

## Unit !

**Industrial Relations: Concept Objectives, Nature and Scope; Approaches to Industrial Relations. Trade Unions – Industrial disputes and their Resolutions. International Labor Organization: Role & Functions**

### INDUSTRIAL RELATIONS

#### Concept

Industrial relations (IR) refers to the relationship between employers, employees, and the government, and the institutions and associations through which such relationships are mediated. It encompasses the collective interactions, negotiations, and conflict resolutions between workers and management in an industrial setting.

#### Objectives

- 1 Promote Industrial Peace:** Establish harmonious relationships between employers and employees.
- 2 Improve Productivity:** Foster cooperation and motivation among workers, enhancing productivity.
- 3 Ensure Worker Welfare:** Protect workers' rights and improve their working conditions and quality of life.
- 4 Prevent Industrial Disputes:** Minimize conflicts and disputes through effective communication and negotiation.
- 5 Promote Industrial Democracy:** Encourage workers' participation in management and decision-making processes.

#### Nature and Scope

- **Bipartite Relationships:** Interaction between employers and employees.
- **Tripartite Relationships:** Involvement of the government as a regulatory authority.
- **Collective Bargaining:** Negotiation process between employers and a group of employees aimed at agreements to regulate working conditions.
- **Labor Legislation:** Laws and regulations governing industrial relations.
- **Dispute Resolution:** Mechanisms for resolving conflicts and disputes.
- **Employee Participation:** Methods for involving employees in decision-making processes.
- **Trade Union Activities:** Role and influence of trade unions in industrial relations.

## **Approaches to Industrial Relations**

1. **Unitarist Approach:** Views the organization as an integrated and harmonious whole with a common purpose. Conflict is seen as a result of poor communication and is viewed as unnecessary and avoidable.
2. **Pluralist Approach:** Recognizes the existence of different interests and the likelihood of conflicts. It emphasizes the importance of institutions like trade unions in representing the interests of workers.
3. **Marxist Approach:** Focuses on the inherent conflicts of interest between capital (employers) and labor (employees) due to the capitalist economic system. It views industrial relations as a reflection of the broader class struggle.

## **TRADE UNIONS**

**Definition:** A trade union is an organized association of workers formed to protect and promote their rights and interests.

### **Functions:**

- Represent workers in negotiations with employers.
- Advocate for better wages, working conditions, and benefits.
- Provide legal and financial assistance to members.
- Promote worker solidarity and collective action.

## **INDUSTRIAL DISPUTES AND THEIR RESOLUTIONS**

### **Industrial Disputes**

**Definition:** Conflicts or disagreements between employers and employees or between workers themselves.

### **Causes of Industrial Disputes:**

- Wage and salary issues.
- Working conditions.
- Management practices.
- Political or social issues.
- Job security concerns.

### **Resolutions**

1. **Negotiation:** Direct discussions between the parties involved to reach a mutual agreement.
2. **Mediation:** Involvement of a neutral third party to facilitate a resolution.

- 3. Conciliation:** A process by which a conciliator helps the parties to settle their differences.
- 4. Arbitration:** A binding resolution process where an arbitrator makes a decision based on the evidence presented.
- 5. Adjudication:** Referring disputes to an industrial tribunal or labor court for a final decision.

## **INTERNATIONAL LABOR ORGANIZATION (ILO)**

### **Role and Functions**

**Establishment:** Founded in 1919, the ILO is a United Nations agency that sets international labor standards and promotes social protection and work opportunities for all.

### **Objectives:**

- Promote rights at work.
- Encourage decent employment opportunities.
- Enhance social protection.
- Strengthen dialogue on work-related issues.

### **Functions**

- 1. Standard Setting:** Develops international labor standards in the form of conventions and recommendations.
- 2. Technical Assistance:** Provides expert advice and support to member countries on labor issues.
- 3. Research and Publications:** Conducts research and disseminates information on labor and employment issues.
- 4. Training and Education:** Offers training programs and workshops to improve labor administration and practices.
- 5. Promoting Social Dialogue:** Encourages dialogue among governments, employers, and workers to address labor issues collaboratively.

