Factories Act, 1948 (63 of 1948) defines. Further, it includes any place to which the provisions of the Act have been applied under sub-section (1) of Section 85 thereof.

Industrial or Other Establishment

According to section 2(ii) of the Act, an Industrial or Other Establishment means any:

A motor transport service or tramway service which carries passengers or goods or both by road for hire or reward;

Air transport service other than that belonging to or exclusively employed in the military, naval, or air forces of the Union or the Civil Aviation Department of the Government of India.

Jetty or dock wharf

A mechanically propelled inland vessel

Mine, quarry, or oil-field

Plantation

Workshop or any other establishment which produces or manufactures articles or adapts them for their use, transport, or sale.

An establishment which carries on any work relating to the construction, development, or maintenance of buildings, roads, bridges or canals. Also, establishments having operations connected with navigation, irrigation, or supply of water, or generation, transmission, and distribution of electricity.

The Central or State Government might include any other establishment or class of establishments for the protection of the employees under the Act.

Mine

According to section 2(ii)(a) of the Act, a Mine has the meaning that clause (j) of sub-section (1) of

Section 2 of the Mines Act, 1952 (35 of 1952) assigns to it.

Plantation

According to section 2(iii) of the Act, a Plantation means „Plantation“ defined under clause (f) of Section 2 of the Plantations Labour Act, 1951 (69 of 1951).

Prescribed

According to section 2(iv) of the Act, prescribed means prescribed by the rules made under this Act.

Railway Administration

According to section 2(v) of the Act, Railway Administration has the meaning that clause (32) of Section 2 of the Indian Railways Act, 1889 assigns to it.

Wages

According to section 2(vi) of the Act, wages mean all remunerations expressed in terms of money or are capable of being so expressed.

These are either by way of salary allowances or otherwise. Further, the remunerations are payable to the person employed on the fulfillment of the terms of employment, express or implied. These remunerations include:

Inclusions in Wages

Any amount which is payable under any award or settlement between the parties or an order of the court.

Amounts that the employee is entitled to with respect to working overtime or on holidays or any leave period.

Any additional remuneration as per the terms of employment – bonus, incentive, etc.

The sum of money that the employee must receive due to the termination of his employment. Further, this sum is either payable under law or contract or instrument which specifies the payment of such a sum. Also, this may or may not include deductions. It also does not specify the time within which the firm needs to make the payment.

Any sum to which the employee is entitled under any scheme that is framed under any law in force.

However, it does not include:

Any bonus which does not form a part of the remuneration payable under the terms of employment. Or, a bonus which is not payable under any award or settlement between parties or an order of a court.

The value of any house accommodation or the supply of water, light, medical attendance or any service which is excluded from the computation of wages under an order of the Government.

The employer's contribution to any pension or provident fund and also the interest accrued thereon. Any traveling allowance or traveling concessions

Any sum that the employee receives to defray special expenses due to the nature of his employment

Gratuity was payable on the termination of employment in cases other than those specified in sub-clause

(d). Deductions which may be made from wages

At the time of payment of the wage to employees, employer should make deductions according to this act only. Employer should not make deductions as he like. Every amount paid by the employee to his employer is called as deductions.

The following are not called as the deduction Stoppage of the increment of employee.

Stoppage of the promotion of the employee.

Stoppage of the incentive lack of performance by employee. Demotion of the employee

Suspension of the employee

The above said actions taken by the employer should have good and sufficient cause.

Minimum Wages Act, 1948

Minimum Wages Act 1948 came into force in India when India had recently gained its freedom. Labor laws made by the Britishers were exploitative in nature. Wages were low and different in every part of the country.

There was no such thing as “Minimum Wages” and times were pretty bad for sweat labor.

Minimum Wages Act 1948

It came to bring equality and justice to the blue-collar people. Pay fixing experts were guided by the standards recommended by the Fair Wage Committee in the settlement of issues identifying with wage problems in organized industries.

The Fair Wage committee explained the core of minimum wages, but they didn’t say how to evaluate the minimum wage. The 15th session of the Indian Labor Conference explained the necessary physical requirements and health maintenance of the labors.

Scope and Objective of the Minimum Wages Act

- ✚ To safeguard that the employee has a basic physical necessity, proper health, and comfort. Ensure that the labor gets fair wages.
- ✚ To ensure that the labor lives a decent life and have a respectable name in society.

Criteria for Fixing Minimum Wages

According to section 3 of the Minimum Wages Act 1948 “The Appropriate Government” will fix minimum wages. Appropriate Government can include local, State and Central Government. This section sets the rate according to hours, days, months or any other wage period may be prescribed.

