UNIT 15 INDUSTRIAL CONFLICT

Objectives

- After going through this unit, you will be able to understand :
- Concept of Conflict, Types and Effects of Conflict and Approaches to Conflict Resolution
- Industrial Disputes, their types and its Resolutions

Structure

15.1 INTRODUCTION

In any environment, institution or organization, conflict cannot be avoided due to differences among individuals ideas, desires, perceptions and needs. In general, conflict is defined as an antagonistic state of opposition, disagreement or incompatibility between two or more parties (Patzak, 2012 & Wilmont and Hocker, 2001). Conrad (1991) indicated that conflicts happen as a result of interactions among interdependent people who perceive that their interests are incompatible, inconsistent or in tension; Lewis Coser, (1956). an American sociologist, defined conflict as the clash of values and interests. Regarding this definition, conflict has the functions of pushing societies and leads to new economic systems, technologies, institutions; his contribution is that he determined the functional and dysfunctional roles that can be played by the conflict. Moreover, Robbins (2005) has defined conflict as a process that begins where one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about. This definition emphasizes that conflict is about perceptions, not necessarily real hard facts. Differences among individuals

including ideas, goals, and competition for resources can lead to conflict (Fleetwood& Karen L. 1987). There are other differences, particularly in the business world such as situation, environment, experience, personality and peer group; such characteristics cause differences in needs, values, beliefs and personal attitudes. In addition, conflict was defined by Hocker and Wilmontin (1985) as an expressed struggle between at least two interdependent parties who perceive incompatible goals, scarce rewards, and interference from the other party in achieving their goals (Borisoff & Victor, 1998).

15.2 EXPLANATION OF INDUSTRIAL CONFLICT

One of the most influential explanations of industrial conflict is suggested by the work of the Human Relations School, This view point has its origins in the Hawthorne experiments and the research of Elton Mayo although it has undergone considerable revision since that time. The central idea on which most of this writing is based, is the importance of informal relationships, good communications and supervision to improve employee morale, efficiency and job satisfaction. Some of these views have been criticized by Marxists, Pluralists and others on the ground' that it encouraged dependency and discouraged individual development and ignored the importance of technology and culture in the industry.

Scott and Homans, in their study highlighted the importance of good communications.

More recent Human Relations studies expect that workers will look for certain well defined satisfactions from their employment and stress that these satisfactions may not be only or mainly monetary reward.

Other writers have examined industrial relations in an attempt to isolate crucial structural variables which might be seen as an explanation for the level of industrial conflict. This has led some to argue that the type of technology used might be seen as important.

Conflict is endemic in the industrial situation for the Marxist : it is an inevitable part of the wage system, Alienation plays a crucial role in this line of thought. Labour is alienated in the capitalist system essentially because it is treated as a commodity, to be bought and sold. To many writers, and certainly to the Marxist, one of the most important questions is not why conflict occurs, but why it occurs to such a limited extent.

Stagner classifies the goal seeking conflicts between the participants in an industry into the following three combinations :

i) Conflict over the same goal which is sought by the both employer and the union.

ii) Conflict stemming from seeking different goals which is perceived as incompatible. For example an important goal of unions is job security. But employers may perceive this as conflicting with their attempt to obtain efficiency and higher profits.

iii) Conflict over the means through which the goals are to be reached.

15.3 TYPES OF CONFLICTS

Conflicts may occur within an individual i.e. the situation of dilemma of choice, caught on the horns of dilemma. Between two individuals, conflicts can also happen i.e. the cases of superiors versus subordinates. They can happen between heads of departments, etc. Within groups, conflicts may occur based on performance, importance to particular

groups and, in general, union — management rivalries. As we know, conflicts have positive and negative results. Therefore, they must be handled well in order to bring benefits to the organization. Therefore, standardized techniques can be suggested and devised in treating popular conflicts' characteristics in all categories (Chand, 2010). Basic types of conflicts are:

Intrapersonal Conflict

This conflict occurs within the person himself; it arises within an individual when his motives or drives are block or when a person faces two different decisions and cannot take the appropriate decision as he faces competing objectives and roles (Chand, 2010). The conflict within the individual is usually related to value, where there is no conformity between his role and his values and beliefs.

Approach-approach conflict: this conflict arises when there are two or more alternatives with positive consequences. In this situation, a person has this choice between these alternatives that seem to be equally attractive.

Avoidance conflict: this conflict is "a situation in which a person has to select one of two or more alternatives with negative outcomes".

Approach-avoidance conflict: this conflict that happens in a situation in which an individual should choose something with positive and negative results (e.g. the person chooses to accept a nice job in an undesired place). (Evans, 2013).