The ILO plays a crucial role in shaping labor policies and practices globally, promoting fair and just labor standards to ensure decent work for all.

## UNIT - II

**Workers participation in Management – Works Committee, Joint Management Councils, Pre-Requisite for successful participation, Collective Bargaining – Form, process and Role of Government in Collective Bargaining.**

### WORKERS PARTICIPATION IN MANAGEMENT

#### Concept

Workers' participation in management (WPM) refers to the involvement of workers in the decision-making processes of an organization. This participation aims to improve communication, boost morale, enhance productivity, and foster a sense of ownership among employees.

#### Objectives

- 1. Enhance Organizational Efficiency:** Utilize the knowledge and expertise of employees to improve decision-making.
- 2. Promote Industrial Democracy:** Involve employees in the management process to democratize the workplace.
- 3. Reduce Industrial Conflicts:** Foster better understanding and cooperation between management and workers.
- 4. Improve Job Satisfaction:** Enhance employees' sense of belonging and satisfaction through active participation.

#### Mechanisms of Workers Participation in Management

##### 1. Works Committees:

**Definition:** A statutory body formed under the Industrial Disputes Act, 1947, consisting of representatives from both management and workers.

**Function:** Discuss and resolve day-to-day operational issues and maintain harmonious relations between workers and management.

##### 2. Joint Management Councils (JMCs):

**Definition:** A voluntary body comprising representatives of both management and workers.

**Function:** Involved in broader aspects of management like planning, welfare measures, and implementation of policies.

#### Pre-Requisites for Successful Participation

- 1. Mutual Trust:** Both management and workers must trust each other.
- 2. Effective Communication:** Clear and open communication channels are essential.
- 3. Training and Education:** Workers need to be educated about management practices and decision-making processes.
- 4. Commitment from Management:** Genuine willingness from management to involve workers.
- 5. Clear Objectives:** Well-defined goals and scope of participation.

## **COLLECTIVE BARGAINING**

### **Concept**

Collective bargaining is a process of negotiation between employers and a group of employees aimed at reaching agreements to regulate working conditions. The agreements cover aspects such as wages, working hours, benefits, and other employment terms.

### **Forms of Collective Bargaining**

- 1. Conjunctive/Distributive Bargaining:** Focuses on dividing a fixed amount of resources, typically involving wage negotiations.
- 2. Cooperative/Integrative Bargaining:** Seeks to find mutually beneficial solutions, aiming to improve the overall working relationship and conditions.
- 3. Productivity Bargaining:** Links wage increases to productivity improvements.
- 4. Composite Bargaining:** Involves negotiations on a variety of issues including wages, working conditions, job security, and other benefits.

### **Process of Collective Bargaining**

- 1. Preparation:** Both parties prepare by gathering relevant information and setting their objectives and strategies.
- 2. Negotiation:** Formal discussions take place between representatives of employees and employers.
- 3. Proposal and Counter-Proposal:** Exchange of proposals and counter-proposals to find common ground.
- 4. Agreement:** Reaching a consensus and drafting a collective bargaining agreement (CBA).
- 5. Implementation:** Putting the agreed terms into practice.
- 6. Monitoring and Enforcement:** Ensuring compliance with the terms of the CBA and addressing any breaches.

## **Role of Government in Collective Bargaining**

- 1.Legislation:** Enacting laws that regulate the collective bargaining process and protect the rights of both workers and employers.
- 2.Mediation and Conciliation:** Providing mediation services to help resolve disputes during the bargaining process.
- 3.Arbitration:** Offering arbitration services where a neutral third party makes a binding decision on a dispute.
- 4.Support and Guidance:** Providing guidelines and frameworks to ensure fair and effective bargaining practices.
- 5.Promotion of Good Practices:** Encouraging both parties to engage in good faith negotiations and uphold agreed terms.

## UNIT - III

**Industrial unrest: Employee dissatisfaction - Grievances - Disciplinary Action - Domestic Enquiry - Strikes - lockout - Prevention of Strikes - Lockouts. Discipline: Positive, negative discipline, disciplinary procedure, Absenteeism, Turnover, Dismissal and Discharge.**

### INDUSTRIAL UNREST

Industrial unrest refers to the collective dissatisfaction and protest of workers against their employers, often resulting in strikes, lockouts, or other forms of protest. It is typically a response to issues like poor working conditions, low wages, unfair treatment, or inadequate grievance handling.

