

Unit- 1

1. What is Industrial Relation? Explain objectives & significance of Industrial Relations.

Ans: The relation between management and workers in industry is called Industrial Relation.

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.

Significance 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.

2. Explain objectives of Trade Unions

Ans: A trade union is an organisation made up of members (a membership-based organisation) and its membership must be made up mainly of workers.

One of a trade union's main *aims* is to protect and advance the interests of its members in the workplace.

Most trade unions are independent of any employer.

Objectives of Trade Unions

Their members form a trade union in HRM. Their primary function is to protect and promote the interests of primary function is to protect the interests of workers against discrimination and unfair trade practices. These are the main objectives of Trade Unions to achieve the following:

1. Representation

Trade union in HRM represents individual workers when they have problems at work. If an employee feels he is being unfairly treated, he can ask the union representative to help resolve the difficulty with the manager or employer. Unions also offer their members legal representation.

2. Negotiation

Negotiation is where union representatives discuss the issue affecting people working in the organization with management. There may be a difference of opinion between management and union members. Trade union in HRM negotiates with the employers to find a solution to these differences.

3. Wages & Salaries

The subject which drew the significant attention of the trade unions is Wage & Salaries. Of course, this item may be related to policy matters. However, differences may arise in the process of their implementation. In the case of the unorganized sector, the trade unions play a crucial role in bargaining the pay scale.

4. Working Conditions

Trade union in HRM, to safeguard the health of workers, demands the management provide basic facilities such as lighting and ventilation, sanitation, restrooms, and safety equipment. Also,

while discharging hazardous duties, drinking, refreshment, minimum working hours, leave & rest, holidays with pay, job satisfaction, social security benefits & other welfare measures.

5. Discipline

Trade union human resource management not only conducts negotiations concerning items. It is concerned that employers will improve the working conditions. But also protects the workers from the clutches of management's unilateral acts and disciplinary policies.

6. Voice in decisions affecting workers

The economic security of the employees is determined not only by the level of wages & duration of the employment. But also by the management's personnel policies which include the selection of employees for layoffs, retrenchment, promotion, and transfer. These policies directly affect workers. The evaluation criteria for such divisions may not be fair. So, the intervention of unions in such decision-making is a way through which workers can have their say in the decision-making to safeguard their interests.

7. Member Services

During the last few years, trade union in human resource management has increased the range of services they offer their members. These include:

- A. **Education & training:** Most unions run training courses for their members on employment sights, health & safety, and other issues. Some unions also help members who have left school with little Education by offering courses on basic skills & courses leading to professional qualifications.

B. **Legal Assistance:** As well as offering legal advice on employment issues, some unions help with personal matters like housing, wills, and debt.

C. **Financial Discounts:** People can get discounts on mortgages, insurance, and loans from the unions.

D. **Welfare Benefits:** One of the earliest functions of trade unions was to look after members who hit hard times. Some of the older associations offer financial help to their members when they are sick or unemployed.

Unit- 2

3. What is Industrial dispute? Explain causes, handling and settling of industrial disputes.

Ans: According to Section 2(k) of the **Industrial Disputes Act, 1947** “industrial dispute” is defined as, “Any disputes or differences between employers and employees, or between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment or the terms of employment or with the conditions of labour, of any person”.

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.

4. What is employee grievance? Explain steps in grievance handling.

Ans: Employee grievance refers to the discontentment of an employee with the corporate and its management.



Steps in grievance handling:

Grievance handling is the management of employee dissatisfaction or complaints (e.g. favouritism, workplace harassment, or wage cuts). By establishing formal grievance handling procedures, you provide a safe environment for your employees to raise their concerns.

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.

Unit – III

5. Explain Workers Participation In Management

Ans: Workers Participation

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:

6. Explain Joint Management Councils (JMC).

Ans: Joint Management Councils (JMC):

An idea to form the Joint Management Councils was developed in a labor management co-operation 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.

