



Employer-Employee Relations

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INDUSTRIAL RELATIONS



Combination of

1. Cooperation
 2. Collaboration
 3. Conflict
- between labour and management.

CONCEPT OF INDUSTRIAL RELATIONS

- ❑ IR refers to all types of relations between the parties concerned with industry.
- ❑ IR is concerned with the relationship between management and workers and role of regulatory mechanism in resolving any industrial disputes.
- ❑ Vast complex relationships between management and employees, union and management, union and employees and between employee themselves.

PARTIES TO INDUSTRIAL RELATIONS



SIGNIFICANCE OF GOOD INDUSTRIAL RELATIONS



- ▶ Industrial harmony
- ▶ Higher Productivity
- ▶ Industrial democracy
- ▶ Collective Bargaining
- ▶ Fair benefits to workers
- ▶ High Morale
- ▶ Facilitation of Change

OBJECTIVES OF INDUSTRIAL RELATIONS

- ▶ Establish and foster sound relationship between workers and management by safeguarding their interests.
- ▶ Avoid industrial conflicts and strikes by developing mutuality among the interests of concerned parties.
- ▶ Keep, as far as possible, strikes, lockouts and gheraos at bay by enhancing the economic status of workers.
- ▶ Raise productivity in the organization to curb the employee turnover and absenteeism.
- ▶ Establish and nurse industrial democracy based on labour partnership in the sharing of profits and of managerial decisions.
- ▶ Government control over industrial undertakings with a view to regulating production and promoting harmonious industrial relations.

INDUSTRIAL DISPUTES

- ▶ Industrial Dispute means any dispute or difference between employers and employers or employers and workmen or between workmen and workmen which is connected with employment or non-employment or terms of employment or conditions of labour, of any person.
- ▶ When an industrial conflict (which otherwise is general in nature) acquires a concrete and specific display or revelation, it becomes an Industrial Dispute.
- ▶ Unorganised – low morale, low productivity, frustration etc.
- ▶ Organised- strikes, demonstrations, gheraos etc.
- ▶ Individual disputes- relating to reinstatement and compensation for wrongful termination
- ▶ Collective disputes- wages, bonus, profit sharing, hours of work etc.

CAUSES OF INDUSTRIAL DISPUTES

▶ **Economic causes**

▶ **Wages and other benefits**

- ▶ Inadequate wages
- ▶ Undesired deductions from wages.
- ▶ Poor fringe benefits
- ▶ No bonus or other incentives, etc.

▶ **Terms and conditions of Employment**

- ▶ More hours of work.
- ▶ Working in night shifts.
- ▶ Promotion, lay off, retrenchment, dismissal, etc

▶ **Working conditions**

- ▶ Environmental conditions such as too hot, too cold, noisy, dirty, messy, etc
- ▶ Improper plant and workstation layout
- ▶ Old and trouble giving machines.
- ▶ Frequent changes in products, etc.

CAUSES OF INDUSTRIAL DISPUTES

▶ Denial of legal and other rights of workers

- ▶ Not proceeding as per labour laws and regulations, standing orders etc.
- ▶ Violation of already made mutual agreements (Le. between employer and workers).

▶ Institutional causes

- ▶ Non recognition of the labour union by the management
- ▶ Matters of collective bargaining.
- ▶ Unfair conditions and practices.
- ▶ Pressing workers, not to become members of union, etc

▶ Psychological causes

- ▶ Difficulty in adjusting with each other (i.e. employer and worker).
- ▶ Clash of personalities.
- ▶ Authoritarian Leadership (administration).
- ▶ Demand for self-respect and recognition by workers.
- ▶ Strict discipline.

▶ Political Causes

▶ Indiscipline and Violence

STRIKES

- ▶ Strike implies that,
 - a) There shall be cessation of work or refusal to work by a body of workmen; and
 - b) Workmen should be acting in concert in order to enforce a demand against the employer during an industrial dispute.
- ▶ Success of strike depends upon the ability of the workmen to stop the employer from continuing to operate.

- ▶ **Forms of Strikes**

- ▶ **Official and unofficial strikes**

An official strike is one which is called by the union.

An unofficial strike is one which has not been approved by the union.