#### Causes of Industrial Unrest

- 1.Employee Dissatisfaction:** General unhappiness with job conditions, pay, management practices, and career growth opportunities.
- 2.Grievances:** Specific complaints or concerns raised by employees regarding their work environment, terms of employment, or treatment by supervisors.

#### Handling Grievances

**1. Definition:** A grievance is a formal complaint raised by an employee or group of employees.

**2. Process:**

- **Identification:** Recognize and document the grievance.
- **Investigation:** Gather facts and understand the context.
- **Resolution:** Discuss with involved parties to resolve the issue.
- **Follow-up:** Ensure that the solution is implemented and effective.

#### Disciplinary Action

Disciplinary action is taken by employers to correct or punish employee behavior that violates company policies or rules.

- 1.Positive Discipline:** Focuses on encouraging good behavior through rewards and recognition.
- 2.Negative Discipline:** Involves punitive measures such as warnings, suspension, or termination for misconduct.

#### Disciplinary Procedure

- 1.Establish Rules:** Clearly define acceptable and unacceptable behaviors.
- 2.Communicate Rules:** Ensure all employees are aware of the rules and consequences.

**3. Monitor Behavior:** Continuously observe employee behavior.

**4. Identify Misconduct:** Recognize violations of rules.

**5. Investigate:** Conduct a fair and thorough investigation.

**6. Conduct a Domestic Enquiry:**

➤ **Definition:** A formal internal investigation to ascertain facts and evidence related to misconduct.

➤ **Process:** Include representation from both sides, present evidence, and allow the accused to defend themselves.

**7. Take Action:** Based on findings, decide on appropriate disciplinary measures.

**8. Documentation:** Keep detailed records of the entire process.

## **STRIKES AND LOCKOUTS**

**1. Strike:** A collective stoppage of work by employees to express dissatisfaction or demand changes.

➤ **Causes:** Wage disputes, poor working conditions, management issues.

➤ **Prevention:** Effective communication, addressing grievances promptly, fostering good relations.

**2. Lockout:** Temporary closure of the workplace by the employer to compel employees to accept terms.

➤ **Causes:** Retaliation to strikes, breakdown of negotiations.

➤ **Prevention:** Mediation, arbitration, negotiation.

## **PREVENTION OF STRIKES AND LOCKOUTS**

**1. Proactive Management:** Address issues before they escalate.

**2. Effective Communication:** Maintain open lines of communication between management and employees.

**3. Negotiation and Mediation:** Engage in regular negotiations and seek mediation when disputes arise.

**4. Employee Involvement:** Involve employees in decision-making processes.

**5. Grievance Redressal Mechanism:** Establish a robust system to handle grievances promptly.

## **Discipline in the Workplace**

### **POSITIVE DISCIPLINE**



1.**Definition:** Encouraging good behavior through positive reinforcement.

2.**Methods:** Rewards, recognition, incentives, promotions.

### **NEGATIVE DISCIPLINE**

1.**Definition:** Discouraging bad behavior through punitive measures.

2.**Methods:** Warnings, suspensions, demotions, dismissals.

### **DISCIPLINARY PROCEDURE**

1.**Verbal Warning:** Informal caution regarding behavior.

2.**Written Warning:** Formal documentation of the warning.

3.**Suspension:** Temporary removal from work.

4.**Dismissal and Discharge:** Termination of employment for severe misconduct or repeated offenses.

### **ABSENTEEISM AND TURNOVER**

#### **Absenteeism**

1.**Definition:** Regular absence from work without valid reasons.

2.**Causes:** Poor health, low job satisfaction, personal issues.

3.**Solutions:** Improve working conditions, provide health benefits, foster a positive work environment.

#### **Turnover**

1.**Definition:** The rate at which employees leave the organization.

2.**Causes:** Job dissatisfaction, better opportunities elsewhere, poor management.