Unit – IV

7. What is Industrial Conflict? Explain causes and prevention steps of industrial conflicts.

Ans: A term **Industrial Conflict** refers to all expressions of dissatisfaction within the employment relationship, especially those

pertaining to the employment contract, and the effort bargain.

1.3 Causes of Industrial Conflict

Economical factor:

- ✚ **Demand for higher wages:** Need for the money, forces the workers to demand more wages to meet their needs and increase their standards of living. This brings them into conflict with their employers who are never willing to pay more wages to workers
- ✚ **Demand for allowances and bonus:** Increase in cost of living was the main cause of the demand of certain allowance, such as dearness allowances, house allowances, nightshift allowances by the workers.
- ✚ **High industrial profits:** In the changing world, concept of labor has changed significantly. At the present, employers considered themselves as the partner of the industry and demand their share in the profit

Non –economic factor

- ✚ **Working condition & hours:** The working condition in Indian industries is not hygienic working hours are also greater. The demand or pleasant working conditions and shorter hours of work let to labor disputes.
- ✚ **Modernization and automation of plant & machinery:** The attempt at modernization and introduction of automatic machinery to replace labor has been the major cause of disputes in India.
- ✚ **Personnel causes:** Sometimes industrial disputes arise because of personal problems like dismissal, retrenchment, layoff, transfer and promotion etc.
- ✚ **Political causes:** Various political parties control trade unions in India. In many cases, their leadership in the hands of persons who are more interested in achieving the political interest rather than the interest of the workers.
- ✚ **Indiscipline:** Industrial disputes also take place because of indiscipline and violation on

the part of the work force,

- ✚ **Non-Reorganization of trade unions:** The employers usually do not like the nosiness by trade unions. They do not recognize them. This brings the workers into conflict with their employers,
- ✚ **Miscellaneous causes:** Behaviour of supervisors, lack of proper communication between management and workers.

Management practices:

- ✚ **Unfair labor practices:** A management unwillingness to recognize a particular trade union. To show partiality to one set of workers. Failure to implement the agreement
- ✚ **Ineffective supervision:** If the supervisors are not effective and well behaved, the treat
- ✚ the workers in servant relationships

Trade union practices

- ✚ **Union opposition:** There is a problem of multiplicity of trade unions in India. The result is that any settlement arrived at between the management and a union is opposed by other unions, it leads to problems and disputes.
- ✚ **Non – cooperative approach:** Many trade unions assume that ‘what they do is right and what management does is wrong’. So they oppose all settlement

Legal and political factors

- ✚ **Multiplicity of labor laws:** Existence of multiple labor laws creates more confusion.
- ✚ **Political interference:** The politician politicization of trade union activities are direct interference of political parties and their workers

Prevention of Industrial Conflict

- ✚ **Prevention machinery:** The prevention machinery ensures that there are no disputes. It aims at creating an

environment in which the employees are allowed to participate and there are very less chances of conflicts

- ✚ **Negotiation:** Negotiation is one of the most common approaches used to make decisions and manage disputes.
- ✚ **Trade unions:** Strong trade unions help present industrial disputes relating to wages, benefits, job security, etc.

Joint consultations:

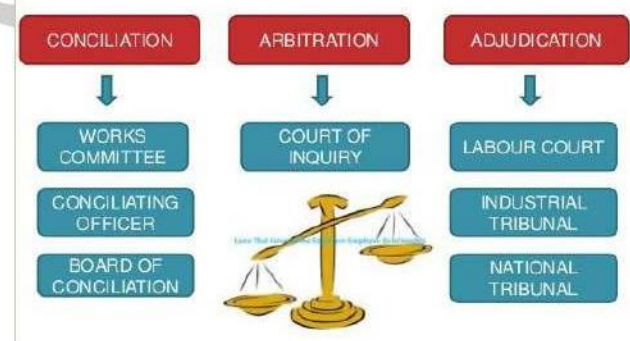
- ✚ **Works Committees:** In any industrial which consists of one hundred or more workmen are employed in the preceding twelve months, the government may, require the employer to form a works committee.
- ✚ The committee shall consist of representatives of employers and workmen engaged in the establishment. The number of representatives of workmen on the committee shall not be less than the number of representatives of the employer.
- ✚ **Standing orders:** The term “standing orders” refers to rules and regulations, which govern the condition of the employment of workers. They specify of the duties and responsibilities of both employers and employees
- ✚ **Grievance procedure:** Under the model grievance procedures, as suggested by the Indian labor conference, 1958, both the employer and the workers are expected to follow certain steps
- ✚ **Code of discipline:** The code of discipline is a set of self imposed mutually agreed voluntary principles of discipline and relations between the management and workers in the industry
- ✚ **Mediation:** - A third party, the mediator, assist the parties to negotiate the own settlement. Where all the parties agree that the mediator may do so.

8. Explain Government Machinery for Industrial Relations.

Ans: 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.

INDUSTRIAL DISPUTES MACHINERY



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

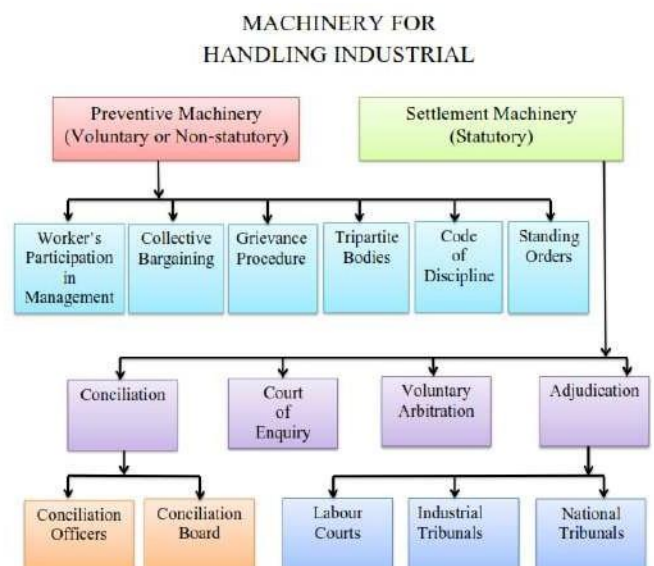
- ✦ It is established by the parties and therefore both parties have conveyed their faith in the process of arbitration.
- ✦ Nature is a flexible and informal process.

- ✦ The concept is based on mutual consent of the parties and hence, therefore, it helps for healthy industrial functions and relations.
- ✦ Delay for settlement of disputes often occurs.
- ✦ The arbitration process is expensive and all the expenses are to be incurred by both labours and the management equally.
- ✦ When the arbitrator becomes biased and if he is incompetent then the Judgment becomes arbitrary.

Adjudication of Industrial Disputes

It is the final legal option for settlement of Industrial Dispute. It means a legal authority appointed by government who intervenes in order to make a settlement which is binding on both the parties.

In other words, a settlement of an Industrial dispute by a labour court or a tribunal is mandatory. For the process of adjudication, the Act provides a piece of 3-tier machinery.



Labour Court

For the adjudication of industrial disputes relating to the specified matters in the second schedule of the act, the appropriate government may by notification constitute one or more labour court. Powers of labour courts are:

- ✦ Discharge or grant of relief to workmen who are wrongfully employed or dismissed.
- ✦ To determine the illegality of a strike or deadlocks.
- ✦ Customary concession or privileges are withdrawn by this court.
- ✦ Within the specified period the order referring to the dispute, its report is to be submitted to the appropriate government, whenever an industrial dispute adjudicating by the labour court.

