

UNIT-2-MIR

THE TRADE UNIONS' ACT, 1926

Introduction

The labour movement was the principal force that transformed misery and despair into hope and progress. Out of its bold struggles, economic and social reform gave birth to unemployment insurance, old-age pensions, government relief for the destitute and, above all, new wage levels that meant not mere survival but a tolerable life. The captains of industry did not lead this transformation; they resisted it until they were overcome. When in the thirties the wave of union organization crested over the nation, it carried to secure shores not only itself but the whole society.--Martin Luther King, Jr.

Trade Unions, in general, emerged as a result of the Industrial Revolution which can be traced back to the 18th century when the Industrial Revolution began in Britain. The Industrial Revolution is characterized by the setting up of large-scale factories, new lines of mass production, mechanization and rapid economic development. It is natural that when a large number of factories are set, there is a need for labour. Hence, the demand for unskilled and skilled labour grew. At the time the industries were not properly organized and the employers concentrated on maximizing profits which led to exploitation of the labour class who were uneducated and poor. In other words, it led to the formation of two classes in the industrial sector:

- **Employer Class** – Who were profit-oriented and did not really bother about the working conditions of the labour.
- **Labour Class** – Who were uneducated and had no knowledge of their rights and were also in need of money.

Initially, the labourers felt that their need for money is greater and that their employers can easily replace them if they protested to the exploitative terms and wages imposed by their employers.

But slowly the labour class realized that if one individual labour protests against the exploitative terms of his employee, it will not have any impact on the industrial organization but if laborers form themselves into a group or “Union” then more impact will be exerted on their employer lords. Forming labourers into Unions also gave them the power to collectively bargain for themselves. Therefore, this thought led to the formation of Trade Unions.

The observation of the 26th President of the United States is noteworthy to note here which goes as – “It is essential that there should be an organization of labour. This is an era of organization. Capital organizes and therefore labour must organize.” – Theodore Roosevelt

Definition: Labour unions or trade unions are organizations formed by workers from related fields that work for the common interest of its members. They help workers in issues like fairness of pay, good working environment, hours of work and benefits. They represent a cluster of workers and provide a link between the management and workers.

A trade union is a combination of persons. Whether temporary or permanent, primarily for the purpose of regulating the relations between workers and employers or between workers for imposing restrictive conditions on the conduct of any trade or business and includes the federations of two or more trade unions as per Sec. 2 (6) Trade Unions Act, 1926.

“A trade union is an organization of workers, acting collectively, who seek to protect and promote their mutual interest through collective bargaining”

The Indian Trade Union Act, 1926, is the principle act which controls and regulates the mechanism of trade unions. In India, political lines and ideologies influence trade union movements. This is the reason why today political parties are forming and running trade unions.

Purpose of Trade Union:

1. Regulate relations between workers (its members) and the employer
2. Settlement of grievances,
3. Raising new demands on behalf of workers,
4. Collective bargaining and negotiations are the other key principle functions that these trade unions perform
5. Negotiate wages and working condition terms
6. Help to settle their grievances

Objectives of Trade Union:

Following are the objectives of trade unions:

- 1. Ensure Security of Workers:** This involves continued employment of workers, prevent retrenchment, lay off or lock-outs. Restrict application of “fire” or dismissal or discharge and VRS.
- 2. Obtain Better Economic Returns:** This involves wages hike at periodic intervals, bonus at higher rate, other admissible allowances, subsidized canteen and transport facilities.
- 3. Secure Power To Influence Management:** This involves workers’ participation in management, decision making, role of union in policy decisions affecting workers, and staff members.
- 4. Secure Power To Influence Government:** This involves influence on government to pass labour legislation which improves working conditions, safety, welfare, security and retirement benefits of workers and their dependents, seek redressal of grievances as and when needed.

Functions of a Trade Union:

The important basic functions of unions listed by National Commission on labour are:

- (i) To secure fair wages to workers.
- (ii) To safeguard security of tenure and improve conditions of service.
- (iii) To enlarge opportunities for promotion and training.
- (iv) To improve working and living conditions.
- (v) To provide for educational, cultural and recreational facilities.
- (vi) To co-operate in and facilitate technological advance by broadening the understanding of workers on its underlying issues.
- (vii) To promote identity of interests of workers with their industry.
- (viii) To offer responsive co-operation in improving levels of production and productivity, discipline and high standards of quality and
- (ix) To promote individual and collective welfare.

Characteristics of Trade Union:

1. A union normally represents members in many companies throughout the industry or occupation.
2. A union is fundamentally an employer regulating device. It sharpens management efficiency and performance while protecting the interests of the members.
3. A union is a part of the working class movement.
4. A union is a pressure organization originating in the desire on the part of a group with relatively little power to influence the action of a group with relatively more power.
5. A union is a political institution in its internal structure and procedures.

Growth of labour unions in India: 6-phases

Growth of Trade union movement in India was an organic process. It started towards the tail end of the nineteenth century and continues to date. It closely follows the development of Industry in India. In India, now there are more than 16,000 trade unions with a collective membership of around 1 crore (10 million) labourers. The growth of labour unions in India can be roughly classified into six phases.

1.Pre-1918: The genesis of the labour movement in India : After the setting up of textile and jute mills coupled with the laying of railways in the 1850s, worker atrocities started to come to light.

Though the origin of labour movements was traced to the 1860s, first labour agitation in the history of India occurred in Bombay, 1875. It was organised under the leadership of S.S Bengalee. It concentrated on the plight of workers, especially women and children. This led to the appointment of the first Factory commission, 1875. Consequently, the first factories act was passed in 1881.

In 1890, M.N Lokhande established *Bombay Mill Hands Association*. This was the *first organised labour union in India*.

Following this, different organisations were established across India.

Features of the labour movements in this era:

- Leadership was provided by social reformers and not by the workers themselves.
- The movements in this era mainly concentrated on the welfare of workers rather than asserting their rights.
- They were organised, but there was no pan India presence.
- A strong intellectual foundation or agenda was missing.
- Their demands revolved around issues like that of women and children workers.

2.1918-1924: The early trade union phase: This period marked the birth of true trade union movement in India. It was organised along the lines of unions in the industrialised world.

The deteriorated living conditions caused by the first world war and the exposure with the outside world resulted in heightened class consciousness amongst the workers. This provided fertile ground to the development of the movement. This period is known as the early trade union period.

Important unions: Ahmedabad Textile Labour Association (1917) led by Smt. Anasuyaben Sarabhai, All India Postal and RMS Association, Madras Labour Union led by B.P Wadia etc.

AITUC, the oldest trade union federation in India was set up in 1920. It was founded by Lala Lajpat Rai, Joseph Baptista, N.M Joshi and Diwan Chaman Lall. Lajpat Rai was elected the first president of AITUC.

Factors that influenced the growth of the movement:

- Spiralling prices during War and the mass entrenchment of workers that followed it led to low living standards. Also, the wretched working conditions added to their woes. Hence, they sought collective bargaining power through unionisation.
- Development of Home Rule, the emergence of Gandhian leadership and the socio-political conditions led to the nationalist leadership taking interest in the worker's plight. Workers, in turn, was looking for professional leadership and guidance.
- Russian revolution and other international developments (like setting up of International Labour Organisation in 1919) boosted their morale.

3.1925-1934: Period of left-wing trade unionism : This era was marked by increasing militancy and a revolutionary approach. It also saw multiple split-ups in the movement. Leaders like N.M Joshi and V.V Giri was instrumental in moderating the movement and further integrating it with the nationalist mainstream.

AITUC split up multiple times paving way for the formation of organisations like National Trade Union Federation (NTUF) and All India Red Trade Union Congress (AIRTUC). However, the need for unity was felt and they all merged with the AITUC in the next phase.

The government was also receptive to the trade union movement. Legislations like the *Trade Unions Act, 1926 and the Trade Disputes Act, 1929* gave a fillip to its growth. It bestowed many rights to the unions in

return for certain obligations. This period was marked by the dominance of the left. Hence, it may be referred to as the period of *left-wing trade unionism*.

4.1935-1938: The Congress interregnum : This phase was marked by greater unity between different unions. Indian National Congress was in power in most of the provinces by 1937. This led to more and more unions coming forward and getting involved with the nationalist movement. In 1935, AIRTUC merged with AITUC. Different legislations were passed by provincial governments that gave more power and recognition to the trade unions.

The approach of Congress ministries was that of promoting worker interests while protecting industrial peace. Reconciliation of labour with capital was seen as an aim, with ministries working towards securing wage rise and better living conditions. However, many ministries treated strikes as law and order issues. They used colonial machinery to suppress it. This led to considerable resentment from the unions.

5.1939-1946: Period of labour activism : The Second World War lowered standard of living for the workers further and this led to the strengthening of the movement. The question of war effort created a rift between the Communists and the Congress. This, coupled with other issues, led to further split in the movement. However, the movement as a whole got stronger due to the compounding issues. This included mass entrenchment post-war and the massive price rise that accompanied it.

Legislations like *Industrial Employment Act, 1946* and *Bombay Industrial Relations Act, 1946* contributed to strengthening the trade union movement. In general, the movements got more vocal and involved in the national movement.

6.1947-present: Post-independence trade unionism : It was marked by the proliferation of unions. *INTUC* was formed in May 1947 under the aegis of Sardar Vallabhbhai Patel. Since then, the AITUC has come to be dominated by the Communists. Hind Mazdoor Sabha was formed in 1948 under the banner of Praja Socialist Party. Later on, it came under the influence of Socialists. Bharatiya Mazdoor Sangh was founded in 1955 and is currently affiliated to the BJP.

Post-independence, trade unions became increasingly tied with party politics. Rise of regional parties has led to a proliferation in their numbers with each party opting to create its trade union. However, their influence has been somewhat reduced after the liberalisation post-1991. Issues like labour code reforms and minimum wage remains a political hot potato due to the opposition from the trade union leadership.

Post-independence, India has also witnessed different unions coming together to address a common issue. These include the crippling railway strike of 1974 and the Great Bombay textile strike, 1982. However, such strikes are seen to get less public support post-1991. There is also an increased focus on informal labour. This is due to the particularly vulnerable situation of unorganised labour. All major trade unions have registered an increase in their membership from the unorganised sector.

Factors Contributing to the Growth of Trade Union:

Though modern industries began to emerge in India after 1857, trade unions did not emerge until after 1920. The following are some of the factors that have contributed to the growth of trade union movements in India:

- After World War I, the prices of essential commodities began to rise, but labour wages remained unchanged.
- Workers' working conditions are poor and deplorable.
- The Russian Revolution of 1917 and the establishment of the USSR forced workers to reconsider their social order.
- The International Labour Organization (ILO) was founded in 1919 to protect the interests of workers.
- During the 1920s, the rise of socialist ideology in India led to the formation of trade unions.
- The Gaya session of Congress in 1922 adopted a resolution allowing party workers to participate in trade union activities, providing additional impetus to trade unions.
- The rise of communist parties, which began to take an active interest in worker grievances, resulted in the expansion of the trade union movement.