The rates to be fixed need not be uniform. Diverse rates can be fixed for various zones or areas. If the wages are fixed according to section 4 of the Payment of the Wages Act, 1936, the fixing will be done according to the Act.

Minimum Wages are fixed according to the following criteria

Time Rate – The minimum rate is fixed according to the duration of the work done by the labor.

Piece Rate – Here the minimum wage is fixed by the total number of pieces manufactured in the factory. **Overtime Rate** – Here the minimum rate is fixed by the overtime done by the labor regardless of the time or piece rate.

Wage Committee

A wage committee shall be formed by the appropriate government, which shall consist of members from both the employer and employee side. Therefore, an independent person with having no interest in the employment scheme shall be appointed as the chairman of the wage committee. The appointment process in the Minimum Wages Act is made in this way so that there is no scope of discrimination to the labors.

Advisory Board

Section 7 of the Minimum Wages Act, the Advisory Board, which proposes recommendations and changes to be brought in labor laws. The advisory board proposes a recommendation to the State and Central Government in fixing the minimum wages.

According to Section 9 of the Act, it talks about the appointment of committees and subcommittees. The included members are:

A person appointed by the Appropriate Government.

Employers and employees, who belong to the scheduled employment and they shall be equal in number.

Independent persons and they shall not exceed one-third of the total number of members. An independent person will be appointed as chairman of the committee.

Wages in Kind

Section 11 says that the wages shall be paid in cash. If somewhere, the payment is done either wholly or partly and if it is a customary process, then in that the case, the government through a notification in the official gazette shall enforce the payment partly or wholly.

Consequences of Non – Compliance

Non- compliance of the Minimum wages act, i.e not paying minimum wages is a culpable offense. Hence, violation of fixing hours also attracts the penal provision.

Imprisonment up to 5 years and a fine up to 10,000 is the maximum punishment that can be awarded. Section

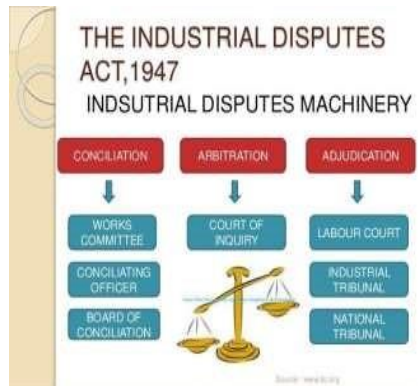
22 of the Act defines the sanctions.

Indian Industrial Disputes Act, 1947

Industrial disputes are collective dissent and protest against the terms and conditions of employment and work. In the Industrial Disputes Act, 1947, an Industrial dispute means “Difference between employer and employer or between employer and workmen or between workmen and workmen, or any dispute among these which are related to the employment or non-employment or terms and conditions of employment of any person”. Practically, Industrial dispute primarily refers to the disengagement between employers and

their employees. It is not a personal dispute of any one person. It engages a large number of workers' association having a correlated interest.

Institution for settlement of Industrial Disputes Conciliation:



- ✦ It refers to the process in which representatives of employees and employers come together to a third party in a view to discuss the dispute and reconcile their differences and conclude to an agreement by mutual consent.
- ✦ In this process the third party known as a facilitator. In this type of dispute, the state intervenes for the settlement process. This act gives power to the Central & State governments in order to appoint an officer known as conciliation officer and board for conciliation whenever circumstance needed. The duties of a conciliation officer are:
 To conduct proceedings of conciliation in a view to conclude the settlement between concerned parties amicably.
 Send the settlement report and a memorandum to the appropriate government.
 Send a report to the government regarding what steps taken by him in case the process of settlement does not come to an end.
 However, the officer for conciliation cannot force for a settlement. He can only request and support the parties to conclude an agreement. The Industrial Disputes Act restricts strikes and deadlocks during the ongoing proceedings of conciliation.



Arbitration: It is a process where a neutral third party hears to the parties in disputes, gather the information regarding the dispute, and then come to conclusion and decide the matter which is binding on both the parties.

The difference between both the officers as, conciliator only assists the parties to conclude to a settlement, whereas the arbitrator hears to both the parties and then passed his judgment.

Pros and cons of Arbitration in Industrial Disputes

☐ **National Tribunal**

The central government may, by notification in the official Gazette, constitute one or more National Tribunals for the adjudication of Industrial Disputes in:

☐ **National matters.**

Matters in which industries are more than one state, or are affected by the outcome of the dispute. The duty of the National Tribunal to hold its proceedings fast and submit its report to the central government within the specified time given.