Interpersonal Conflict

It is probably the most recognized and popular conflict which arises between two or more individuals. This is what most people associate as "conflict" in an organization, and it can happen because of differences that occur between two people. This conflict may happen between two managers who compete for a limited manpower and capital resource or compete for the same promotion. Moreover, this conflict may take place between the manager and his bosses, supervisor and worker or between worker and worker, etc. The causes that lead to this conflict are personality differences, perceptions, clashes of values and interests, power and status differences, lack of information, role in compatibility, stress and scare resources.

Intragroup Conflict

It happens when a person in a group works to achieve a different goal than the other group in the organization. This conflict happens at the organizational level. It is normal that all groups, both formal and informal, tend to establish particular operational standards and behavioural principles which are adhered to by all members of the groups. A member may have social needs that oblige him to stay within his group but simultaneously he may not agree with his group's goals and the ways required for achieving such goals. Such conflicts may also happen between leaders with their followers or between managers and groups of subordinates. lntra-group conflict may also happen if there are disagreements among members of the same group (Chand, 2015).

Intergroup Conflict

Conflicts arise between different groups in an organization each seeking to accomplish their objectives, are called inter-group conflicts. Organizations are composed of interlocking networks of sections, work teams, departments, individuals, departments

or groups. The individuals tend to form various groups when there is a demand for that. Therefore, the intergroup conflict may not be too much naturally personal. The harmony among all interdependent groups is considered as an essential factor for the organization success as a whole.

Intra-Organizational Conflict

lntra-Organizational conflict has four types including vertical conflict. horizontal conflict, line-staff conflict and role conflict. They have distinctive features; however, they can overlap, particularly with the role, while horizontal conflicts happen among departments or staff with the similar organizational hierarchical levels. In addition, line-Staff conflict as line departments are assisted by staff departments in most organizations. The relationship between line and staff departments often creates conflicts. Role Conflicts: Roles are sets of actions that are expected to be performed by individuals in their positions.

Inter-organizational conflicts

Inter-organizational conflicts happen between organizations which to some extent depend on each other. All conflicts inherent in organization levels involve the conflicts that occur at individual levels or group levels.

Activity 1 : Write a comprehensive note an any industrial conflict that has emerged in reunt porst.

.....

.....

.....

.....

15.4 EFFECTS OF CONFLICT

In the past, many researchers and writers thought that conflict has only negative and harm impact on the organization, particularly its productivity and performance. In this regard, according to Traditional View (1930-1940), which is one school of thought, conflicts should be avoided. Conflicts are viewed negatively and are related to destructions and violence. But with the appearance of the human relations or Contemporary View, this perception is changed; According to Contemporary View, conflict is "a natural occurrence in all groups". The human relations schools accept conflicts. They believe that conflicts may help performance of groups. Another view suggests that whether the conflict's effects are positive or negative, they depend on the strategy utilized to handle them. Based on the above —mentioned views, conflicts negatively affect organizations in respect with wastages of scarce resources and performances. Similarly, conflicts do not positively affect organizations particularly in elevating and developing the innovativeness the decisions' quality in the organizations. In addition, when employees come together to resolve these conflicts, this builds spirits of cooperation and teamwork among members in the organizations. Employees and management should work together in order to accomplish positive effects instead of negative ones in spite that conflicts have both of them.

Negative Effects of Conflict

The following is a short list of the negative effects of a conflict within individuals:

A. Psychological Responses

- Absentmindedness to other things.
- Lack of interests to work.
- Job dissatisfactions
- Work distresses
- Estrangements or alienations from others
- Disappointments.

B. Behavioral Responses:

Conflict may enforce the individual to behave in unusual matter such as, excessive smoking, drinking alcohol, be hostile towards others, decrease his communication with others and resist influence attempts. It has its own cost such as :

- Wasting of time.
- Employees leave the organization.
- Sabotage.
- Health costs.
- In a conflict situation, an individual may tend to achieve and promote his self-interest or personal gain at the cost of the organization or others.
- Taking bad decisions and tending to unnecessary restructuring.
- Lack of job motivation or low motivation.