- ▶ **General and Particular strikes**

A general strike is one where there is concert or combination of workers' in stopping or refusing to resume work. A general strike covers a wide range of industries and is over quite a large part of the country. Particular strikes have smaller coverage, e.g. they may remain confined to one or a few factories in a city.

STRIKES

▶ **Go-slow strikes**

Workers come to the factory, but they work at pace slower than the normal; this lowers down the production and results in loss to employer.

▶ **Quickie strike**

Workers come to factory but they stop work for few minutes or few hours.

▶ **Sit-down/Stay-in strikes**

Workers come to factory, report to their duties but do not work.

▶ **Sympathetic strikes**

A sympathetic strike for a day or so is conducted in sympathy with another group of workers who are already on strike, in order to boost their morale.

PICKETING



- ▶ Picketing is almost a standard practice when a union strikes against an employer. Some workers are placed at the factory gate to discourage others, from entering the work premises.
- ▶ Picketing may be designed to interfere with business and thus to pressurize the employer to comply with union demands. Picketing by one group of employees often stops other employees from working in the same factory.
- ▶ If picketing does not involve violence it is perfectly legal.

GHERAO

- ▶ Gherao is also a method to pressurize employer to fulfill union demands.
- ▶ In gherao workers force the employer or managers to remain confined in their offices for hours or even days. The employer sometimes is forced to remain without water and food; he is not allowed to go out.
- ▶ Workers encircle the office of the employer, close all the exits and sit around in batches.
- ▶ In contrast to strikes which put economic pressure on the employer, a gherao involves physical coercion, i.e. it tends to inflict physical duress on the employer or manager.
- ▶ Illegal

LOCKOUT



- ▶ lock-out is the weapon of employer to pressurize workers to come down in their demands.
- ▶ A lock-out means, "Closing the place of employment or suspension of work or the refusal by an employer to employ any number or persons employed by him".
- ▶ As the employer declares a lockout, he tells workers to keep away from the work.

MEASURES TO ACHIEVE GOOD INDUSTRIAL RELATIONS

- ▶ Atmosphere of Mutual Trust
- ▶ Effective Communication
- ▶ Fair personal policies
- ▶ Proactive management
- ▶ Strong Unions
- ▶ Industrial democracy
- ▶ Effective implementation of agreements
- ▶ Role of Government



COLLECTIVE BARGAINING



- ▶ Flippo defined Collective Bargaining as “ the process in which the representatives of a labour organization and the representatives of business meet and attempt to negotiate a contract or agreement, which specifies the nature of employee-employer-union relationship.”
- ▶ Collective bargaining is basically a give-and-take process involving proposals and counters proposals.
- ▶ Meetings between management representatives; and union leaders are conducted in an attempt to arrive at an agreement or at the settlement of the dispute.
- ▶ In such meetings, the two parties bargain with each other on disputed issues (which may be such as salary and fringe benefits, terms and conditions of employment, etc,) to arrive at an agreement.

COLLECTIVE BARGAINING



- ▶ The agreement is signed by both the parties and the length of time the treaty will operate may be specified.
- ▶ Collective bargaining introduces an element of democracy in the field of Industrial Relations and Management.
- ▶ Collective bargaining imposes certain restrictions upon the employer. Unilateral action is prevented. The employer is no longer free to make and enforce employment decisions. Management must bargain with the union on appropriate subjects.

COLLECTIVE BARGAINING PROCESS



FEATURES OF COLLECTIVE BARGAINING

- ▶ Collective process
- ▶ Continuous process
- ▶ Flexible and dynamic process
- ▶ Based on give and take approach
- ▶ Attempt to maintain discipline in the industry

IMPORTANCE OF COLLECTIVE BARGAINING

1) Importance to employees

- ▶ It gives a sense of self-respect and belongingness among employees
- ▶ Bargaining power increase as a group
- ▶ Increase morale and productivity.
- ▶ It strengthens the power of the trade union.
- ▶ Management cannot take a unilateral decision.

IMPORTANCE OF COLLECTIVE BARGAINING

2) Importance to employers :

- ▶ Due to continuous discussion with the employees, employers get higher productivity.
- ▶ It is easier for the management to resolve the issues at preventive levels.
- ▶ It reduces the gap between top and bottom levels in the management hierarchy.