The Trade Union Act, 1926 / Development of Trade Union Law in India

Labour legislation in India has a key impact on the development of industrial relations. The establishment of social justice has been the principle of all labour legislation in India. The establishment of the International Labour Organisation to uplift the condition of labour all over the world gave further impetus to the need for well-framed labour legislation in the country. Several other internal factors like the Swaraj movement of 1921-24, the Royal Commission on Labour also paved the way for various labour laws and also encouraged the framers of the constitution to incorporate such laws in the constitution which will benefit the labourers. Under the Constitution of India, labour is the subject of the concurrent list and both the centre and the state can make laws related to the subject. The different labour laws in the country are as follows:

- ✓ *The Apprentices Act, 1961*: The object of the Act was the promotion of new manpower at skills and the improvement and refinement of old skills through practical and theoretical training.
- ✓ *The Contract Labour (Regulation and Abolition) Act, 1970*: The object of the Act was the regulation of employment of contract labour along with its abolition in certain circumstances.
- ✓ *The Employees' Provident Funds and Misc. Provision Act, 1952*: The Act regulated the payment of wages to the employees and also guaranteed them social security.
- ✓ *The Factories Act, 1948*: The Act aimed at ensuring the health of the workers who were engaged in certain specified employments.
- ✓ *The Minimum wages Act, 1948*: The Act aimed at fixing minimum rates of wages in certain occupations.
- ✓ *The Trade Union Act, 1926*: The Act provided for the registration of trade unions and defined the laws relating to registered trade unions.
- ✓ *Provisions of the Trade Unions Act, 1926*

The labourers, especially the ones who work in the unorganised sectors, lack the capacity to bargain, and this becomes a major reason for their exploitation. The right to collective bargaining is provided only to those trade unions that are registered. But in India, there is legislation regarding the recognition of trade unions but there is no single legislation on the registration of trade unions.

Definition clause: Section 2(h) lays down the definition of trade unions. It states the following:

Trade Union means any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive conditions on the conduct of any trade or business, and includes any federation of two or more Trade Unions:

Provided that this Act shall not affect –

- (i) any agreement between partners as to their own business;
- (ii) any agreement between an employer and those employed by him as to such employment; or
- (iii) any agreement in consideration of the sale of the good-will of a business or of instruction in any profession, trade or handicraft.

A trade union is typically thought of as a group of wage earners or workers. It is a voluntarily formed group of workers in a specific trade or business. An organisation of wage workers known as a trade union was created largely for the purpose of taking collective action to further the defence of its professional interests.

These are the components of a trade union:

- ✓ There must be a combination of employers and workers in a union;
- ✓ The business trade is necessary, and
- ✓ The primary goal of the union must be to control employer-employee interactions and establish limitations on how any trade or company may be conducted.

Since it includes both employers' unions and workers' unions, the definition of a trade union under Section 2(h) is excessively broad.

Registration of trade unions

By relying on the registration mechanism, unions are encouraged to grow steadily and permanently. According to the Act, a registered trade union is entitled to certain protections and benefits. As a result, the union's supporters are prompted into registering their trade unions under the Trade Unions Act of 1926.

The regulations relating to the registration of trade unions are outlined in Sections 3 to 14 of Chapter 2 of the Trade Union Act of 1926 and the Central Trade Union Regulations, 1938, which have around 17 Rules and forms A, B, and C. A useful tool for ensuring the expansion of long-lasting and reliable unions is registration. Although it is not required, registration is preferred because a registered trade union is granted certain benefits and immunity. Members of a registered trade union are also granted certain rights and advantages. In other words, those who belong to a legally recognised union are entitled to protection, immunity, and exemption from certain legal obligations on both the civil and criminal sides. However, it should be remembered that a personal conflict only becomes an industrial issue when it is represented by a group of employees or a trade union, whether they are registered or not.

Section 3 : Appointment of registrars : Section 3 of the Act empowers the appropriate government to appoint a person as the registrar of a trade union. The appropriate government can also appoint as many additional and deputy registrars in a trade union as it deems fit for carrying on the purposes of the Act.

The aforementioned actions must be taken in order to exercise and carry out the Registrar's legal obligations under this Act, including any specific powers and functions that the Registrar may, by order, specify, as well as to specify the local boundaries within which any additional or deputy Registrar may exercise and carry out those obligations.

Section 4 : Mode of registration: Section 4 of the Act provides for the mode of registration of the trade union. According to the Section, any seven or more than seven members of a trade union may by application apply for the registration of the trade union subject to the following two conditions:

At Least 7 members should be employed in the establishment on the date of the making of the application. At Least 10% or a hundred members whichever is less, are employed in the establishment and should be a part of it on the date of making the application.

Section 5 : Application of registration : According to Section 5 of the Act, every application for a trade union's registration must be presented in writing to the Registrar and include a copy of the union's rules as well as a statement of the information listed below:

- ✓ Firstly, the members submitting must mention their names, occupations, and addresses;
- ✓ Secondly, the name of the Trade Union and its headquarters' address must also be included; and
- ✓ Finally, the titles, names, ages, addresses, and occupations of the Trade Union's office holders must also be included.

A trade union's executive must be organised in conformity with the Act's requirements before it may be registered.

Section 6 : Provisions to be contained in the rules of a trade union : Section 6 of the Act enlists the provisions which should be contained in the rules of trade union and it provides that no trade union shall be recognized unless it has established an executive committee in accordance with the provisions of the Act and its rules, specifies the following matters, namely:

- ✓ Name of the trade union;
- ✓ The object of the establishment of the trade union;
- ✓ Purposes for which the funds with the union shall be directed;
- ✓ A list specifying the members of the union shall be maintained. The list shall be inspected by office bearers and members of the trade union;
- ✓ The inclusion of ordinary members who shall be the ones actually engaged or employed in an industry with which the trade union is connected;
- ✓ The conditions which entitle the members to any benefit assured by the rules and also the conditions under which any fine or forfeiture may be imposed on the members;
- ✓ The procedure by which the rules can be amended, varied or rescinded;
- ✓ The manner within which the members of the manager and also the alternative workplace bearers of the labour union shall be elective and removed;
- ✓ The safe custody of the funds of the labour union, an annual audit, in such manner, as may be prescribed, of the accounts thereof, and adequate facilities for the inspection of the account books by the workplace bearers and members of the labour union, and;
- ✓ The manner within which the labour union could also be dissolved.

Section 7: Power to call for further particulars and require alteration of the name : Section 7 of the Act confers upon the registrar the power to call for information in order to satisfy himself that any application made by the trade union is in compliance with Sections 5 and 6 of the Act. In matters where the discrepancy is found, the registrar reserves the right to reject the application unless such information is provided by the union.

This Section also confers power to the registrar to direct the trade union to alter its name or change the name if the registrar finds the name of such union to be identical to the name of any other trade union or if it finds its name to so

nearly resemble the name of any existing trade union, it may be likely to deceive the public or members of either of the trade unions.

Section 8 : Registration : According to Section 8 of the Act, if the registrar has fully satisfied himself that a union has complied with all the necessary provisions of the Act, he may register such a union by recording all its particulars in a manner specified by the Act.

Each registered trade union should be a body corporate, which makes it a legal entity with perpetual succession. It shall have a common seal, the ability to buy, possess, and enter into contracts with both movable and immovable property, as well as the ability to sue and be sued using that name.

Section 9 : Certificate of registration : The registrar, on registering a trade union under section and, shall issue a certificate of registration in the prescribed form which shall be conclusive evidence that the trade union has been duly registered under this Act.

Section 10 : Cancellation of registration : A certificate of registration of a trade union may be withdrawn or cancelled by the registrar on the application of the trade union to be verified in such manner as may be prescribed in if the registrar is satisfied that the certificate has been obtained by fraud or mistake or that the trade union has ceased to exist.

It has to provide not less than two months' previous notice in writing specifying the ground on which it is proposed to withdraw or cancel the certificate shall be given by the registrar to the trade union before the certificate is withdrawn or cancelled otherwise than on the application of the trade union.

Section 11 : Appeals : According to Section 11 of the Act, any union which is aggrieved by a refusal to register or a withdrawal of registration made by the registrar can file an appeal:

- ✓ In any High Court, if the head office of the trade union is located in any of the presidency towns;
- ✓ In any labour court or industrial tribunal, if the trade union is located in such a place over which the labour court or the trade union has jurisdiction;
- ✓ If the head office of the trade union is situated in any other location, an appeal can be filed in any court which is not inferior to the Court of an additional or assistant has chosen a principal Civil Court of original jurisdiction.

Section 12 : Registered office : Section 12 of the Act lays down that all communications and notices to any trade union must be addressed to its registered office. If a trade union changes the address of its registered office, it must inform the registrar within the period of fourteen days in writing, and the registrar shall record the changed address in the register mentioned under Section 8 of the Act.

Section 13 : Incorporation of registered trade union : Section 13 of the Act states that every trade union which is registered according to the provisions of the Act shall:

- ✓ Be corporate by the name under which it is registered.
- ✓ have perpetual succession and a common seal.
- ✓ Power to contract and hold and acquire any movable and immovable property.
- ✓ By the said name can sue and be sued.
- ✓ Rights and liabilities of registered trade unions
- ✓ Sections 15 to 28 elucidate the rights which a registered trade union has and also the liabilities which can be imposed against them.

Section 15 : Objects on which general funds may be spent : Section 15 of the Act lays down the activities on which a registered trade union can spend its funds. These activities include:

- ✓ Salaries are to be given to the office-bearers.
- ✓ The cost incurred for the administration of the trade union.
- ✓ Compensation to the workers due to any loss arising out of any trade dispute.
- ✓ Expenses incurred in the welfare activities of the workers.
- ✓ Benefits are conferred to the workers in case of unemployment, disability, or death.
- ✓ The cost incurred in bringing or defending any legal suit.
- ✓ Publishing materials with the aim of spreading awareness amongst the workers.
- ✓ Education of the workers or their dependents.
- ✓ Making provisions for medical treatment of the workers.
- ✓ Taking insurance policies for the welfare of the workers.

Section 16 : Constitution of a separate fund for political purposes: Section 16 provides that a trade union, in order to promote the civic and political interests of its members, can constitute a separate fund from the contributions made separately for the said purposes. No member of the union can be compelled to contribute to the fund.

A legally recognised labour union may establish a separate fund with the goal of advancing the civic and political objectives of its members. A recognised trade union is not allowed to use its general finances for its members' political campaigns. The trade union must establish a separate political fund for political causes. Contributions to such a fund must be separately collected. Some of them are as follows:

Section 17 : Criminal conspiracy in trade disputes : Section 17 of the Act states that no member of a trade union can be held liable for criminal conspiracy mentioned under sub-section 2 of Section 120B of the Indian Penal Code regarding any agreement made between the members of the union in order to promote the lawful interests of the trade union.

The office bearers of the registered trade unions are exempt from penal punishment for criminal conspiracy, per Section 17 of the Trade Unions Act of 1926. An agreement between two or more people to carry out an illegal act or a legitimate act through an illegal method is referred to as a conspiracy in English law.

Section 18 : Immunity from civil suits in certain cases : Section 18 of the Act immunises the members of trade unions from civil or tortious liabilities arising out of any act done in furtherance or contemplation of any trade dispute.