Positive effects of Conflict

Conflict has several benefits including the following:

i. It stimulates individuals to exert more efforts and to work hard. In a conflict situation the individual uses his abilities, skills and talents.

ii. It may satisfy particular psychological requirements such as dominances, aggressions, esteems and egos, and accordingly gives chances for constructive uses and releases of aggressive urges.

iii. It gives productive and creative ideas. For instance, the benefits that employees receive nowadays are the outcomes of the management-union conflicts during the last decades.

iv. Conflicts that contribute to social changes which ensure intergroup and interpersonal dynamics remain fresh and reflective of recent realities and interests, in the sense that it adds varieties to individual's organizational lives.

v. It facilitates mutual understandings of the problems among individuals in conflicts and causes better coordination among managements and people.

vi. Conflicts among groups create units between the groups and increase cooperation as they are working to achieve popular goals of the groups for the outcomes of these conflicts.

vii. Inspire creativity: -conflicts are exploited by several organizations as a chance to look for effective solutions to problems. Members can also be inspired by conflicts for brainstorming, whereas considering problems from different perspectives.

viii. Share and Respect Opinions: -it is an opportunity for members of organization to contribute their viewpoints with individuals of other groups. Conflicts can bring members of the organization together to actively listen to each other and share views and experiences as they work to achieve the organizational objectives; in the sense that conflict is a tool for improving future communication and can provide members with the tools necessary to easily solve conflicts in the future.

ix. Conflicts serve to discourage premature group decision making. In the processes of making decisions, this forces participants to discover the needs and issues when they are sought.

x. Conflicts allow for the understanding of the concerns of parties, causing agreements that benefit the interests of both parties with their organizations and relationships.

15.5 APPROACHES TO CONFLICT RESOLUTION

Conflict resolution is the process of (i) resolving or managing a dispute by sharing each side s needs, and (ii) adequately addressing their interests so that they are satisfied with the outcome

Schellenberg, in his book on Conflict Resolution attempts to identify a limited set of approaches to conflict resolution. The choice of method depends on the nature of the conflict and disputants' attitudes. Let us look at five conflict resolution methods.

i. Negotiation and bargaining: Here, the parties are involved in a process of discussion which seeks to bring about a voluntary agreement.

ii. Coercion: In this method of conflict resolution. parties involved in conflict are forced to agree to a particular conclusion. Physical force (or the threat of physical force) can also be sometimes used to solve a conflict, at least temporarily. The success of coercion depends on the authority and the legitimacy of the person/ entity exerting force.

iii. Mediation: It uses a third party to help the conflicting parties come to a mutually satisfactory agreement. Mediation is assisted negotiation, voluntary on both sides, and is private and confidential. Here the disputants, and not the mediator, take responsibility for the outcome.

iv. Adjudication: It enlists the power of the state and its legal system to provide an authoritative conclusion. Typically an expensive and lengthy way to end a dispute, adjudication is often used along with coercion and negotiation.

v. Arbitration: Arbitration involves an impartial third party to decide, through prior mutual consent, the issues in dispute. This party makes the authoritative final decision, to which all the disputants must adhere.

15.6 CONFLICT RESOLUTION STYLES

Whenever two or more people come together or work together, there will be a possibility of disagreement among them. These disagreements can be an opportunity for growth and learning, or they can become damaging to the parties involved and the organization. Hence, to deal with conflicts, consistent ability and skills are required.

Five different methods to manage conflict:

i. **Avoidance:** One way to manage conflict is avoidance. Avoidance style can best be described as non-confrontational. A person passes over an issue or totally ignores the person with whom he/she is in conflict. He/she might not even agree that particular issue is a problem.

ii. **Accommodating:** A person is using the accommodating style when his/her behaviour is agreeable and non-assertive. The person cooperates even at the expense of personal goals.

iii. **Win/Lose style:** It is also known as the classic conflict during which a person is confrontational, aggressive and must win at all costs. He/she totally disregards the needs of the other person.

iv. **Problem-solving style:** It is also known as collaboration. It is used when both partners have a high degree of respect for each other and consider the needs of the other.

v. **Compromising style:** A person is using the compromising style when he/she is both assertive and cooperative. In the process, the person gives up something in order to gain something else and will only be partially satisfied.

15.7 CONCEPT AND DEFINITION OF INDUSTRIAL DISPUTE

Section 2(k) of the Industrial Disputes Act, 1947, defines 'industrial dispute' to means:

Any dispute or difference between employers and employers 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.

The dimensions of the aforesaid definition determine the permissible area of both community intervention is industrial relations as well as labour activity.

Stated broadly, the definition of 'Industrial Dispute' contains two limitations,

(i) The adjective 'industrial' relates to the disputes of an industry as defined in the Act, and

(ii) It expressly states that not all sorts of dispute and differences but only those which bear upon the relationship of employers and workmen regarding employment, non-employment, terms of employment and conditions of labour are contemplated.

Patterson observed, 'Industrial Disputes constitute militant and organised protests against excising industrial conditions. They are symptoms of industrial unrest in the same way, that boils are symptoms of a discarded system.'