Industrial Tribunal

For the adjudication of the industrial disputes, the appropriate government may, by notification constitute one or more industrial tribunals. Matters relating to the following are:

- ✦ Retrenchment of labour.
- ✦ Compensatory and other allowances and rules of the discipline in the workplace.
- ✦ If the company is in profit, then matter related to bonus and profit sharing.
- ✦ Work manual such as hours of working and interval for rest.
- ✦ Wages and provident fund of workmen.
- ✦ The duty of the Industrial Tribunal to hold its proceedings fast and submit its report to the state government within the specified time given.

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.

Unit – V

9. Explain the Workman's Compensation Act, 1923.

Ans: The Workmen Compensation Act, 1923 is an enactment that was issued by the central Government and was implemented by various State Governments which gives social security to workers. This security is offered by the law for people who work.

The Act was formed after it was noted that laborers were getting more exposed to danger with the use of advanced and sophisticated machinery. The common law had it that the employer would only take up the compensation responsibility if it is found that the industrial accident was a result of his negligence. In India, the issue of compensating workmen after fatal and major accidents hit the road in 1884. It was then in 1885 that the factory and mining inspectors realized that the Fatal Accidents Act, 1885, was not enough to attend to the intended purposes.

The State offered a hearing ear when members of the Legislative Assembly, employers' representatives, workers and experts in medicine and insurance formed a committee that gave a report that led to the enacting of the Workmen's Compensation Act in 1923.

The passing of the Act put a stop and offered a relief for workers who would have gone through court processes that are often expensive, an effort to seek compensation whenever they acquired an injury during employment.

Scope of the Act:

The Act is applicable only to those workmen working in industries as specified in the Act. The Act affords protection to a workman from losses or injury caused by accident arising out of and in

the course of employment subject to certain exceptions as laid down in the Act.

Applicability of the Act

- ✚ It applies to all employees working in mines, factories, plantations, construction establishments, oilfields, etc. Moreover, it applies to establishments which are under Schedule II of the Worker's Compensation Act.
- ✚ The act applies to persons who are working abroad or outside India as per Schedule II of the Act.
- ✚ It applies to a person recruited as the mechanic, helper, driver, etc. in connection with a motor vehicle. It also applies to a captain or members of the crew of an aircraft.
- ✚ Moreover, the act does not cover the members of armed forces of the U&W who are already under ESI (Employee State Insurance) Act.

Objective of the Workmen Compensation Act:

The Workmen's Compensation Act of 1923 was formed majorly to give compensations to workmen in the event of an accident.

The Act has it that employers should have duties and obligations that include the welfare of workers after an injury resulting from employment in the same way they have reserved the right to make profits. The Act aims to see workmen have a sustainable life after an employment-related accident.

Employer's Liability

- A. Cases where they have to pay
- ✚ Injury by accident during employment
 - ✚ Diseases in occupation
- B. Cases where they do not have to pay
- ✚ In case of any injury or damage which does not lead to the semi or total

disablement of the workers for a period exceeding 3 days.

- ✚ In case of any injury which does not result in death or permanent total disablement under the following circumstances:
 - The workman present at the time of the work under the control of drink or drugs.
 - When the worker deliberately disobeys the rule which ensures their safety.
 - Non-application of the devices which are especially for the safety of the workers.

Compensation Determination:

(A) In case of injury leading to Death

An amount equal to Fifty Percent of the monthly salaries of the dead employee multiplied by the appropriate factor or with the amount of Rs.80,000 or more.

(B) In case of injury leading to permanent total disablement

An amount equal to 60% of the monthly wages of the injured workmen multiplied by the relevant factor or an amount of 90,000 or more.

(C) In case of an injury occurring in permanent partial disablement

In this case of permanent disablement due to injury, an amount equal to the percentage of loss of earning capacity is given to the disabled.

(D) In case of injury leading to temporary disablement

According to Section 4(2), Half-monthly payments are given which is equal to 25% of the worker's compensation.