For example, in general, a person is subject to tortious liability for inducing any person to breach a contract. But, the trade unions and its members are immune from such liabilities provided such inducement is in contemplation or furtherance of any trade disputes. Further, the inducement should be lawful and should not involve any aspect of violence, threat, or any other illegal activity.

Any authorised officer or member of a registered trade union is eligible for this immunity. No civil action may be brought against them for conduct related to a trade dispute on the grounds that it encourages another person to breach an employment agreement; or interferes with another person's trade, business, or employment.

Furthermore, the incentive should be made via legal techniques that are not against the legislation of the state. There is no protection from physical harm, verbal abuse, or other illegal tactics.

Section 19 : Enforceability of agreement : According to Section 25 of the Indian Contract Act of 1872, any agreement in restraint of trade is void. But under Section 19 of the Trade Unions Act, 1926, any agreement between the members of a registered trade union in restraint of trade activities is neither void nor voidable. However, such a right is available only to registered trade unions, as unregistered trade unions have to follow the general contract law.

Section 20 : Right to inspect the books of trade union : According to Section 20 of the Act, the account books and the list of the members of any registered trade union can be subjected to inspection by the members of the trade union at such times as may be provided under the rules of the trade union.

Section 21 : Rights of minors to membership of trade union : Section 21 provides that a person who is above 15 years of age can be a member of any trade union, and if he becomes a member, he can enjoy all the rights conferred upon the members of the trade union, subject to the conditions laid down by the trade union of which he wants to be a member.

Section 21-A : disqualifications of office-bearers of trade union: Section 21A of the Act lays down the conditions, the fulfilment of which disqualifies a person from being a member of the trade union. The conditions laid down in the Act are as follows:

- ✓ If the member has not attained the age of majority
- ✓ If he has been convicted by any of the courts in India for moral turpitude and has been sentenced to imprisonment unless a period of five years has elapsed since his release.

Section 22 : Proportion of office-bearers to be connected with the industry: Section 22 of the Act mandates that not less than half of the members of the trade union should be employed in the industry or work with which the trade union is connected. For example, if a trade union is made for the welfare of agricultural labourers, then, as per this Section, half of the members of such a trade union should be employed in agricultural activities.

Section 23 : Change of name: Section 23 states that any registered union is free to change its name provided it does so with the consent of not less than 2/3rd of its members and subject to the fulfilment of the conditions laid down in Section 25 of the Act.

Section 24 : Amalgamation of trade unions : Section 24 lays down that two or more trade unions can join together and form one trade union with or without dissolution or division of the fund. Such amalgamation can take place only when voting by half of the members of each trade union has been effectuated and that sixty per cent of the casted votes should be in favour of the proposal.

Section 25 : Notice of change of name or amalgamation : A notice in writing of every change of name and of every amalgamation which is duly signed by the Secretary and by seven members of the Trade Union changing its name, and, in the case of an amalgamation, by the Secretary and by seven members of each and every Trade Union which are a party thereto, should be sent to the Registrar.

If the Registrar feels that the proposed name is identical to the name of any other existing Trade Union or, it so nearly resembles such name as it is likely to deceive the public or the members of either Trade Union, the Registrar may refuse to register the change of name.

If the Registrar of the State in which the head office of the amalgamated Trade Union is situated is satisfied that the provisions of this Act have complied with the amalgamation shall be given effect from the date of such registration.

Section 27 : Dissolution: If a registered trade union has been dissolved, a notice of such dissolution which must be signed by seven members and by the Secretary of the Trade Union should be served to the registrar within 14 days of such dissolution and if the registrar is satisfied that the dissolution has been effected in accordance with the rules laid down by the trade union may register the dissolution.

Where a union has been dissolved but its rules do not lay down the way in which the fund is to be distributed after its dissolution, the registrar may distribute the funds in any prescribed manner.

Section 28 : Returns : Section 28 provides that each trade union should send the returns to the registrar annually on or before such a day as may be prescribed by the registrar. The return includes:

- ✓ General statement
- ✓ Audit report
- ✓ All the receipts and expenditures incurred by the trade union
- ✓ Assets and liabilities of the firm on the 31st day of December

Section 29 : Power to make regulations : Section 29 of the Act confers the right on the appropriate government to make provisions in order to ensure that the provisions of the Act are fairly executed. Such regulations may provide for any or all of the matters, which are as follows:

- ✓ The manner in which a trade union or its rules shall be registered;
- ✓ The manner in which the registration of a trade union has to be transferred which has changed its head office;
- ✓ The manner of appointment and qualification of the person who shall audit the accounts of the registered trade union;
- ✓ Circumstances under which the documents kept by the registrar shall be allowed to be inspected and also the fees that shall be levied in lieu of the inspection so made.

Section 30 : Publication of regulations : The power of making regulations conferred to the government is subject to the condition that such regulation has been made after the previous publication.;

The date from which the regulation shall be given effect shall be specified in accordance with clause (3) of Section 23 of the General Clauses Act, 1897, and the date should not be less than three months from the date on which the draft of the proposed regulations was published for general information;

The regulations which are made must be specified in the official gazette of India and it shall have the effect of an enacted law.

Penalties and procedure

Section 31 to Section 33 of the Trade Union Act lays down the penalties and the procedure for their application to a trade union which is subject to such a penalty.

Section 31 : Failure to submit returns : If any trade union was required to send any notice, statement or any document to the registrar under the Act and if the rule did not prescribe a particular person in the union to provide such information then in case of default each member of the executive shall be imposed with the fine extendible to five rupees. In case of continuing default, the fine may be extended to five rupees a week.

If any person willfully makes or causes to be made any false entry or omission in the general statement required under Section 28 of the Act shall be punishable with a fine extendible to 500 rupees.

Section 32 : Supplying false information regarding trade unions : Any person who in order to deceive a member of any trade union or any other person who purports to be part of the trade union, Gives a copy of the document with the pretext of it containing the rules of a trade union. Which he knows or has reason to believe that it is not a correct copy of such rules and alteration and, Any person with the like intent give a copy of any document purporting it to be a copy of the rules of a registered trade union which in reality is an unregistered union, Shall be imposed with a fine which may extend to two hundred rupees.

Section 33 : Cognizance of offences : Section 33 contains the provisions with respect to the cognizance of offences. It says that no court which is inferior to a presiding magistrate or a magistrate of the first class shall try an offence under the Act. The courts can take cognizance of the offences under the Act only in the following cases:

When the complaint has been made with the previous sanction of the registrar

When a person has been accused under Section 32 of the Act, he shall be tried within six months of the commission of the alleged offence.

Rights and Liabilities of Registered Trade Unions:

- 1. Objects on Which General Funds May Be Spent:** The general funds of a registered trade union shall not be spent on any other objects than the payment of salaries, allowances and expenses to the office bearers of the trade unions; expenses for the administration of the trade union; the presentation or defiance of any legal proceeding to which the trade union or any member thereof is a party; the conduct of trade disputes and compensation of members for loss arising out of trade disputes; provision of education, social or religious benefits for members; upkeep of a periodical published.
- 2. Constitution of a Separate Fund for Political Purposes:** A registered trade union may constitute a separate fund, from contributions separately levied for or made to that fund, from which payments may be made for the promotion of the civic and political interests of its members, in furtherance of any of the objects such as the payment of any expenses incurred, either directly or indirectly; the holding of any meeting or the distribution of any literature/documents in support of any such candidate; the registration of electors or the selection of a candidate for any legislative body constituted under or for any local authority; the registration of electors or the selection of a candidate for any legislative body constituted under/or for any local authority; holding of political meetings of any kind.
- 3. Criminal Conspiracy in Trade Disputes:** No office bearer or member of a registered trade union shall be liable to punishment under sub-section (2) of Section 120 B of the Indian Penal Code, 1860 in respect of any agreement made between the members for the purpose of furthering any such object of the trade union as is specified in section its unless the agreement is an agreement to commit an offence.
- 4. Immunity from Civil Suit in Certain Cases:** (i) No suit or other legal proceeding shall be maintainable in any civil court against any registered trade union or any office bearer or member thereof in respect of any act done in contemplation or furtherance of a trade dispute to which a member of the trade union is a party on the ground only that such act induces some other person to break a contract of employment, or that is in interference with the trade, business or employment of some other person or with the right of some other person to dispose of his capital or of his labour as he wills.
A registered trade union shall not be liable in any suit or other legal proceeding in any civil court in respect of any fortuitous act done in contemplation or furtherance of a trade dispute by an agent of the trade union if it is proved that such person acted without the knowledge of, or contrary to express instructions given by the executive of the trade unions.
- 5. Enforceability of Agreements:** Notwithstanding anything contained in any other law for the time being in force, an agreement between the members of a registered trade union shall not be void or voidable merely by reason of the fact that any to the subjects of the agreement are in restraint of the trade.
- 6. Right to Inspect Books of Trade Unions:** The account books of a registered trade union and the list of members thereof shall be open to inspection by an office bearer or member of the trade union at such times as may be provided for in the rules of the trade union.
- 7. Right of Minors to Membership of Trade Unions:** Any person who has attained the age of 18 years may be a member of a registered trade union subject to any rules of the trade union to the contrary, and may subject as aforesaid, enjoy all the rights of a member and execute all instruments and give all acquaintances necessary to be executed or given under the rules.
- 8. Effects of Change of Name and of Amalgamation:** The change in the name of a registered trade union shall not affect any rights or obligations of the trade union or render defective any legal proceeding by or against the trade union. An amalgamation of 2 or more registered trade unions shall not prejudice any right of any of such trade unions or any right of a creditor of any of them.

Problems faced by the labor movement post Independence

Trade union movement in our country suffers from the following weaknesses:

- 1. Uneven Growth:** Trade unions are concentrated in large scale industry sector and in big industrial centers. There is very little trade union activity in small sector, agricultural labour and domestic sector. Trade unionism has touched only a portion of the working class in India.
- 2. Small Size:** Most of the unions have low membership though the number of unions and union membership are increasing, average membership is inadequate.
- 3. Weak Financial Position:** The average yearly income of unions is very low and inadequate. The subscription rates are low and many members do not pay the subscription in time. Due to their financial weakness, most of the unions are not in a position to undertake welfare programmes for workers.
- 4. Political Leadership:** Trade unions are under the leadership and control of political parties and outsiders. Politicians exploit unions and workers for their personal and political gains. Thus, the political leadership is very harmful to the trade union movement in India.
- 5. Multiplicity of Unions:** There exist several unions in the same establishment or industry. The existence of rival unions with conflicting ideology is greatly responsible for unhealthy growth of trade union movement. In some cases employers encourage split in unions to undermine their bargaining power.
- 6. Problem of Recognition:** Employers are under no obligation to give recognition to any union.
- 7. Absence of Paid Office-Bearers:** Most of the unions do not have full-time paid office-bearers. Union activists working on honorary basis devote only limited time and energy to union activities. Union officers lack adequate knowledge and skill due to lack of proper training, weak financial position and political leadership are the main reasons for this state of affairs.
- 8. Apathy of Members:** Majority of workers do not take keen interest in union activities. The attendance at the general meetings of unions is very poor.
- 9. Opposition from Employers:** Trade unions in India have to face opposition from employers. Many employers try to intimidate or victimise labour leaders, start rival union and bribe union officials.
- 10. Inter-Union Rivalry:** Multiple unions create rivalry. Unions try to play down each other in order to gain greater influence among workers. Employers take advantage of infighting. Inter-union rivalry weakens the power of collective bargaining and reduces the effectiveness of workers in securing their legitimate rights.