The term industrial dispute has been interpreted and analysed differently in different cases/situations by Supreme Court. Some of the principles to judge the nature of a dispute were evolved by the Supreme Court as follows :

i. Considerable section of employees should necessarily make common cause with the general lot.

ii. The dispute should invariably be taken up by the industry union or by an appreciable number of workmen.

iii. There must be concerted demand by the for redress and the grievance becomes such that it turns from individual complaint into a general complaint.

iv. The parties to the dispute must have direct and substantial interest in the dispute.

Moreover, the union must fairly claim a representative character.

15.8 INTERNATIONAL LABOUR ORGANISATION (ILO) AND DISPUTES

The Preamble to the Constitution of the ILO reads as under "Whereas universal and lasting peace can be established only in it is based upon social justice : and whereas conditions of lablur exist involving such injustice, hardship and privation to large number of people as to produce unrest so great that the peace and harmony of the world are imperiled; and an improvement of those conditions is urgently required; as, for example, by the regulation of hours of work, including the establishment of a maximum working day and week, the regulation of labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provision for old age and injury, protection of the interests of workers when employed in countries other than their own, recognition of the principle of equal remuneration for work of equal value, recognition of the principle of freedom of association, the organisation of vocational and technical education and other measures. Whereas also the failure of any nation to adopt humane condition of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries; the High Contracting Parties, moved by sentiments of justice and humanity as well as by the desire to secure the permanent peace of the world, and with a view to attaining objectives set forth in this Preamble, agree to the Constitution of the International Labour Organisation."

The following programmes envisaged on the lines of the principles re-affirmed in the 26th session of the ILO held in Philadelphia in 1944 (popularly known as "Philadelphia Charter"), are particularly relevant to the subject under discussion :

i) Full employment of workers in the occupations in which they can have the satisfaction of giving the fullest measure of their skill and attainments and make their contribution to the common well-being.

ii) Policies in regard to wages and earnings, hours and other conditions of work calculated to ensure a just share of the fruits of progress to all, and a minimum living wage to all employed and in need of such protection.

iii) The effective recognition of the right of collective bargaining, the cooperation of management and labour in the continuous improvement of productive efficiency, and the collaboration of workers and employers in the preparation and application of social and economic measures.

iv) The extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care.

v) Adequate protection for the life and health of workers in all occupations;

vi) Provision for child welfare, and maternity protection.

vii) Provision of adequate nutrition, housing and facilities for recreating and culture.

15.9 CLASSIFICATION OF INDUSTRIAL DISPUTES

The I.L.O. in its "Conciliation of Industrial Disputes" (first Indian edition, 1980) refers to two main types of disputes relating to terms of employment.

(a) **Interest Disputes :** These are called 'conflicts of interests' or 'economic disputes' or 'collective labour disputes'. These disputes arrive out of deadlocks in the negotiations for a collective agreement.

(b) **Right or Grievance Disputes :** These disputes are also known as 'conflicts of rights', or 'legal disputes'. These disputes arise from day-to-day worker's grievances or complaints.

In additions, there are two other types of disputes relating to organisational rights, namely,

(c) **Disputes Over Unfair Lablur Practices :** These types of disputes are also known as 'Trade Union Victimisation'.

(d) **Recognition Disputes :** These type of dispute arises when the management of an undertaking or an employers' orgisation refuses to recognise a trade union for purposes of collective bargaining.

15.10 CAUSES OF INDUSTRIAL DISPUTES

Conflict is inherent in a situation for atleast four reasons as suggested by Clark Kerr :

(i) The desires of the parties are more or less unlimited, while the means of satisfaction are limited.

(ii) There is an eternal opposition of interest between employers and workers which may be made bearable but can never be eliminated in a complex industrial society.

(iii) Industrial societies are dynamic. Situations keep an changing due to various factors and

(iv) If management and lablur are to retain their institutional identities, they are to disagree and must act on disagreement.

In general the sources which give rise to industrial disputes can broadly divided into :

i. **Internal causes :** Which concern only the employer and employee within an industry or a firm.

ii. **External causes :** Which emanate from outside the industry and which concern all the industries is the country.

INTERNAL CAUSES

i) a. Wages

b. Working conditions

c. Fear of Insecurity

ii) **Personnel Sources :** Such as bad personnel administration such as dismissal of workers, their victimisation on account of being members of union, maltreatment of workers by officers and non-recognition of trade union.

iii) **Psychological Sources :** Such as the denial of opportunity to the worker for satisfying his/her basic wage. Modern mass production techniques have made the task of productions monotonous and has removed the opportunity for the worker for using his skill and individual judgements.

Another psychological cause for disputes is the frustration in the minds of workers arising out of the unsatisfied desire for personal achievement and betterment.

iv) **Sociological Source :** Such as the perception in the minds of the society that the industrial worker is a person of no importance. This perception has serious consequences on workers relations with the employer.