Industrial Employment (Standing Orders) Act 1946

In an earlier era, India didn't really have as many laws connected with suitable employment and labour practices, as it does now. As a result, workers did not have uniformity in their service conditions as enforced by the standing orders act. This led to a lot of disruptions, friction and productivity loss between these workers and their bosses – and this was seen mostly in the industrial undertakings involving heavy workloads and multiple employees. Here, in Standing Order Act topic, we take a closer look at every clause, various aspects of this act.

Introduction

The Labour Committee 1944- 1946 was created and they immediately spotted the key cause of issues. There was a lack of understanding, on part of the employees, about employment conditions. This committee maintained that the workers had a right to know all terms and conditions related to their work and employment.

They even wanted a distinct central law that made it obligatory for employers to frame and approve employment conditions and get them enforceable by law. The Industrial Employment (Standing Order) Act 1946 and this order act lists out laws governing the contract as devised, duly signed and eventually terminated by either party.

Objective of Standing Order Act

- ✚ Starting with the very objective the Standing Orders Act, out of which there are three. The first objective states that the act is to provide regular standing orders for factories, workers and the main professional or working relationship.

- ✚ The second aim is to ensure that all employees recognize their employment terms and conditions they are expected to follow or adhere to. This is to help minimize the exploitation of workers against their will and knowledge. The third objective states that it also supports the promotion of industrial peace and harmony by supporting fair industrial practices.
- ✚ Next, it tells employers the procedure for getting standing orders certified. If they fall under the Industrial Employment (standing order) Act, they are expected to register themselves by giving in five draft copies of those standing orders.
- ✚ The documents are sent to the certifying officers as appointed by the government, such as a regional labour commissioner for assessment. The assessment and final certification of those standing orders is successful provided when they have all of the following details.

Classification of all workers into categories like temporary, probation, permanent, etc.

The method through which workmen are informed about holidays, working hours, shift working, temporary suspensions of work. Notice periods and other provisions regarding the termination of employment.

All actions and inaction that are to be treated as misconduct and consequences for said faults. Grievance redressal procedure in cases of unfair treatment by the employer.

Attendance system to be followed by all employees. Workmen information and records.

The process followed for obtaining an accumulation of leaves, leave encashment Employment termination as issued by employer and employees and notice thereof. How the Standing Order Act affects Labour terms.

These objectives lie at the very core of the Standing Order Act and determine the direction in which all clauses go. The Act applies to all legal industrial establishments that have employed 100 or more employees, as defined in Section 1 (3). And, under Section 2 (i), the word „industrial establishments“ applies to all that have been listed below.

✚ The Railway Industry

✚ Industrial Establishments as mentioned in Section 2 (i) of the Payment of Wages Act.

✚ Factories, as defined in Section 2 (m) of the Factories Act.

✚ Establishment of contractors, who employ workers for completing the contract of a person who owns an

✚ Industrial Establishment, as per Section 2(e)

✚ Worker as given in the Industrial Disputes Act, Section 2 (s). According to Section 2 (i), the term worker is applied to all manual, clerical, skilled and unskilled trades.

It doesn't include those people who have been employed in administrative, supervisory or managerial capacities or those people who are subject to the Army Act, Air Force Act, Navy Act, prison services and police.

Trade Union Act, 1926

A trade union is an association which consists of workers who endeavor to help laborers in issues identifying with fairness in pay, long working hours, a good working environment and other advantages that they ought to be qualified for rather than their work. These organizations act as a link between the employers and the employees. Prior to the development of industrialization on an enormous scale, there was a personal agreement between the workers and managers. In this way, there was no need for the advancement of any machinery overseeing the relationship between the laborer and managers.

But as soon as the modern factory system was established, the relationship lost its significance due to massive-scale industrialization which lured employers to decrease the cost of production, in order to withstand the ferocious rivalry in the market and maximize their profit by utilizing a more technologically complex mode of production which brought about the ascent of another class of laborers who were totally depended on their wages for their endurance. This changed the existing employer and employee relation where workers were abused and exploited by their managers. The irreconcilable situation among laborers and managers, and the distress of the laborers brought about the development of different trade unions.

HISTORY OF TRADE UNION IN INDIA

In India, the trade unions have evolved into a significant platform for setting up the requests of the laborers. They have likewise transformed into one of the most persuasive pressure groups and try to influence the Government to frame the legislation which is in favor of the workers without trying to become a part of the Government. Trade Unionism took its solid shape after the end of the First World War. The requirement for an organized trade union was acknowledged in 1875 by several social workers like Shri Sorabji Shapaji Bengali and Shri N.M. Lokhande whose endeavors brought about the development of trade unions like The Printer Union of Calcutta (1905), The Bombay Postal Union (1907), etc.