Methods of Trade Union:

The objectives of a trade union are achieved by a pursuit of traditional methods. These are:

- (i) The organisation of a trade union on the basis of the craft or industry in which its members are employed, such as general unions and professional employee's organizations.
- (ii) Collective bargaining, which is the essence of industrial relations, for it is through collective bargaining that the terms and conditions of employment are determined and under which work is performed satisfactorily.
- (iii) Grievance processing and handling procedures, under which grievances are redressed or dealt with by a correction of situation or by channeling up of these "up the line".
- (iv) Arbitration, by which unsettled or unresolved disputes can be settled by an outside agency.
- (v) Political pressure exercised through legislators who are capable of bringing about changes in labour laws; and
- (vi) Mutual insurance through common contributions to meet the financial needs of workers when there are stoppages of work

Major Labor Unions and their Political Affiliation

1. **AITUC**-All India Trade Union Congress – Communist Party of India.
2. **INTUC**-Indian National Trade Union Congress – Indian National Congress.

3. **BMS**-Bhartiya Mazdoor Sangh – Bharatiya Janata Party.
4. **CITU**-Centre for Indian Trade Unions – CPI(M).
5. **HMS**-Hind Mazdoor Sabha – Samajwadi Party.

Types of Trade Union:

1. **Craft Unions:** In this organisation the labour class is grouped based on particular trade or occupation. This category is mainly amongst the white collared employees. The measures are mostly in horizontal system and craft conscious rather than class conscious. This will have lot of commonality in thinking and approach to problems resolution. The bank employees' union, doctors' union, lawyers' association, teachers' association come under this category.
2. **Industrial Unions:** A particular category of industry will have their own unions. All crafts and trades coming under that industry are part of the union. Textile mill unions, steel industry unions, mill mazdoor sangh, grini kamgar unions are some of the examples of industrial unions in India. They form a strong force in collective bargaining. They cover all welfare of similar industry workers in a city or industrial town. Industrial unions are more vocal, volatile and indulge in agitation and strikes. Similarly these industries face more lockouts and arbitration for disputes redressal.
3. **General Union:** This is a conglomerate group of different industry employees forming a union. This happens normally in industrial towns, ancillary units, and SSI units in a city or suburb. Examples are Peenya industrial workers' union, Thane industry employees' unions and Jamshedpur labour union.
4. **Federations:** These are apex bodies at national level. All trade unions like craft union, industrial unions and general union become members of federations to have bigger identity. Central trade unions as federations help smaller unions and support at national level to address their cause.

Organisation Structure: Organisational structure of National Trade Unions consists of 4 levels as given below:

1. Conventions/sessions
2. General council (President, VP, Secretary-General, etc.)
3. Provincial bodies (at state level chairman, secretariats)
4. Local bodies (affiliated unions)

National convention/conferences are held at periodic intervals, say annually or bi-annually. This is the highest policymaking body. This is presided over by the president of the union attended by the delegates such as chairmen of state units, representatives of specialized services, legal experts and delegates from international bodies and special invitees. Office bearers are also elected by this conference.

General council consists of president, vice-president, secretary and other office bearers. It carries out policy decisions taken by convention. Various standing committees are set up on rendering study, analysis and recommendations on various aspects like legislative measure, Research and publications, international services etc.

State units are headed by chairman of state/regional areas. State units also liaise with National Headquarters; keep a close watch of faithful implementation of labour legislation and practices. It assists/influence state government to pass labour friendly legislation and executive/administration actions.

It is also responsible for membership of various unions representing workers in industrial undertakings (units) and/or representing trade and industrial units affiliated to the central trade union. These state units get themselves attached to State/Provincial/HQ/Regional unions/Units.

Headquarters (HQ) unions are responsible for welfare of its members and membership drive. As bargaining agents they are involved in collective bargaining with Central Government/ and or State government and assist

passing legislative measures

Quality of Work Life

Introduction

The success of any organisation is highly dependent on how it attracts, recruits, motivates, and retains its workforce. Today's organisations need to be more flexible so that they are equipped to develop their workforce and enjoy their commitment. Therefore, organisations are required to adopt a strategy to improve the employees' quality of work life (QWL) to satisfy both the organisational objectives and employee needs.

Quality of Work Life – Definitions:

Lloyd Suttle defines QWL as – “the degree to which members of a particular organisation are able to satisfy important personal needs through their experiences in the organisation”. For example, providing ample opportunities to workers to directly participate in problem-solving and decision-making, particularly in their work related areas is considered to be a necessary condition for greater freedom at work and leads to self-development, self-control or self- direction, ultimately leading towards better QWL.

Quality of Work-Life is a generic phrase that covers a person's feelings about every dimension of work including economic rewards and benefits, security, working conditions, organisational and interpersonal relationships and its intrinsic meaning in a person's life. It is a process by which an organisation attempts to unleash the creative potential of its personnel by involving them in decisions affecting their work lives.

Quality of Work Life – 11 Important Characteristics:

i. Attitude of the Employee: Specifies that an employee who is entrusted with a particular job should have sufficient skills, knowledge, and expertise in performing his/her work, willingness to learn, and openness for creativity and team spirit.

ii. Fair Compensation and Job Security: Specifies that employees should be offered compensation in proportion to their skills, knowledge, experience, and performance. If compensation paid to employees is not directly proportional to the performance of the employee, it may lead to greater employee discontent and lack of productivity on the part of employees. Job security provided to employees in the form of permanent employment also improves QWL.

iii. Personal and Career Growth Opportunities: Imply that an organization should provide employees with opportunities for personal development and growth. Proper training and development programs should be organized from time-to-time in order to help employees to accept higher job responsibilities in future.

iv. Balance between Personal and Professional Life: Means that an organization should provide proper leisure and relaxation time to its employees, so that they can maintain a balance between their personal as well as professional life. They should not be overburdened or pressurized with extra work and should not be sent on unplanned business travels or untimely transfers.

v. Nature of Job: Refers to the type of job allocated to an employee. It means that if routine, dull, and monotonous jobs are allocated to employees, then it would lead to boredom and decline in QWL, but if the nature of job is such that it offers recognition, growth, creativity, and opportunities of advancement then it leads to improvement in QWL.

vi. Level of Stress: Needs to be reduced, as stress is harmful for an individual. If the level of stress, which an individual faces on job is high, his/her productivity and efficiency to work would decline, thus, leading to a decrease in QWL. An organization should provide a stress free environment to its employees so that they can work productively towards the goals of the organization.

vii. Risk and Reward: Means that a job, which is risky and challenging, is paid more, as Compared to the job that requires less risk, challenge, and enthusiasm. Rewards provided to an employee must be directly proportional to the risk and responsibilities involved in that job. Rewards act as a proper motivational tool to enhance the morale of its workers.

viii. Participative Style of Leadership: Encourages employees' participation and involvement that is employees feel themselves as a part of the organization and this develops a feeling of belongingness in them. They offer innovative and creative ideas and suggestions to managers, which in turn helps in improvement in overall work processes and environment. Recognition provided to them, in turn, helps in motivating them to perform better.

ix. Career Prospects: Refer to opportunities for career growth and advancements. If an employee is performing well, he/she should be rewarded by providing growth prospects.

x. Fun at Workplace: Refers to various contests, games, and quizzes that should be organized from time-to-time among employees, so that they enjoy while working. Games, such as tambola, dumb charade, can be planned at times, so that employees feel relaxed and tuned to their work.

xi. Alternative Work Arrangement Techniques: Refer to programs, such as flexi-time and compressed workweek, play a vital role in enhancing QWL of employees.

Thus, it can be rightly said that QWL is related to job satisfaction and improvement in overall efficiency and productivity of employees. It ultimately leads to a decrease in absenteeism, turnover, and higher quality and quantity of work output. It further helps in making workforce happy and satisfied and in turn, improves physical and psychological health of employees.

Quality of Work Life – 8 Main Criteria of QWL

Professor Walton has identified eight dimensions, which make up the quality of working life framework.

They are as follows:

(i) Adequate and Fair Compensation: Motivation experts believe that money is still an important motive, which makes people work on the job. However, people also want to see fairness and adequacy in their pay rewards. Equal pay for equal work and pay that is linked to responsibility; skill, performance and individual accomplishment are viewed with great importance.

(ii) Safe and Healthy Working Conditions: An organization must create working conditions that are physically and psychologically safe for its worker. The emergence of ergonomics in the 1950s has significantly improved equipment design and plant layout to enhance the physical as well as psychological comfort and safety of the workers.

(iii) Immediate Opportunity to Use and Develop Human Capacities: An organization must be responsible for the growth and development of its workers. This involves training, skill, development, recognition and promotion. Work assignments should be made challenging enough to expand skills, abilities and knowledge. They should create a positive effect on self-esteem, autonomy, involvement and motivation.

(iv) Future Opportunity for Continued Growth and Security: There must be employment, which provides for continual growth in job and income security. Opportunities for training and advancement should be considered.

(v) Social Integration in the Work Organization: The work environment should provide opportunities for preserving an employee's personal identity and self-esteem through freedom from prejudice, a sense of community, interpersonal openness and the absence of dissatisfaction in the organization.

(vi) Constitutionalism in the Work Organization: There should be the right to personal-privacy, free speech and equitable treatment in the work place.

(vii) Work and Total Life Space: A person's work should not over-balance his life. Ideally, work schedules, career demand and travel requirements should not take up too much of his leisure and family life.

(viii) Social Relevance of Work Life: The standing of an organization in society can influence an employee's value of his work and career. Does the worker perceive the organization to be socially responsible in its products, waste disposal, marketing techniques, and employment practices and so forth?

Quality of Work Life – 14 Essential Steps:

Some of the essential steps of quality of work life are as follows:

1. Flexibility in Work Schedule – Employees want flexibility in work schedule. There may be three aspects of flexibility, viz. flexi time – a system of flexible working hours, staggered working hours – different time intervals for beginning and end of working hours and compressed work-week – more working hours per day with lesser number of working days per week.

2. Autonomous Work Group – Creation of autonomous work group helps in creating positive feelings among employees. They may be given freedom to choose their own teams; there should be freedom of decision making regarding the choice of methods for work distribution of tasks among group members and designing of work schedules.