EXTERNAL CAUSES

(i) Political Causes : Important political factors which give rise to labour unrest are :

a) Repugnant legislative measures.

b) Arrest of any popular political leader.

c) Overthrow of the present political order.

d) Voice in the management of firms and

e) Share in the projects.

Along with this classification of the causes of industrial disputes, if we probe the subject matters of disputes, we find that following factors have culminated into disputes.

a) Demand for higher wages

b) Bonus

c) Retrenchment and lay-off

Apart from these, there are other causes which are important factors for causing industrial disputes. These include

a) Demand for accommodation

b) Medical facilities

c) Leave travel allowance

d) Inappropriate treatment by superiors

e) Recognition of trade union and

f) Leave and hours of work.

Since the industrial society is dynamic, the subject matters of dispute may change in the changed environment.

15.11 FORMS OF INDUSTRIAL ACTIONS

Conflicts are endemic to industrial society. Notwithstanding the advantages of labour-management cooperation, the interests of labour and management usually seem to be opposed. Conflicts may either be sustained and organised or sporadic and unorganised. They result is industrial actions both on the part of labour and management. Some of the common forms of industrial actions are mentioned below :

a) Absenteeism

b) Work to Rule

c) Go-slow

d) Picketing

e) Gherao

f) Band

g) Strike

h) Demotion

i) Lay-off

j) Retrenchment

k) Termination

l) Lock-out

15.12 SETTLEMENT OF INDUSTRIAL DISPUTES IN INDIA

In a country like India, where labour is neither adequately nor properly organized, unqualified acceptance of the doctrine of 'free enterprise', particularly between labour and management strengthens the bargaining and position of already powerful management. In order, therefore, to protect the interest of the community as well as that of labour and management, legislature has found it necessary to intervene in labour management relations. Various statutory machineries and voluntary machineries have been set up in India.

A. Statutory Settlement Machinery

The Industrial Disputes Act, 1947 was enacted to promote industrial peace by providing appropriate machinery for amicable settlement of disputes arising between employers and employees. The principal objects of this Act are as follows;

(i) The promotion of measures to secure cordial relations between labour and management,

(ii) Investigation and settlement of industrial disputes (for which machinery is provided)

(iii) Prevention of illegal strikes and lockouts,

(iv) Provision of relief in matters of lay-off and retrenchment etc.

Thus, the Act provides for the constitution of various authorities to preserve industrial harmony. At the lowest level is the works committee. The various machineries for investigation and settlement of industrial disputes under the Act are (i) conciliation (ii) court of inquiry (iii) adjudication and (iv) voluntary arbitration.

Quite apart from the aforesaid statutory machineries, several non-statutory machineries such as code of discipline, joint management council, tripartite machinery and joint consultative machinery play an important role in the process of preventing and settling industrial disputes.

Works Committee

The institution of works committee was introduced in 1947 under the Industrial Disputes Act 1947, under section 3, to promote measures for securing and preserving amity and good relations between employers' and workmen. It was meant to create a sense of partnership or comradeship between employers and workmen. It is concerned with problems arising in day to day working of the establishment and to ascertain grievances of the workmen.

The Industrial Disputes Act, 1947 empowers the appropriate government to require an employer having 100 or more workmen to constitute a works committee. Such a committee shall consist of representatives of employers and workmen engaged in the establishment. The Industrial Disputes (Central) Rules, 1957, Rule 39-42 contemplates that the number of representatives of the workmen shall not be less than the number of representatives of the employer and further that the total number of members shall not exceed 20. The representatives of the employer shall be nominated by the employer and workers representative nominated or elected by the trade unions. The main function of the works committee is "to promote measures for securing and preserving amity and good relations between the employers and workmen and, to that end, to comment upon matters of their common interest or concern and endeavour to compose any material difference of opinion in respect of such matters". They are 'not intended to supplant or supersede the union for the purpose of collective bargaining. They are also not entitled to consider real or substantial changes in the conditions of service. The decision of works committee is neither agreement nor compromise, it is neither binding on the parties nor enforceable under the Industrial Disputes Act, 1947.

Grievance Settlement Authorities

Experience shows that in the day to day running of business, disputes between the employer and workmen are resolved by administrative process referred to as grievance procedure. The Indian Labour Conference has rightly observed that "Complaints, affecting one or more individual workers in respect of their wage payments, overtime, leave, transfer, promotion, seniority, work assignment, working conditions and interpretation of service agreement, dismissal and discharges would constitute grievance. Where the points of dispute are of general applicability or of considerable magnitude, they will fall outside the scope of grievance procedure."

The Voluntary **Code of Discipline** adopted by the Sixteenth Session of the Indian Labour Conference in 1958 also provides that

(a) the management and unions will establish, upon a mutually agreed basis, a grievance procedure which will ensure a speedy and fill investigation leading to settlement,

(b) they will abide by the various stages in the grievance procedures.