The first labor association of India was The Bombay Mill-Hands Association, which was founded by N.M. Lokhande in 1890. Following this, many other trade unions were formed like the Madras Labor Union, Ahmedabad Textile Laborers Association, etc.

EMERGENCE OF THE TRADE UNION LAW

Labor legislation has an impact on the evolution of industrial relations in India. The foundation of social equity has been the basis of all the labor laws in India. The foundation of the International Labor organization to elevate the state of work everywhere throughout the world gave further catalyst to the requirements for well-framed labor law-making in the nation. A few other internal factors like the Swaraj Movement of 1921- 24 and the Royal Commission on labor additionally prepared for different labor laws and furthermore energized the composers of the Constitution to include such laws in the Constitution which will profit the workers. Labor is a part of the concurrent list and therefore both the centre and state can make laws identified with it. The Trade Union Act, 1926 is one of the several labor legislations in the country.

The Trade Union Act, 1926 is associated with the registration and protection of the trade unions. Following are the objectives of the act:

- To protect the workers against exploitation by employers
- To represent the grievances of employees on behalf of them to the management
- To protect and safeguard the rights of the workers provided to them under the employment clause or labor laws.
- ✚ To increase participation for decision making
- ✚ To take disciplinary action against the workers doing in-disciplinary acts. Let us look at some important concepts covered by this act-

Trade Dispute [Section 2 (g)]– A trade dispute means any dispute between

1. Employer and employee,
2. Employee and employee,
3. Employer and employer and employers concerned with employment or not employment or the working conditions provided.

Registered Trade Unions [Section 2(e)]– A registered trade union simply means a trade union which is registered under the Trade Union Act, 1926 implementing all the clauses of the act. Some registered trade unions are- All India Trade Union Congress (AITUC), National Labor Organization (NLO), etc.

REQUIREMENTS FOR TRADE UNION REGISTRATION

Minimum 10% workmen out of total workmen's from same industry should be members of the Trade union on the date of registration

Minimum 7 workmen out of the total workmen from the industry should be members of the trade union on the date of registration

Strength of the workmen in particular industry or establishment must be at least 70 to enable them to form a trade union and get registered under the Act.

Application for registration of Trade Union should contain- [Section 5] Name of 7 persons in Trade Union

- Occupation of persons.
- Address of persons.
- Place of work of persons.
- Name of the trade Union.
- Address of the Trade Union Head office.
- Features of the registered Trade Unions [Section 13] Registered Trade Unions have Perpetual Succession. Registered Trade Unions have a common seal Registered Trade Unions can sue others.
- Registered Trade Unions can be sued by others.
- Registered Trade Unions can acquire and hold both movable and immovable property

RIGHTS AND LIABILITIES OF REGISTERED TRADE UNIONS

A registered trade Union has the right to maintain a General Fund and a separate Political Fund. General

Fund and its Objectives [Section 15]

Payment of salaries and allowances

Payments of expenses for administration of Union including expenses spend on defending any legal proceeding by or against the union.

Settlement of Trade Disputes

Expenditure on Trade Union member for death, sickness or accidents. Providing educational, social, religious benefits to Trade Union members. For any other unlikely uses of General Funds by Trade unions except the general-purpose use.

Political Funds and its Objectives [Section 16]

Electoral meeting for the distribution of any document or literature supporting Electoral Candidate which might be a local authority or a member of legislative body according to the constitution.

For Political Meeting or distribution of Political Literature or document of any kind. For maintenance of a member of the legislative body according to the constitution. **No workmen are obligated for contributing in political fund.**

Non Payment or Payment of political fund can't be considered as an important condition for Trade Union Membership.

Trade Union Act, 1926 is a government-assisted enactment which has been created to safeguard the laborers in both organized and unorganized sectors from barbaric treatment and to protect their human rights. As such the enactment contains the arrangements for the registration, regulation, benefits, and protection of the trade unions which, therefore, benefits the laborers.

TRADE UNIONS

The term, trade union has been defined variously by different authors. Some view that there are only associations of employees or persons working in the industry and wage earners engaged in one or more professions, undertaking or while others view that these also include employers organization and friendly societies.

According to G.D.H. Cole, a trade union means an association of workers in one or more professions an association carried on mainly for the purpose of protecting and advancing the members economic interest in connection with their daily work.

Dale Yoder defined a trade union as a continuing long term association of employees, formed and maintained for the specific purpose of advancing and protecting the interest of the members in their working relationship.