- 3. Job Enrichment** – Job enrichment attempts to design a job in such a way that it becomes more interesting and challenging so that the worker makes meaning out of that. The degree of job enrichment determines the degree of QWL.
- 4. Opportunity for Growth** – An employee, particularly the achievement oriented one, seeks growth through his work. If the work provides him opportunity for personal growth and to develop his personality, he will feel committed to the job and the organisation.
- 5. Providing stability of employment** – Good pay and different alternative ways of providing better wages and stability of employment will help the work force to function better.
- 6. Participation** – Participation in decision making, particularly on the matters directly concerned with an individual's working, has an important bearing on his satisfaction and performance. Higher degree of participation improves the QWL and overall organisational climate.
- 7. Recognition** – Awarding and rewarding for their achievement, job enrichment, providing well-furnished and decent work places, offering membership in associations and in clubs, offering vacation trips etc., are the ways to recognise the employees.
- 8. Congenial relationship** – Harmonious worker-manager relationship makes the worker have a sense of association and belongingness.
- 9. Grievance procedure** – When the organisation allows the employees to express their grievances and represent their problems, their confidence in the management improves.
- 10. Occupational stress** – Stress is a condition of strain on one's emotions. It adversely affects employee's productivity. The HR manager has to identify and minimise the stress.
- 11. Organisational health programme** – These programmes educate the employees about health problems, and means to maintain and improve health. This programme should also suggest physical exercise, diet control, etc. Effective implementation of these programmes results in reduction of hospitalisation, absenteeism, excessive job turnover, disability etc.
- 12. Adequacy of resources** – The enterprise must see that sufficient resources are allocated towards achieving the objectives of QWL.
- 13. Seniority and merit promotion** – Seniority is to be taken for promotion for operating employees and merit is to be considered for advancement of managerial personnel. The promotional policies and activities should be fair and just for maintaining high order of QWL.
- 14. Communication** – To make QWL effective, two-way communication is necessary. Through the downward communication employees would receive information about the various aspects of the organisation, instructions about job performance and other specific communication which may be relevant for them. Through upward communication, employees can share their views, grievances and how to overcome these and suggestions for improving the work performance.

Quality of Work Life – 10 Major Factors:

Several factors influence and decide the quality of work life. Some of these factors are described below:

- 1. Attitude:** The person who is entrusted with a particular job needs to have sufficient knowledge, required skill and expertise, enough experience, enthusiasm, energy level, willingness to learn new things, dynamism, sense of belongingness in the organization, involvement in the job, inter personnel relations, adaptability to changes in the situation, openness for innovative ideas, competitiveness, zeal, ability to work Under pressure, leadership qualities and team-spirit.
- 2. Environment:** The job may involve dealing with customers who have varied tolerance level, preferences, behavioral pattern, level of understanding; or it may involve working with dangerous machines like drilling pipes, cranes, lathe machines, welding and soldering machines, or even with animals where maximum safety precautions have to be observed which needs lot of concentration, alertness, presence of mind, quick with involuntary actions, synchronization of eyes, hands and body, sometimes high level of patience, tactfulness, empathy and compassion and control over emotions.
- 3. Opportunities:** Some jobs offer opportunities for learning, research, discovery, self-development, enhancement of skills, room for innovation, public recognition, exploration, celebrity-status and loads of fame. Others are monotonous, repetitive, dull, routine, no room for improvement and in every sense boring. Naturally the former ones are interesting and very much rewarding also.
- 4. Nature of Job:** For example, a driller in the oil drilling unit, a diver, a fire-fighter, traffic policeman, train engine driver, construction laborers, welder, miner, lathe mechanic have to do dangerous jobs and have to be more alert in order

to avoid any loss of limb, or loss of life which is irreparable; whereas a pilot, doctor, judge, journalist have to be more prudent and tactful in handling the situation; a CEO, a professor, a teacher have more responsibility and accountability but safe working environment; a cashier or a security guard cannot afford to be careless in his job as it involves loss of money, property and wealth; a politician or a public figure cannot afford to be careless for his reputation and goodwill.

Some jobs need soft skills leadership qualities, intelligence, decision making abilities, abilities to train and extract work from others; other jobs need forethought, vision and yet other jobs need motor skills, perfection and extreme carefulness.

5. People: Almost everyone has to deal with three set of people in the work place. Those are namely boss, co-workers in the same level and subordinates. Apart from this, some professions need interaction with people like patients, media persons, public, customers, thieves, robbers, physically disabled people, mentally challenged, children, foreign delegates, gangsters, politicians, public figures and celebrities.

These situations demand high level of prudence, cool temper, tactfulness, humor, kindness, diplomacy and sensitiveness.

6. Stress Level: Stress level need not be directly proportional to the compensation. Stress is of different types – mental stress/physical stress and psychological or emotional stress. A Managing Director of a company will have mental stress, a laborer will have physical stress, and a psychiatrist will have emotional stress. Mental stress and Emotional stress cause more damage than physical stress.

7. Career Prospects: Every job should offer career development. That is an important factor which decides the quality of work life. Status improvement, more recognition from the management, appreciations are the motivating factors for anyone to take keen interest in his job. The work atmosphere should be conducive to achieve organizational goal as well as individual development.

It is a win-win situation for both the parties; an employee should be rewarded appropriately for his good work, extra efforts, sincerity and at the same time a lethargic and careless employee should be penalized suitably; this will motivate the former to work with more zeal and deter the latter from being so, and strive for better performance.

8. Challenges: The job should offer some challenges at least to make it interesting. That enables an employee to upgrade his knowledge and skill and capabilities; whereas the monotony of the job makes a person dull, non-enthusiastic, dissatisfied, frustrating, and complacent. Challenge is the fire that keeps the innovation and thrill alive. A well-accomplished challenging job yields greater satisfaction than a monetary perk; it boosts the self-confidence also.

9. Growth and Development: If an organization does not give chance for growth and personal development it is very difficult to retain the talented personnel and also to find new talent with experience and skill.

10. Risk Involved and Reward: Generally reward or compensation is directly proportional to the quantum of work, man-hours, nature and extent of responsibility, accountability, delegated powers, authority of position in the organizational chart, risk involved level of expected commitment, deadlines and targets, industry, country, demand and supply of skilled manpower and even political stability and economic policies of a nation.

Although risk is involved in every job its nature and degree varies in them. All said and done, reward is a key criteria to lure a prospective worker to accept the offer.

Quality of Work Life – 8 Major Issues: The major issues of QWL are:

(i) **Pay** – Employees must be properly remunerated and equity must be maintained during reward management.

(ii) **Benefits** – Employer needs to look at providing benefits due, to the employees. For example, profit share, Bonus, performance incentives

(iii) **Security** – Employees need to have permanent tenure which should be properly and effectively managed by the employer.

(iv) **Work Schedules** – Work schedules need to be prepared with the participation of employees. During preparation of these schedules, the following factors are to be considered like –

a. Flexi time (flexible working hours),

b. Shorter work weeks (five-days weeks),

c. Enriched jobs (challenging, stimulating and interesting work) and

d. Autonomous work groups (decision-making, distribution of work, selecting team members, etc., are to be done by the group itself)-

(v) Occupational Stress – Occupational stress is a matter of concern, as the individuals suffering from this cannot enjoy their work. The employees need to be assigned to the jobs suitable for them. The management must look into conditions of work, type of work, abilities of workers to perform, etc., during work allocation in order to avoid the stress at work.

(vi) Empowerment – Employees needed to be given scope to participate in the decision-making process, particularly on matters which affect their interests. More autonomy at work with a sharing approach in the process of participation helps employees to be more involved in the process.

(vii) Recognition and Social Integration – Recognizing individual and group achievements brings a sense of belongingness among employees. They involve themselves more in the process if properly treated and recognized at the workplace. The process of integration, through treatment of employees, as partners of the production system, enriches the work life.

(viii) Social Aspect of Life – The work should not negatively affect the life of workers. It should not interfere with their family life and their leisure time. Family life is equally important to the workers and needs proper care.

Quality of Work Life – Effects

Quality of work life affects job involvement, sense of competence, job satisfaction, and job performance. A favourable quality of work life results in positive consequences of these factors. Let us see how quality of work life affects these.

Effect # 1. Job Involvement: Job involvement indicates the extent of people's identification with, or ego involvement, in the job. Job involved people spend more time on job and turn out better performance. Challenging jobs influence employees to get involved with their jobs. Similarly, people with high need for achievement and high work ethic feel involved in jobs. These are the elements of quality of work life.

Effect # 2. Sense of Competence: Sense of competence denotes the feelings of confidence that an individual has in his own competence. By engaging in a work that calls for a variety of skills, abilities, and talents, individuals gain mastery over their work environment leading to better feeling towards quality of work life. This leads to development of sense of competence.

Effect # 3. Job Satisfaction: Job satisfaction is a set of favourable or unfavourable feelings with which employees view their jobs and the environment in which these are performed. Favourable feelings lead to job satisfaction while unfavourable feelings lead to job dissatisfaction. Better quality of work life makes both jobs and the environment in which these are performed favourable resulting in high job satisfaction.

Effect # 4. Productivity: Job involvement, job satisfaction, and sense of competence affect productivity of employees. When the level of these factors is high, productivity of employees tends to be high. In the alternative case, it tends to be low.

Quality of Work Life – 9 Main Advantages of QWL ,In general, the benefits of the QWL include:

1. Healthier, satisfied and productive employees;
2. Efficient, adaptive and profitable organizations;
3. More positive feelings towards one's self (greater self-esteem);
4. More positive feelings towards one's job (improved job satisfaction and involvement);
5. More positive feelings towards the organization (stronger commitment to the organization's goals);
6. Improved physical and psychological health;
7. Greater growth and development of the individual as a person and as a productive member of the organization;
8. Decreased absenteeism and turnover and fewer accidents; and
9. Higher quality and quantity of output of goods and services.

Quality of Work Life – 4 Major Disadvantages Despite many advantages QWL programs also face several difficulties:

1. Both union and management open themselves to substantial risks.
2. The union may perceive joint activities as a means by which it intends to 'do them in'.
3. The management may perceive joint activities as an intention of diluting its ability to manage and a means by which the union will acquire more power.
4. The middle management may find it difficult to believe the benefits of QWL and may perceive that the management is 'becoming soft and giving in to union dominance'.

Quality of Work Life – Approaches and Strategies to Improve QWL

The following variables have led to the success of Quality of Work Life (QWL) programmes:

- (i) **Flexi time** – A system of flexible working hours. Flextime serves as a work-scheduling scheme allowing individual employees, within establishing limits, to control and redistribute their working hours around organizational demands.
- (ii) **Job Enrichment** – Redesigning programmed for employee jobs to allow greater autonomy and responsibility in the performance of work tasks is required time to time.
- (iii) **Management by Objectives** – Participation of an employee with his superior in setting employee goals that is consistent with the objectives of the organization as a whole.
- (iv) **Staggered Hours** – A work hour arrangement of overlapping schedules of predetermined hours established for the total work force. In staggered work-hour schema, group of employee begin and end work at different intervals.
- (v) **Socio-technical System** – The physical and technological re-design of the work place for employee with human considerations of the work force.
- (vi) **Job Rotation** – Job rotation is the programme in which employees are periodically changed the work assignments to acquire skill and knowledge to reduce monotony burden in the organizations.
- (vii) **Job Enlargement** – The job enlargement programmed in which employees continue their present jobs, but duties are added with the intent of making the job more rewarding.
- (viii) **Autonomous Work Group** – A form of participation in which the group of workers is given some control over decision making on production methods, distribution of tasks, recruitment of team members, selection of team leaders, work schedules so on.
- (ix) **Employee Participation** – A programme aimed at a greater sharing of responsibility for decision-making.