Conciliation

Conciliation has been most frequently used for settling disputes. Conciliation is a persuasive process of settling industrial disputes. It is a process by which a third party persuades disputants to come to an equitable adjustment of claims. The third party, however, is not himself a decision maker: he is merely a person who helps the disputants through persuasion to amicably adjust their claims. The ultimate decision is of the disputants themselves. For this purpose, the Industrial Disputes Act, 1947, provides for the appointment of conciliation officers and constitution of board of conciliation by the appropriate government for promoting settlement of industrial disputes. For the successful functioning of the conciliation machinery, the Act confers wide powers and imposes certain duties upon them. Conciliation as a mode of settling industrial disputes has shown remarkable success in many industrialized countries.

Where dispute is of complicated nature and requires special handling, the appropriate government is empowered to constitute a board of conciliation. The boards are preferred to conciliation officers. It consists of an independent person as chairman and one or two nominees respectively of employers and workmen as members. The chairman must be an independent person. A quorum is also provided for conducting the proceedings.

The Board of Conciliation

The Board of acts in a judicial capacity and enjoys more powers than conciliation officers. Under the Act, every board of conciliation enjoys the same powers as are vested in a civil court under the **Code of Civil Procedure, 1908**, when trying a suit. It can enforce the attendance of any person and examine him on oath, compel the production of documents and material objects, issue commission for examination of witnesses, make discovery and inspection, grant adjournment and receive evidence taken on affidavit. Every inquiry by a board is deemed to be judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code and sections 345, 346 and 348 of the Code of Criminal Procedure, 1973.

Court of Inquiry

A court of inquiry is another authority set up by government under Industrial Disputes Act, 1947 for enquiring into the matter connected with a dispute. This Act enables the minister on his own motion and irrespective of the consent of the parties to a dispute, to set up a court of inquiry to enquire into the report on the causes and circumstances of any trade dispute, together with such recommendations as the court may make for the resolution of the dispute. Perhaps because of the extended field of operation of the court of inquiry, the legislature thought it fit to allow the parties to use instruments of economic coercion during pendency of proceeding before it.

The Act empowers the appropriate government to constitute a court of inquiry to inquire into any matter appearing to be connected with or relevant to an industrial dispute. The court of inquiry consists of one or more independent persons at the discretion

of the appropriate government. Where a court consists of two or more members, one of them shall be appointed as a chairman. The court having the prescribed quorum, may act notwithstanding the absence of the chairman or any of its members or any vacancy in its number.

It is the duty of the court of inquiry to inquire into matters referred to it and submit its report to the appropriate government, ordinarily within 6~months from the commencement of its inquiry. The Act requires that the report of appropriate government shall be published within 30 days of its receipt.

Voluntary Arbitration

Voluntary arbitration is one of the effective modes of settlement of an industrial dispute; it supplements collective bargaining. When negotiation fails, arbitration may prove to be a satisfactory and most enlightened method or resolving an industrial dispute. It provides 'a new focus for set up animosities.' The winning party is satisfied, and the losing party is likely to feel aggrieved, not at the other party, but at the arbitrator.' It is important because it is

(i) expected to take into consideration the realities of the situation;

(ii) expected to meet the aspiration of the parties:

(iii) based on voluntarism;

(iv) does not compromise the fundamental position of the parties and

(v) expected to promote mutual trust.

In order to encourage this process for solving industrial disputes, the Government of India has setup **National Arbitration Promotion Boards (NAPB)** in all states. The (Second) National Commission on Labour felt that arbitration as a dispute settlement machinery is better than adjudication.

Adjudication

Compulsory Arbitration or the Adjudication is the final stage in the settlement of industrial disputes (where the parties are unable to settle either through bipartite negotiations or through the good offices of the conciliation machinery or through voluntary arbitration). The compulsory arbitration which envisages governmental reference to statutory bodies such as **labour court, industrial tribunal or national tribunal**.

Disputes are generally referred for adjudication on the recommendations of the conciliation officer who had dealt with them earlier. However, the appropriate government has discretion either to accept or not to accept his recommendation and accordingly, to refer or not refer the case for adjudication. The percentage of disputes referred to adjudication varied from state to state.