3.**Solutions:** Competitive salaries, career development opportunities, good management practices.

#### **Dismissal and Discharge**

1. **Dismissal:** Termination of employment due to misconduct or poor performance.

2. **Discharge:** Termination of employment due to redundancy or incapability.

## UNIT IV

**Factories Act: Meaning, Definition – Welfare – Safety – Health Measures. General provisions of Workmen’s Compensation Act , Bonus Act and Gratuity Act.**

### **FACTORIES ACT, 1948**

#### **Meaning and Definition**

The Factories Act, 1948 is a comprehensive piece of legislation in India that regulates labor welfare, safety, health, and working conditions in factories. It aims to ensure that workers operate in a safe environment and that their health and welfare are adequately protected.

#### **Key Provisions**

##### **1. Welfare Measures**

- **Washing Facilities:** Adequate and suitable washing facilities should be provided.
- **Canteens:** Factories employing more than 250 workers must have a canteen.
- **Shelters, Restrooms, and Lunch Rooms:** Facilities for rest and eating should be provided for workers.
- **Crèches:** Factories employing more than 30 women workers must provide a creche for children under six years of age.
- **Welfare Officers:** Factories employing more than 500 workers must appoint welfare officers.

##### **2. Safety Measures**

- **Fencing of Machinery:** Machinery must be properly fenced to ensure the safety of workers.
- **Working Hours:** Restrictions on the working hours of adults and adolescents, including breaks and rest periods.
- **Safety Officers:** Factories with more than 1,000 workers must appoint safety officers.
- **Hazardous Processes:** Special provisions for processes that involve risk of injury, poisoning, or disease.

##### **3. Health Measures**

- **Cleanliness:** Factories must be kept clean and free from waste and effluents.
- **Ventilation and Temperature:** Adequate ventilation and temperature control must be ensured.

- **Dust and Fume Control:** Measures to control dust and fumes to prevent respiratory issues.
- **Disposal of Wastes and Effluents:** Proper disposal systems must be in place.
- **Drinking Water:** Safe drinking water must be provided.
- **Lighting:** Sufficient and suitable lighting must be maintained.
- **Latrines and Urinals:** Adequate latrine and urinal facilities should be provided and maintained.

## **GENERAL PROVISIONS OF OTHER KEY ACTS**

### **Workmen's Compensation Act, 1923**

**1. Purpose:** To provide compensation to workers for injuries or diseases arising out of and in the course of employment.

#### **2. Key Provisions:**

- **Compensation for Death:** Compensation to the dependents of a worker who dies due to a work-related injury.
- **Compensation for Permanent Total Disability:** Compensation for injuries leading to total and permanent disability.
- **Compensation for Permanent Partial Disability:** Compensation for injuries causing partial but permanent disability.
- **Compensation for Temporary Disability:** Compensation for temporary disablement resulting in loss of wages.
- **Medical Expenses:** Coverage of medical expenses incurred due to the injury.

### **PAYMENT OF BONUS ACT, 1965**

**1. Purpose:** To provide for the payment of bonus to employees based on profits or productivity.

#### **2. Key Provisions:**

- **Eligibility:** Employees drawing a salary of up to a specified limit (currently ₹21,000 per month) are eligible.
- **Minimum Bonus:** Minimum bonus of 8.33% of the salary or ₹100, whichever is higher, to be paid irrespective of profits.
- **Maximum Bonus:** Bonus can go up to 20% of the salary based on profitability.
- **Calculation of Bonus:** Based on the allocable surplus from profits of the company.

### **PAYMENT OF GRATUITY ACT, 1972**

1. **Purpose:** To provide a gratuity to employees as a form of financial assistance upon termination of employment after a certain period of service.

2. **Key Provisions:**

- **Eligibility:** Employees who have completed at least five years of continuous service are eligible.
- **Calculation:** Gratuity is calculated as 15 days' wages for each year of service, with the wage being the last drawn salary.
- **Payment on Resignation, Retirement, or Death:** Gratuity is payable upon resignation, retirement, or to the nominees in case of death.
- **Tax Exemption:** Gratuity up to a certain limit is tax-free.