Strategies for Improving Quality of Work Life:

QWL is the shared responsibility, not only of the management and workers but also of the union leaders, government officials and behavioral scientists. Hackman and Suttle outline six strategies which can be used for improving QWL in organizations.

These strategies include:

1. Career and Career Paths: Career refers to a sequence of positions occupied by an individual during the course of a lifetime. Exploration, establishment, mid-career, and later career are the four stages in an individual's career. From the management's point of view, the process of development of careers and career paths forms a means to improve, or at least, sustain employees' productivity and prepare them for changing work situations in the organizational setting.

It involves issues like career counseling, charting career paths, career information systems, human resource planning, periodic skill assessment, training and help for disadvantaged groups. Three conditions are needed for effective performance of activities concerning to development of career paths of employees in organizations.

- i. Coordination of these activities with other activities in HR management;
- ii. Active involvement of line supervisors in designing and implementing them; and
- iii. Provision for equal access to the benefit of all employees.

2. Work Design: Work design influences employee satisfaction, motivation and productivity. In order to improve quality of work life, work design must consider factors that moderate employees' reactions to their work. These factors relate to individual differences and inter-personal and organizational factors. As there is no universally good work design, there are varied job-design options to improve QWL.

Depending upon situational requirements, management may choose the relevant strategies for specific design alternatives. Whatever work design options management uses, the following strategies for planned personal and organizational change seem to be relevant for effective introduction of QWL through work redesign in organizational settings-

- i. Diffusing knowledge about work-redesign theory and practice;
- ii. Disseminating work-redesign innovations;
- iii. Paying more attention to the jobs of first level managers; and
- iv. Paying more attention to the role of unions in work-redesign efforts.

3. Reward Systems: The reward systems motivate employees in organizations. Workers do what satisfy their needs. Before doing anything, they look for the reward in terms of salary increases, benefits, desirable job assignments etc. which organizations control. These organizational rewards may be direct or indirect, financial or non-financial and distributed on individual or group basis. Whatever the type of rewards, they influence every other aspect of the organization and must be used as an integral part of any program of organization at change.

4. Design and Maintenance of Group and Inter-Group Relationships: There exists group dynamics in formal and informal situations. In conjunction with different characteristics of intra- group behavior there are systematic characteristics of inter-group relationships in organizations. There arises a complex set of behaviors, emotions, attitudes and beliefs when groups tend to have interdependent relationships.

As a strategy to improve QWL, efforts may be made to take into account the dynamics of intra-group and inter-group relations in designing and maintaining them in organizations. Different behavioral science interventions can be applied to reduce the destructive effects of inter-groups conflict and improve QWL.

Such interventions aim to increase communications and interactions between work-related groups, reduce the amount of dysfunctional competition and replace a parochial, independent point of view with an awareness of the necessity for interdependence of action calling on the best efforts of these groups.

5. Managerial Practices: The prevailing management practices in an organization influence the quality of work life in it. Specifically, the role of supervision and management is of utmost significance in improving the QWL. The supervisor influences employees' productive behavior through his treatment of the individuals and his influence on the design of jobs and the management influences through the reward systems and the development of team work.

6. Internal and External Strategies for Change: A set of internal and external strategies is used to introduce five strategies aimed at improvement of QWL in an organization. Before sticking to this set of strategies, there is a need to make a number of choices between centralized-de-centralized strategies, power-based and collaborative strategies, fast and slow-paced strategies, and individual and structure oriented strategies. Often, three general strategies are used to introduce QWL programs.

Workers Participation in Management

According to Keith Davis, "Workers' 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 in responsibility of achieving them".

In the words of Mehtras "Applied to industry, the concept of participation means sharing the decision-making power by the rank and file of an industrial organisation through their representatives, at all the appropriate levels of management in the entire range of managerial action".

Characteristics:

The following are the main characteristics of WPM:

1. Participation implies practices which increase the scope for employees' share of influence in decision-making process with the assumption of responsibility.

2. Participation presupposes willing acceptance of responsibility by workers.
3. Workers participate in management not as individuals but as a group through their representatives.
4. Worker's participation in management differs from collective bargaining in the sense that while the former is based on mutual trust, information sharing and mutual problem solving; the latter is essentially based on power play, pressure tactics, and negotiations.
5. The basic rationale for worker's participation in management is that workers invest their labour and their fates to their place of work. Thus, they contribute to the outcomes of organization. Hence, they have a legitimate right to share in decision-making activities of organisation.

Objectives:

The objectives of WPM are closely related to the rationale for WPM. Accordingly, the objectives of WPM vary from country to country depending on their levels of socio-economic development political philosophies, industrial relations scenes, and attitude of the working class.

Accordingly, the objectives of WPM in India are to:

1. Promote mutual understanding between management and workers, i.e., industrial harmony.
2. Establish and encourage good communication system at all levels.
3. Create and promote a sense of belongingness among workers.
4. Help handle resistance to change.
5. Induce a sense among workers to contribute their best for the cause of organisation.
6. Create a sense of commitment to decisions to which they were a party.

Levels of Participation:

Having known the objectives of WPM, the question then is to what extent workers can participate in decision-making process. In other words, it is important to know the extents/levels of co-determination in an organisation. Viewed from this angle, Mehra has suggested five levels of workers' participation ranging from the minimum to the maximum. Since these levels of workers' influence the process and quality of decision making in an organisation. We are therefore highlighting here these levels briefly ranking them from the minimum to the maximum level of participation.

1. Informative Participation: This refers to management's information sharing with workers on such items those are concerned with workers. Balance Sheet, production, economic conditions of the plant etc., are the examples of such items. It is important to note that here workers have no right of close scrutiny of the information provided and management has its prerogative to make decisions on issues concerned with workers.

2. Consultative Participation: In this type of participation, workers are consulted in those matters which relate to them. Here, the role of workers is restricted to give their views only. However the acceptance and non- acceptance of these views depends on management. Nonetheless, it provides an opportunity to the workers to express their views on matters involving their interest.

3. Associative Participation: Here, the role of the workers' council is not just advisory unlike consultative participation. In a way, this is an advanced and improved form of consultative participation. Now, the management is under a moral obligation to acknowledge, accept and implement the unanimous decision of the council.

4. Administrative Participation: In the administrative participation, decisions already taken are implemented by the workers. Compared to the former three levels of participation, the degree of sharing authority and responsibility by the workers is definitely more in this participation.

5. Decisive Participation: Here, the decisions are taken jointly by the management and the workers of an organisation. In fact, this is the ultimate level of workers' participation in management.

Workers Participation development in Management in Indian Industries

Workers' participation in Management in India was given importance only after Independence. Industrial Disputes Act, 1947 was the first step in this direction, which recommended for the setting up of works committees. The joint management councils were established in 1950 which increased the labour participation in management. Since July 1975 the two-tier participation called shop councils at shop level and Joint councils were introduced. Workers' participation in Management Bill, 1990 was introduced in Parliament which provided scope for upliftment of workers.

Reasons for failure of Workers participation Movement in India:

1. Employers resist the participation of workers in decision-making. This is because they feel that workers are not competent enough to take decisions.
2. Workers' representatives who participate in management have to perform the dual roles of workers' spokesman and a co-manager. Very few representatives are competent enough to assume the two incompatible roles.
3. Generally Trade Unions' leaders who represent workers are also active members of various political parties. While participating in management they tend to give priority to political interests rather than the workers' cause.
4. Schemes of workers' participation have been initiated and sponsored by the Government. However, there has been a lack of interest and initiative on the part of both the trade unions and employers.
5. In India, labour laws regulate virtually all terms and conditions of employment at the workplace. Workers do not feel the urge to participate in management, having an innate feeling that they are born to serve and not to rule.
6. The focus has always been on participation at the higher levels, lower levels have never been allowed to participate much in the decision-making in the organizations.
7. The unwillingness of the employer to share powers with the workers' representatives, the disinterest of the workers and the perfunctory attitude of the government towards participation in management act as stumbling blocks in the way of promotion of participative management.

Measures for making Participation effective:

1. Employer should adopt a progressive outlook. They should consider the industry as a joint endeavor in which workers have an equal say. Workers should be provided and enlightened about the benefits of their participation in the management.
2. Employers and workers should agree on the objectives of the industry. They should recognize and respect the rights of each other.
3. Workers and their representatives should be provided education and training in the philosophy and process of participative management. Workers should be made aware of the benefits of participative management.
4. There should be effective communication between workers and management and effective consultation of workers by the management in decisions that have an impact on them.
5. Participation should be a continuous process. To begin with, participation should start at the operating level of management.
6. A mutual co-operation and commitment to participation must be developed by both management and labour.

Modern scholars are of the mind that the old adage "a worker is a worker, a manager is a manager; never the twain shall meet" should be replaced by "managers and workers are partners in the progress of business"

Forms of Workers Participation in Management in India

Forms of workers' participation in management

The various forms of workers' participation in management currently prevalent in the country are:

1. **Suggestion schemes:** Participation of workers can take place through suggestion scheme. Under this method workers are invited and encouraged to offer suggestions for improving the working of the enterprise. A suggestion box is installed and any worker can write his suggestions and drop them in the box. Periodically all the suggestions

are scrutinized by the suggestion committee or suggestion screening committee. The committee is constituted by equal representation from the management and the workers. The committee screens various suggestions received from the workers. Good suggestions are accepted for implementation and suitable awards are given to the concerned workers. Suggestion schemes encourage workers' interest in the functioning of an enterprise.

2. Works committee: Under the Industrial Disputes Act, 1947, every establishment employing 100 or more workers is required to constitute a works committee. Such a committee consists of equal number of representatives from the employer and the employees. The main purpose of this committee is to provide measures for securing and preserving amity and good relations between the employer and the employees.

Functions: Works committee deals with matters of day-to-day functioning at the shop floor level. Works committees are concerned with:

- Conditions of work such as ventilation, lighting and sanitation.
- Amenities such as drinking water, canteens, dining rooms, medical and health services.
- Educational and recreational activities.
- Safety measures, accident prevention mechanisms etc.
- Works committees function actively in some organizations like Tata Steel, HLL, etc but the progress of Works Committees in many organizations has not been very satisfactory due to the following reasons:
- Lack of competence and interest on the part of workers' representatives.
- Employees consider it below their dignity and status to sit alongside blue-collar workers.
- Lack of feedback on performance of Works Committee.
- Undue delay and problems in implementation due to advisory nature of recommendations.

3. Joint Management Councils: Under this system Joint Management Councils are constituted at the plant level. These councils were setup as early as 1958. These councils consist of equal number of representatives of the employers and employees, not exceeding 12 at the plant level. The plant should employ at least 500 workers. The council discusses various matters relating to the working of the industry. This council is entrusted with the responsibility of administering welfare measures, supervision of safety and health schemes, scheduling of working hours, rewards for suggestions etc.

Wages, bonus, personal problems of the workers are outside the scope of Joint management councils. The council is to take up issues related to accident prevention, management of canteens, water, meals, revision of work rules, absenteeism, indiscipline etc. the performance of Joint Management Councils have not been satisfactory due to the following reasons:

- Workers' representatives feel dissatisfied as the council's functions are concerned with only the welfare activities.
- Trade unions fear that these councils will weaken their strength as workers come under the direct influence of these councils.