Composition of Labour Court, Tribunal and National Tribunal

The Industrial Disputes (Amendment and Miscellaneous Provisions) Act, 1956 introduces a three tier system for industrial adjudication. The machinery provided under the Act consists of labour courts, industrial tribunals and national tribunals. The appropriate government is empowered under section 7 and 7A to constitute one or more labour courts and industrial tribunals with limited jurisdiction, to adjudicate 'industrial disputes', and the Central Government is authorized under section 7B to constitute the

national tribunal. The labour courts, industrial tribunals and national tribunals are ad hoc bodies and consist of a single member called Presiding officer. The appointment of the tribunal may, however, be for a limited duration. There is no provision for the appointment of assessors in labour courts, but in case of industrial tribunal or national tribunal, the appropriate Government may appoint two persons as assessors to advise the tribunal in the proceedings before it. The assessors are supposed to be experts having special knowledge of the matter under consideration and can be appointed only when the dispute involves technical matters and requires expert knowledge for its settlement. This provision has hardly been used and for all practical purposes, this is defunct.

Industrial peace, prosperity and progress depend upon the efficiency of the labour judiciary. The labour judiciary is, thus the centre of the system of industrial adjudication in India. These appointments of the presiding officers of the labour judiciary are made by the appropriate Central Government. The labour court judges and judges of the industrial court belong to 'Judicial Service'.

B. Non-statutory Settlement Machinery

Besides statutory machinery provided under the Industrial Disputes Act, I947, several voluntary machineries have also been set up. The most important among these are the joint management council, code of discipline and tripartite consultative machinery. These voluntary machineries influence to some extent both employers and workers for preservation and maintenance of industrial relations. However, they have shown limited success for limited purposes.

Joint Management Council

The need for joint management consultation was emphasized in the Government Industrial Policy Resolution, 1956 which is as follows:

In a socialist democracy, labour is a partner in a common task of development and should participate in it with enthusiasm... There should be joint consultation, and workers and technicians should, Wherever possible, be associated progressively in management. Enterprises in the public sector have to set an example in this respect. '

To translate the aforesaid idea into action, the Second Five-Year Plan reiterated that 'this would be achieved by providing for council of management, workers and technicians'. The Plan accorded due importance to the joint consultation and made it obligatory upon the management to supply such councils with fair and correct statements of all relevant information to enable them to function effectively. Pursuant to this, the Labour Ministry constituted a Study Group on Workers' Participation in Management. It consisted of representatives of government, labour and management. After a detailed examination, the study group submitted its report which favoured a scheme of joint management council to be set up in the country. This report was considered in the' Indian Labour Conference in July 1957. The conference gave its approval to the scheme of joint management council and suggested the appointment of a small tripartite subcommittee to examine the details of the scheme and to select undertakings in which the scheme could be introduced.

The scheme of joint management councils was evolved on voluntary basis to promote industrial peace and harmony between labour and management, ensure closer association between workers and management, increase production and share the responsibilities of management.

Code of Discipline

The need for voluntary code of discipline was felt in 1957 in order to create awareness among the parties to industrial relations about their obligations under labour laws, as also to create in them an attitude of willing acceptance of their responsibilities and a readiness to discharge them. It was in this context that the code of discipline found approval at the 16th Indian Labour Conference, and was formally announced in' June, 1958. The code was ratified by the central organisation of workers and employers. The code has been accepted by a majority of private and public sectors. The code, primarily as a result of the persuasive efforts of Central Implementation and Evaluation Division, has been accepted by 166 trade unions and 180 employers affiliated to Central Workers' and Employers' Organisation.

The code applies to all public sector undertakings run as companies and corporations except in defence, railways and ports and docks. Among those, where the code of discipline applies with certain modifications include Reserve Bank of India, State Bank of India and the Department of Defence Production.

Tripartite Consultative Machinery

Tripartite consultative machinery such as Indian Labour Conference, Standing Labour Advisory Committee and Industrial Committee also play an important role in ensuring the representation of the various interests involved in labour matters at the national level. Besides this, the committee on convention is also instrumental in reviewing the ratification of ILO. Industrial relations in India have been shaped largely by principles and policies evolved through tripartite consultative machinery at industry and national levels. The aim of the consultative machinery is "to bring the parties together for mutual settlement of differences in a spirit of cooperation goodwill" Thus, these bodies play the role of consultants.

Indian Labour Conference (ILC) and Standing Labour Committee (SLC) have been constituted to suggest ways and means to prevent disputes. The representatives of the workers and employers are nominated to these bodies by the Central Government in consultation with the All-India organisations of workers and employers.

The Labour Ministry settles the agenda for ILC/SLC meetings after taking into consideration the suggestions sent to it by member organisations. These two bodies work with minimum procedural rules to facilitate free and fuller discussions among the members, the ILC meets once a year, whereas the SLC meets as and when necessary.

The basic functions of ILC are:

(a) To promote uniformity in labour legislation

(b) To lay down a procedure for the settlement of industrial disputes

(c) To discuss matters of All-India importance as between employers and employees.