According to S.D. Punekar, a union is a continuous association of persons in the industry-whether employer or independents workers-formed primarily for the purpose of the pursuit of the interest of its members of the trade they reprint.

Tanzanian Trade Unions act, 1926, defined trade union as any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, between employers and employees or for imposing restrictive conditions on the conduct of any trade or business and include any federation of two or more trade unions.

Why do workers Join Trade Unions?

Workers join trade unions to achieve their objectives which they could not achieve individually.

Specifically, workers join trade unions due to the following reasons;

- i. To attain economic security. In other word securing permanent employment with higher salaries and benefit in order to have economic security.
- ii. To improve their bargaining power and balance it with that of the management. Workers would like to restrain or resist the management irrational, illogical and discriminatory actions. Workers can resist the management by improving their bargaining power which in turn requires joining in trade unions. Management decision regarding promotions, transfers, work assignment, grievances, and disciplinary issues can be challenged by a group of workers rather than any individual worker.
- iii. To ventilate the workers grievances to the management
- iv. To inform workers views, aims, ideas and dissatisfaction to the management.
- v. To secure protection from unexpected economic needs like illness, accidents, injury.
- vi. To satisfy their social needs.
- vii. Satisfy their psychological needs. viii. To satisfy their needs for belongingness and secure power.

Characteristics of Trade Union

An analysis of the above definitions on trade unions reveals the following characteristics of trade unions;

- The trade union may be associations `either of the employers or employees or independent workers.

- Trade unions are relatively permanent combination of workers and are not temporary or casual.
- Trade unions are an association of workers who are engaged in securing economic benefits for their members.
- The character of trade unions has been constantly changing.
- The origin and growth of trade unions has been influenced by a number of ideologies.

FUNCTIONS AND ROLE OF TRADE UNIONS

The basic functions of unions are to protect and promote the interest of the workers and conditions of their employment. The other factors are;

- Achieving higher wages and better workings and living conditions for the members.
- Acquiring the control of industry by workers.
- Minimizing the haplessness of the individual workers by making them stand collectively and increasing their resistance power through collective bargaining, protecting the members against victimization and injustices of the employers.
- Raising the status of the workers as partners of the industry and citizens of society by demanding increasing share for the workers in the management of industrial enterprises.
- Providing worker self-confidence and a feeling that he is not simply a clog in the machine.
- Imbibing sincerity and discipline in workers.
- Taking up welfare measures for improving the morale of the workers.
- To protect the right to be consulted on all the matters affecting the workers interest.

The National Commission on Labor has pointed out the following basic functions in which trade unions have to pay greater attention;

- To secure for workers fair wages.
- To safeguard security of tenure and improving conditions of service.
- To enlarge opportunities for promotion and training.
- To improve working and living conditions.
- To provide for educational, cultural and recreational facilities.

- To cooperate in and facilitate technological advance by broadening the understanding of workers on its underlying issues.
- To promote identity of interest of the workers with their industry.
- To offer responsive cooperation in improving levels of production and productivity, discipline and high standards of quality.
- To promote individual and collective welfare.
- Besides these functions of the trade unions, the commission also entrusted the following responsibilities upon the trade unions;
- Promotion of national integration.
- Generally influencing the socio-economic policies of the community through active participation in their formulation at various levels.
- Instilling in their members a sense of responsibility towards the industry and the community.

The functions of trade unions can be divided into four categories:

- Militant or protective or intra-mural functions: these functions include protecting the workers interest i.e. hike in wages, providing more benefit, job security etc, through collective bargaining and direct action such as strikes.
- Social functions: these functions include carrying out social service activities, discharging social responsibilities through various sections of the society like educating the customers.
- Political functions: these functions include affiliating a union in political party, helping the political party in enrolling members, collecting donations, canvassing during the election period, seeking the help of political parties during the strikes and lock-outs.
- Fraternal-or extra-mural function: these functions include providing financial and non-financial assistance to workers during the periods of strikes, extension of medical facilities during sickness and casualties, provision of education, recreation and housing facilities, provision of social and religious benefits.
- Ancillary functions: these functions include;
- Communication: trade unions communicate its activities decisions and programs to its members through publications of news letter or magazines.
- Welfare activities: trade unions undertake welfare activities like acquiring of house sites, construction of houses, and establishment of co-operative housing schemes, co-operative credit societies, and organizing training facilities.
- Education: trade unions provide educational facilities to its members and their family members.
- Research: trade unions arrange to conduct research programs. They systematically collect and analyses data and information for collective bargaining, preparing of notes for union officials, for court cases etc.