4. Work directors: Under this method, one or two representatives of workers are nominated or elected to the Board of Directors. This is the full-fledged and highest form of workers' participation in management. The basic idea behind this method is that the representation of workers at the top-level would usher Industrial Democracy, congenial employee-employer relations and safeguard the workers' interests. The Government of India introduced this scheme in several public sector enterprises such as Hindustan Antibiotics, Hindustan Organic Chemicals Ltd etc. However the scheme of appointment of such a director from among the employees failed miserably and the scheme was subsequently dropped.

5. Co-partnership: Co-partnership involves employees' participation in the share capital of a company in which they are employed. By virtue of their being shareholders, they have the right to participate in the management of the company. Shares of the company can be acquired by workers making cash payment or by way of stock options scheme. The basic objective of stock options is not to pass on control in the hands of employees but providing better financial incentives for industrial productivity. But in developed countries, WPM through co-partnership is limited.

6. Joint Councils: The joint councils are constituted for the whole unit, in every Industrial Unit employing 500 or more workers; there should be a Joint Council for the whole unit. Only such persons who are actually engaged in the unit shall be the members of Joint Council. A joint council shall meet at least once in a quarter. The chief executive of the unit shall be the chairperson of the joint council. The vice-chairman of the joint council will be nominated by the worker members of the council. The decisions of the Joint Council shall be based on the consensus and not on the basis of voting.

In 1977 the above scheme was extended to the PSUs like commercial and service sector

organizations employing 100 or more persons. The organizations include hotels, hospitals, railway and road transport, post and telegraph offices, state electricity boards.

7. **Shop councils:** Government of India on the 30th of October 1975 announced a new scheme in WPM. In every Industrial establishment employing 500 or more workmen, the employer shall constitute a shop council. Shop council represents each department or a shop in a unit. Each shop council consists of an equal number of representatives from both employer and employees. The employers' representatives will be nominated by the management and must consist of persons within the establishment. The workers' representatives will be from among the workers of the department or shop concerned. The total number of employees may not exceed 12.

Collective Bargaining

Definition :

Industrial disputes between the employee and employer can also be settled by discussion and negotiation between these two parties in order to arrive at a decision.

This is also commonly known as collective bargaining as both the parties eventually agree to follow a decision that they arrive at after a lot of negotiation and discussion.

According to Beach, "Collective Bargaining is concerned with the relations between unions reporting employees and employers (or their representatives).

"Collective Bargaining is a mode of fixing the terms of employment by means of bargaining between organized body of employees and an employer or association of employees acting usually through authorized agents. The essence of Collective Bargaining is bargaining between interested parties and not from outside parties".

Main Features of Collective Bargaining:

Some of the salient features of collective bargaining are:

1. **It is a Group Action:** Collective bargaining is a group action as opposed to individual action. Both the parties of settlement are represented by their groups. Employer is represented by its delegates and, on the other side; employees are represented by their trade union.
2. **It is a Continuous Process:** Collective bargaining is a continuous process and does not end with one agreement. It provides a mechanism for continuing and organised relationship between management and trade union. It is a process that goes on for 365 days of the year.
3. **It is a Bipartite Process:** Collective bargaining is a two party process. Both the parties—employers and employees—collectively take some action. There is no intervention of any third party. It is mutual give-and-take rather than take-it-or-leave-it method of arriving at the settlement of a dispute.
4. **It is a Process:** Collective bargaining is a process in the sense that it consists of a number of steps. The starting point is the presentation of charter of demands by the workers and the last step is the reaching of an agreement, or a contract which would serve as the basic law governing labour-management relations over a period of time in an enterprise.
5. **It is Flexible and Mobile and not Fixed or Static:** It has fluidity. There is no hard and fast rule for reaching an agreement. There is ample scope for compromise. A spirit of give-and-take works unless final agreement acceptable to both the parties is reached.
6. **It is Industrial Democracy at Work:** Collective bargaining is based on the principle of industrial democracy where the labour union represents the workers in negotiations with the employer or employers. Industrial democracy is the government of labour with the consent of the governed—the workers. The principle of arbitrary unilateralism has given way to that of self-government in industry. Actually, collective bargaining is not a mere signing of an agreement granting seniority, vacations and wage increase, by sitting around a table.
7. **It is Dynamic:** It is relatively a new concept, and is growing, expanding and changing. In the past, it used to be emotional, turbulent and sentimental, but now it is scientific, factual and systematic.

8. It is a Complementary and not a Competitive Process: Collective bargaining is not a competitive process i.e., labour and management do not co-opt while negotiating for the same object. It is essentially a complementary process i.e., each party needs something which the other party has, namely, labour can put greater productive effort and management has the capacity to pay for that effort and to organise and guide it for achieving the enterprise's objectives.

The behavioural scientists have made a good distinction between “distributive bargaining” and “integrative bargaining”. The former is the process of dividing up the cake which represents what has been produced by the joint efforts of management and labour.

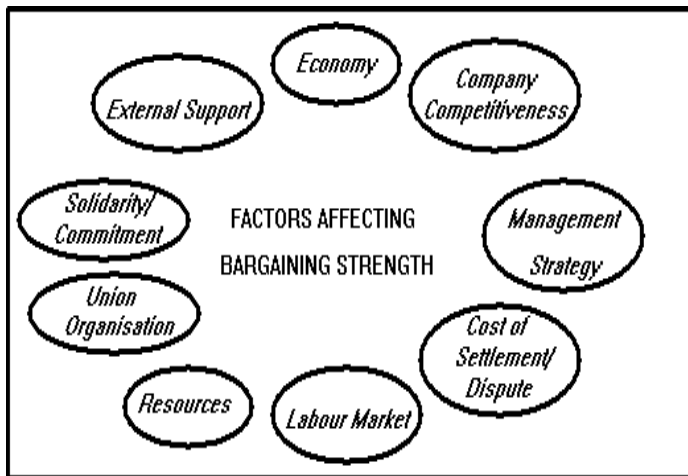
In this process, if one party wins something, the other party, to continue the metaphor of the cake, has a relatively smaller size of the cake. So it is a win-lose' relationship. The integrative bargaining, on the other hand, is the process where both the parties can win—each party contributing something for the benefit of the other party.

9. It is an Art: Collective bargaining is an art, an advanced form of human relations.

Subject Matter of collective bargaining

The **Indian Institute of Personnel Management** suggested the following subject matter of collective bargaining:

- ✓ Purpose of agreement, its scope, and the definition of important terms
- ✓ Rights and responsibilities of the management and of the trade union
- ✓ Wages, bonus, production norms, leave, retirement benefits, and terms and conditions of service
 - ✓ Grievance redressal procedure
 - ✓ Methods and machinery for the settlement of possible future disputes



Scope of Collective Bargaining:

Collective bargaining broadly covers subjects and issues entering into the conditions and terms of employment. It is also concerned with the development of procedures for settlement of disputes arising between the workers and management.

A few important issues around which collective bargaining enters in this developing country are as follows:

“Recognition of the union has been an important issue in the absence of any compulsory recognition by law. In the under-developed countries in Asia, however, on account of the tradition concept of management functions and the immaturity of the industrialist class there is much resistance from the employers to recognise the status of the unions.”

Bargaining upon wage problems to fight inflation or rising cost of living and to resist wage cuts during

depression has resulted in several amicable agreements. But, no statistics are available for such amicable settlements. Therefore, Daya, points out, “It has been customary to view collective bargaining in a pattern of conflict; the competitively small number of strikes and lock-outs attract more attention than the many cases of peaceful settlement of differences.”

Overtime work, holidays, leave for absence and retirement continue to be issues for bargaining in India, although they are not regarded as crucial.

Importance of Collective Bargaining

Importance to employees

- ✓ Collective bargaining develops a sense of self respect and responsibility among the employees.
- ✓ It increases the strength of the workforce, thereby, increasing their bargaining capacity as a group.
- ✓ Collective bargaining increases the morale and productivity of employees.
- ✓ It restricts management's freedom for arbitrary action against the employees. Moreover, unilateral actions by the employer are also discouraged.
- ✓ Effective collective bargaining machinery strengthens the trade unions movement.
- ✓ The workers feel motivated as they can approach the management on various matters and bargain for higher benefits.
- ✓ It helps in securing a prompt and fair settlement of grievances. It provides a flexible means for the adjustment of wages and employment conditions to economic and technological changes in the industry, as a result of which the chances for conflicts are reduced.

Importance to employers

- ✓ It becomes easier for the management to resolve issues at the bargaining level rather than taking up complaints of individual workers.
- ✓ Collective bargaining tends to promote a sense of job security among employees and thereby tends to reduce the cost of labor turnover to management.
- ✓ Collective bargaining opens up the channel of communication between the workers and the management and increases worker participation in decision making.
- ✓ Collective bargaining plays a vital role in settling and preventing industrial disputes.

Importance to society

- ✓ Collective bargaining leads to industrial peace in the country
- ✓ It results in establishment of a harmonious industrial climate which supports which helps the pace of a nation's efforts towards economic and social development since the obstacles to such a development can be reduced considerably.
- ✓ The discrimination and exploitation of workers is constantly being checked.
- ✓ It provides a method or the regulation of the conditions of employment of those who are directly concerned about them.

Essential Pre-Requisites for Collective Bargaining:

Effective collective bargaining requires the following prerequisites:

- (i) Existence of a strong representative trade union in the industry that believes in constitutional means for settling the disputes.
- (ii) Existence of a fact-finding approach and willingness to use new methods and tools for the solution of industrial problems. The negotiation should be based on facts and figures and both the parties should adopt constructive approach.