The ILC advises the Government on any matter referred to it for advice, taking into account suggestions made by the States and representatives of the organisations of workers and employers.

The Standing Labour Committee's main function is to consider and determine such questions as may be referred to it by the Plenary Conference or the Central Government and to render advice, taking into account the suggestions made by various governments, workers and employers.

The ILC/SLC have facilitated the enactment of central legislation on various subjects to be made applicable to all the states of the Indian union in order to promote uniformity in labour legislation which was an important objective to be achieved by these tripartite bodies.

15.13 PROPOSED CHANGES AS PER THE PROVISIONS CONTAINED IN THE INDUSTRIAL RELATIONS CODE, 2020

The proposed Industrial Relations Code, 2020 which has been adopted by Parliament and assented by the President of India but not implemented till date (28.02.2022), certain changes have been made in the existing machinery for the settlement of Industrial Disputes. The provision of court of Inquiry under I.D. Act, 1947 has been removed (chapter VII of the Code) and stress has been laid on the provision of standing orders (Chapter IV of the Code) for carrying out Domestic Inquiry.

The provision of labour court as an Adjudication machinery under I.D. Act, 1947 has been removed and only Industrial Tribunal and National Tribunal remain as Adjudication machinery under Industrial Disputes Act, 1947.

15.14 SUMMARY

In any environment, institution or organisation, conflict cannot be avoided. Control over environment, good communication may result in avoidance of conflict. Conflicts may be Intra or Interpersonal, Intra or Intergroup, Intra or Interorganisational. All such conflicts result in either positive or negative impact on the environment, institution or organisation as the case may be. Attempts be made to resolve the conflicts.

When remained unresolved and take a concrete form involving the whole or a major portion of environment, institution or organisation, it culminates into industrial disputes. Disputes may have many forms and various causes. The government, which aspires for peaceful industrial scenario, has then to intervene and it has formulated a statutory machinery for resolution of disputes under Industrial Disputes Act, 1947. Apart from statutory, there are non-statutory approaches for resolving industrial disputes. Recently, in the year 2020, Government has come up with various labour codes and the Industrial Relations Code, 2020 has made certain changes in the existing I.D. Act, 1947. Though, these codes have been adopted and even Presidential assent has been obtained, they are yet to be implement till date (28.02.2022).

15.15 SELF-ASSESSMENT QUESTIONS

1. What do you mean by Industrial Conflict ?
2. Explain various types of conflicts.
3. Outline the various forms of industrial actions.
4. What is Industrial Dispute ?
5. Indicate various types of disputes.

6. What are the statutory provisions for settlement of industrial disputes under Industrial Disputes Act, 1947 ?
7. Mention the non-statutory methods for settlement of industrial dispute.
8. What proposed changes have been made in the I.D. Act, 1947 under Industrial Relations Code, 2020 ?

15.16 FURTHER READINGS

1. A. Kornhauser, R. Dubin, A.M. Ross (eds.), "Industrial Conflict," McGraw Hill, New York, 1954, p. 13.
2. Amason, A.C. (1996), Distinguishing the Effects of Functional and Dysfunctional Conflict on Strategies Decision-making: Resolving a Paradox for Top Management Groups. Academy of Management Journal, 39, 123-148
3. Barki, Hahartwick, J. (2004). Conceptualizing the Construct of Interpersonal Conflict. International Journal of Conflict Management 15 (3), 216 244.
4. Borisoff, D. & Victor, D.A. (1998). Conflict Management: A Communication Skills Approach. Needham Heights: Allyn & Bacon, A Viacom Company. 78-80.
5. Chand, S., 2010, Management.
6. C. Kerr and A. Siegal, "The Inter-Industry Propensity to Strike : An International Comparison," in a. Kornhauser, R. Dubin, A. Ross (eds.) : "Industrial Conflict," McGraw Hill, New York, 1954.
7. Dana, D , (2001). Conflict resolution: Mediation tools for even/day worklife. New York: McGraw-Hill.
8. E. Mayo, "The Human Problems of An Industrial Civilization," Harvard University Press, 1946.
9. Evans, B. (2013): Management of Conflict.
10. Green, Charles (2012). Examples of Four Types of Conflict. Human Resources.
11. K. Pandit, "International Industrial Relations," Himalaya Publishing House, 2018, Pp. 99-125.
12. Lewis, Coser (1956). The Functions of Conflict. New York: Routledge and Kogan Paul.
13. R. Sivarethinamohan, "Industrial Relations and Labour Laws"' PHI Learning Pvt. Ltd., 2010, Pp. 99-125.
14. Ross Stagner, "Psychology of Industrial Conflict," John Wiley and Sons Inc., New York, 1956, p. 19.