IMPORTANCE OF COLLECTIVE BARGAINING

3) Importance to society :

- ▶ It leads to industrial peace in society
- ▶ It controls the exploitation of the workers from the management.
- ▶ It contributes to the economic and social development of the country
- ▶ It creates a sense of equality in society

DIFFICULTIES IN COLLECTIVE BARGAINING

- ▶ Multiple Unions
- ▶ Non-recognition of Bargaining Agent
- ▶ Political Interference
- ▶ Defective Laws
- ▶ Mediation by Political leaders

INDUSTRIAL TRIPARTITE BODIES

► Industrial Tripartite Committees | Ministry of Labour & Employment

► **Purpose of Tripartite Body:**

- a. Bring the aggravated parties together for mutual settlement of differences, and encourage a spirit of cooperation and goodwill.
- b. Promote uniformity in labor laws and legislation.
- c. Discuss all matters of All India importance as between employers and employees.
- d. Determine a plan for settlement for all disputes.

CODE OF DISCIPLINE

- ▶ Self imposed mutually agreed voluntary principles of discipline and relations between the managers and workers in the industry.
- ▶ Defines the duties and responsibilities of employers and workers.
- ▶ Objectives:
 - ▶ Recognise each other's rights and obligations
 - ▶ Promote constructive co-operation between the parties concerned at all levels
 - ▶ To eliminate all forms of coercion, intimidation and violence in IR
 - ▶ Avoid work stoppages
 - ▶ Maintain discipline
 - ▶ Secure settlement of disputes and grievances by negotiation, conciliation and voluntary arbitration.

STANDING ORDERS

- ▶ Standing Orders' means rules of conduct for workmen employed in industrial establishments.
- ▶ Industrial Employment (Standing Orders) Act, 1946
- ▶ Industrial Employment (Standing Orders) Rules, 1946
- ▶ The objects of the Act are:
 1. to enforce uniformity in the conditions of services under different employers in different industrial establishments.
 2. the employer, once having made the conditions of employment known to his employed workmen cannot change them to their detriment or to the prejudice of their rights and interests.
 3. with the express or written conditions of employment, it is open for the prospective worker to accept them and join the industrial establishment.
 4. for maintaining industrial peace and continued productivity, the significance of the express written conditions of employment cannot be minimised or exaggerated.

CONCILIATION

- ▶ “Conciliation can be described as the practice by which the services of a neutral third party are used in a dispute as a means of helping disputing parties to reduce the extent of their differences and arrive at an amicable settlement or agreed solution. It is a process of rational and orderly discussion of differences between the parties to a dispute under the guidance of the conciliator.” – **ILO**
- ▶ Conciliation machinery provided under *Industrial Disputes Act, 1947*
 - ▶ **Conciliation officers**
 - ▶ **Board of Conciliation:** In case Conciliation Officer fails to resolve the differences between the parties, the government has the discretion to appoint a Board of Conciliation. The Board is tripartite and ad hoc body. It consists of a chairman and two or four other members.
 - ▶ **Court of Inquiry:** In case of the failure of the conciliation proceedings to settle a dispute, the government can appoint a Court of Inquiry to enquire into any matter connected with or relevant to industrial dispute. The court is expected to submit its report within six months.

ARBITRATION

- ▶ On failure of conciliation proceedings, the conciliation officer may persuade the parties to refer the dispute to a voluntary arbitrator. **Voluntary arbitration** refers to getting the disputes settled through an independent person chosen by the parties involved mutually and voluntarily.
- ▶ arbitrator is not vested with any judicial powers.
- ▶ He derives his powers to settle the dispute from the agreement that parties have made between themselves regarding the reference of dispute to the arbitrator.
- ▶ The arbitrator should submit his award to the government. The government will then publish it within 30 days of such submission.
- ▶ The award would become enforceable on the expiry of 30 days of its publication.
- ▶ In **compulsory arbitration**, the government can force the disputing parties to go for compulsory arbitration.

ADJUDICATION

- ▶ Adjudication consists of settling disputes through intervention by the third party appointed by the government with or without the consent of parties to dispute.
- ▶ The law provides the adjudication to be conducted by the Labour Court, Industrial Tribunal or National Tribunal.
- ▶ Mandatory settlement of industrial disputes by labour court or tribunal