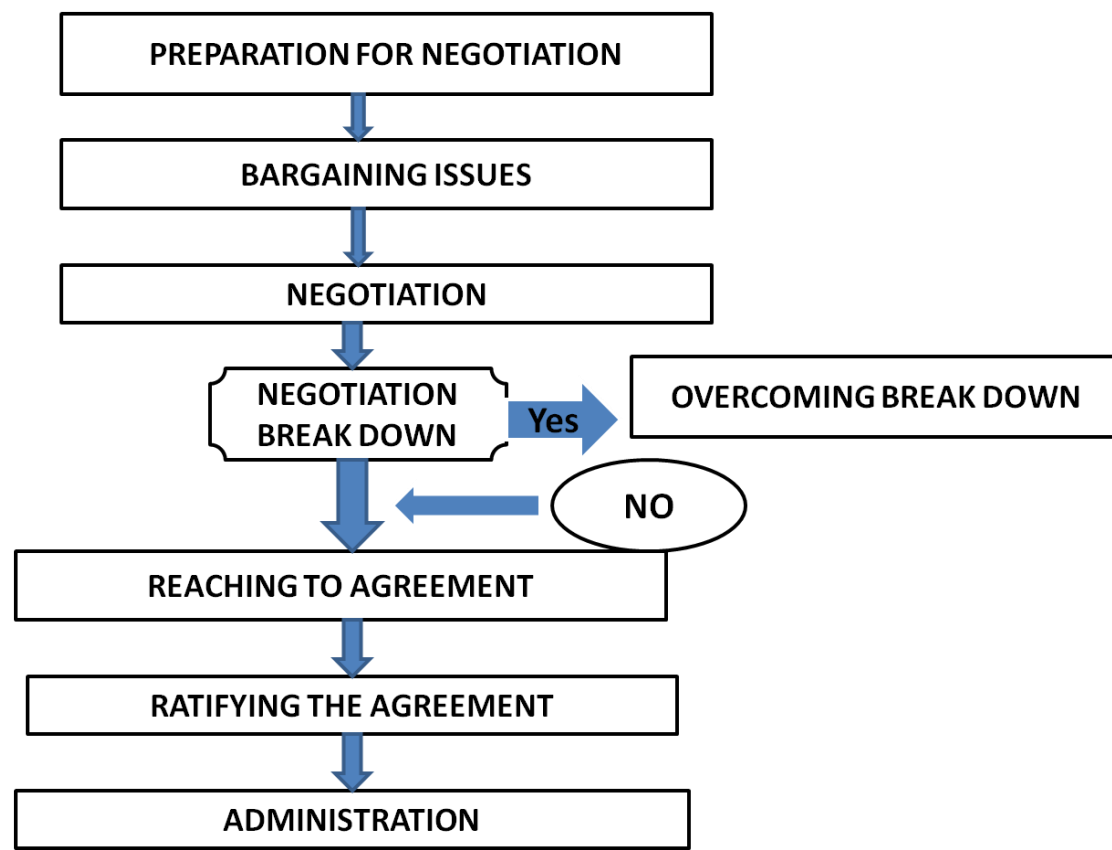
- (iii) Existence of strong and enlightened management which can integrate the different parties, i.e., employees, owners, consumers and society or Government.
- (iv) Agreement on basic objectives of the organisation between the employer and the employees and on mutual rights and liabilities should be there.
- (v) In order that collective bargaining functions properly, unfair labour practices must be avoided by both the parties.
- (vi) Proper records for the problem should be maintained.
- (vii) Collective bargaining should be best conducted at plant level. It means if there are more than one plant of the firm, the local management should be delegated proper authority to negotiate with the local trade union.
- (viii) There must be change in the attitude of employers and employees. They should realise that differences can be resolved peacefully on negotiating table without the assistance of third party.
- (ix) No party should take rigid attitude. They should enter into negotiation with a view to reaching an agreement.
- (x) When agreement is reached after negotiations, it must be in writing incorporating all term of the contract.

It may be emphasised here that the institution of collective bargaining represents a fair and democratic attempt at resolving mutual disputes. Wherever it becomes the normal mode of setting outstanding issues, industrial unrest with all its unpleasant consequences is minimised.

Principles of collective bargaining

- Education process
- Honest leadership
- Abide by law
- Realistic policy
- Co-operating each other
- Confidence and future
- Avoiding un democratic practices
- Honest attempt than compromise.

Collective bargaining process



Theories of Collective Bargaining:

There are three important concepts on collective bargaining which have been discussed as follows:

1. The Marketing Concept and the Agreement as a Contract: The marketing concept views collective bargaining as a contract for the sale of labour. It is a market or exchange relationship and is justified on the ground that it gives assurance of voice on the part of the organised workers in the matter of sale. The same objective rules which apply to the construction of all commercial contracts are invoked since the union-management relationship is concerned as a commercial one.

According to this theory, employees sell their individual labour only on terms collectively determined on the basis of contract which has been made through the process of collective bargaining.

2. The Governmental Concept and the Agreement as Law: The Governmental Concept views collective bargaining as a constitutional system in industry. It is a political relationship. The union shares sovereignty with management over the workers and, as their representative, uses that power in their interests. The application of the agreement is governed by a weighing of the relation of the provisions of the agreement to the needs and ethics of the particular case.

3. The Industrial Relations (Managerial) Concept as Jointly Decided Directives: The industrial relations concept views collective bargaining as a system of industrial governance. It is a functional relationship. Group Government substitutes the State Government. The union representative gets a hand in the managerial role. Discussions take place in good faith and agreements are arrived at. The union joins with company officials in reaching decisions on matters in which both have vital interests. Thus, union representatives and the management meet each other to arrive at a mutual agreement which they cannot do alone.

Problems of Collective Bargaining /Main Hindrances for Collective Bargaining:

The main objective of developing collective bargaining technique is to improve the workers-

management relations and thus maintain peace in industries. The technique has developed in India only after India got independence and got momentum since then.

The success of collective bargaining lies in the attitude of both management and workers which is actually not consistent with the spirit of collective bargaining in India. There are certain problems which hinder the growth of collective bargaining in India.

The following factors or activities act as hindrances to effective collective bargaining:

- (1) **Competitive Process:** Collective bargaining is generally becoming a competitive process, i.e., labour and management compete each other at negotiation table. A situation arises where the attainment of one party's goal appears to be in conflict with the basic objectives of the other party.
- (2) **Not Well-Equipped:** Both the parties—management and workers—come to the negotiation table without doing their homework. Both the parties start negotiations without being fully equipped with the information, which can easily be collected from company's records. To start with, there is often a kind of ritual, that of charges and counter charges, generally initiated by the trade union representatives. In the absence of requisite information, nothing concrete is achieved.
- (3) **Time to Protest:** The immediate objective of the workers' representatives is always some kind of monetary or other gains, accrue when the economy is buoyant and the employer has capacity to pay. But in a period of recession, when demand of the product and the profits are falling, it is very difficult for the employer to meet the demands of the workers, he might even resort to retrenchment or even closure collective bargaining is no answer to such a situation.
- (4) **Where Prices are Fixed by the Government:** In industries, where the prices of products are fixed by the Government, it becomes very difficult for the employer to meet the demands of workers which would inevitably lead to a rise in cost of the products produced. Whereas the supply price to the consumers cannot be increased. It will either reduce the profits of the firm or increase the loss. In other words, it will lead to closure of the works, which again is not in the interest of the workers.
- (5) **Outside Leadership:** Most of the Indian trade unions are led by outsiders who are not the employees of the concerned organisations. Leader's interests are not necessarily to be identical with that of the workers. Even when his bonafides are beyond doubt, between him and the workers he leads, there cannot be the degree of understanding and communication as would enable him to speak on behalf of the workers with full confidence. Briefly, in the present situation, without strong political backing, a workers' organisation cannot often bargain successfully with a strong employer.
- (6) **Multiplicity of Trade Unions:** One great weakness of collective bargaining is the multiplicity of trade unions. In a multiple trade union situation, even a well recognised, union with long standing, stable and generally positive relationship with the management, adopts a militant attitude as its deliberate strategy. In Indian situation, inter-union rivalries are also present. Even if the unions combine, as at times they do for the purpose of bargaining with the employer they make conflicting demands, which actually confuse employer and the employees.
- (7) **Appointment of Low-Status Executive:** One of the weaknesses of collective bargaining in India is that the management deputed a low-status executive for bargaining with the employees. Such executive has no authority to commit anything on behalf of the management. It clearly indicates that the management is not at all serious and the union leaders adopt other ways of settling disputes.
- (8) **Statutory Provisions:** The constraints are also imposed by the regulatory and participative provisions as contained in the Payment of Wages Act, the Minimum Wages Act, and Payment of Bonus Act etc. Such provisions are statutory and are not negotiable.
- (9) **Fresh Demands at the Time of Fresh Agreement:** At the time when the old agreement is near expiry or well before that, workers representatives come up with fresh demands. Such demands are pressed even when the industry is running into loss or even during the period of depression. If management accepts the demand of higher wages and other benefits, it would prefer to close down the works.
- (10) **Agreements in Other Industrial Units:** A prosperous industrial unit in the same region may agree with the trade unions to a substantial increase in wages and other benefits whereas a losing industry cannot do

that. There is always pressure on the losing industries to grant wages and benefits similar to those granted in other (relatively prosperous) units in the same region.

General advantages and disadvantages of collective bargaining

Advantages:

- ✓ Can lead to high-performance workplace where labor and management jointly engage in problem solving, addressing issues on an equal standing.
- ✓ Provides legally based bilateral relationship.
- ✓ Management's rights are clearly spelled out.
- ✓ Employers' and employees' rights protected by binding collective bargaining agreement.
- ✓ Multi-year contracts may provide budgetary predictability on salary and other compensation issues.
- ✓ Unions may become strong allies in protecting higher education from the effects of an economic slowdown.
- ✓ Promotes fairness and consistency in employment policies and personnel decisions within and across institutions.
- ✓ Employees may choose whether they want union representation.
- ✓ A strong labor management partnership may enable the workforce development needed for engaging the technology revolution.

Disadvantages

- ✓ Management's authority and freedom are much more restricted by negotiated rules.
- ✓ Creates significant potential for polarization between employees and managers.
- ✓ Disproportionate effect of relatively few active employees on the many in the bargaining unit. This is particularly the case when collective bargaining involves a system-wide structure of elections.
- ✓ Increases bureaucratization and requires longer time needed for decision making.
- ✓ Increases participation by external entities (e.g., arbitrators, State Labor Relations Board) in higher education's decision making.
- ✓ More difficult for employees at smaller campuses to have their voices heard.
- ✓ Protects the status quo, thereby inhibiting innovation and change. This is particularly the case when the change involves privatizations.
- ✓ Higher management costs associated with negotiating and administering the agreements.
- ✓ Eliminates ability of management to make unilateral changes in wages, hours, and other terms and conditions of employment.
- ✓ Restricts management's ability to deal directly with individual employees.
- ✓ Increased dependence on the private sector for certain services, particularly those requiring technological competence, may be compromised.
- ✓ Contract administration is a very difficult process to manage and significantly changes the skill set required of managers and supervisors.

Reasons for the Growth of Collective Bargaining:

The growth of collective bargaining in India may be attributed to the following factors:

- (1) **Statutory Provisions:** Which have laid down certain principles of negotiations, procedure for collective agreements and the character of representation of the negotiating parties?
- (2) **Voluntary Measures:** Such as tripartite conferences, joint consultative boards, and industrial committees at the industry level have provided an ingenious mechanism for the promotion of collective bargaining practices.
- (3) **Several Governments Measures:** Like schemes for workers' education, labour participation in management, the evolution of the code of Inter-union Harmony, the code of Efficiency and Welfare, the Code of Discipline, the formation of Joint Management Councils, Workers Committees and Shop Councils, and the

formulations of grievances redressal procedure at the plant level— have encouraged the collective bargaining.

(4) *Amendments to the Industrial Disputes Act:* The Amendments to the Industrial Disputes Act in 1964 provided for the termination of an award or a settlement only when a proper notice is given by the majority of workers. Agreements or settlements which are arrived at by a process of negotiation on conciliation cannot be terminated by a section of the workers.

(5) *Industrial Truce Resolution:* The Industrial Truce Resolution of 1962 has also influenced the growth of collective bargaining. It provides that the management and the workers should strive for constructive cooperation in all impossible ways and throws responsibility on them to resolve their differences through mutual discussion, conciliation and voluntary arbitration peacefully.