Conclusion:

The Workman Compensation Act, 1923 was formed to provide compensations for workers who acquired/acquire injuries caused by accidents in

the course of employment.

It ensures that their rights and value as labourers is maintained. Therefore employers are obligated to pay compensations to workers who got injuries that led to disablement or even death in the course of employment.

10. Explain Minimum Wages Act 1948.

Ans: Workers with a high unemployment rate in developing countries like India can be exploited by employers because of their existing low bargaining power. In such a case, the worker will earn salaries that are far below the planned amount that will result in the workforce being unable to fulfill their everyday needs.

In view of this fact, by enacting laws that forbid the payment of salaries below the subsistence level of the employee, the legislature stepped in to regulate the employer's excesses. The minimum wages 1948 Act provides the employer with the conditions necessary to pay the worker's wages.

The wages that must be received by an employee from the employer must be as provided in this Act. In this case, the wages are statutory.

Employers found the legality of the Act to have violated their constitutional rights, as enshrined in Article 19 (g) of the Constitution. The Supreme Court of India ruled, however, that the Minimum Wages Act of 1948 complied with the constitution in accordance with the principles of state policy guidelines laid down in Article 43 of the Constitution.

Minimum Wages Act 1948:

The Minimum Wages Act 1948 is a **legislative labor law that stipulates wages for both skilled and unskilled laborers in India.**

Development of the concept of minimum wage:

The living wage is specified as a level of income for a worker by the Constitution of India that can

ensure a minimum standard of living that includes good health, comfort, education, dignity and can cater for any emergency. In view of the willingness of the employer to pay, the idea of a decent wage has been introduced into the constitution, which is a standard of wage that is not only capable of keeping a certain work, but can be improved depending on the ability of the employer to pay.

The Central Consultative Committee appointed a working committee on fair wages during its November 1948 session in order to set the concept of fair wages in motion. To provide the basic needs of the employee and other requirements such as childcare, medical care and a level of comfort, this committee introduced the Minimum Wage concept.

In order to give both the central and state governments of India a degree of competence in the fixing and payment of salaries, the minimum wages Act of 1948 was implemented. Forced labour is any salary by the employee at the mandated minimum wage rate. Wage boards are responsible for annually evaluating the minimum salaries so that they can include basic necessities such as food, housing, schooling, clothes, medical care, and entertainment for the minimum needs of a family of four.

Objectives of the Minimum Wages Act:

- ✚ To ensure that the employee can have the basic
- ✚ To ensure that the employee can have the basic physical needs, good health and a level of comfort.
- ✚ To ensure a secure and adequate living wage for all laborers in the interest of the public.
- ✚ To ensure that the employee has enough to provide for his family.
- ✚ Ensuring a decent life standard that pertains to the social comfort of the

employee.

been issued by the appropriate government.

Factors considered as irrelevant in fixation of minimum wages:

The following factors are irrelevant in fixation of minimum wages:

- ✚ The fact that an employer can have business issues.
- ✚ The employer's financial skill.
- ✚ Losses that the corporation may have suffered in the intervening year.
- ✚ The employer's reluctance to purchase raw materials.
- ✚ The industrial values of the area.

The role of advisory board:

Section 7 provides that the appropriate government shall shoulder the responsibility for inaugurating an advisory board to:

- ✚ Coordinate the obligations of committees and sub-committees appointed by the government
- ✚ Inform the appropriate government on matters related to fixing and reviewing of the minimum wage.

Role of the wage committee:

The pay committee or sub-committee set up by the responsible government shall consist of an equal number of members of both workers and employers. The chairman of the committee shall be rendered an individual citizen with no direct or indirect participation in the schedule of work. Experience and expertise are the qualifications for one's committee membership.

The government has the power to consider or ignore the advice of the committee it has named. The committee's object is to advise; therefore, the government is not obliged to follow all its recommendations. Irregularities which may have existed in the committee's constitution would not affect the validity of a notice which may have
