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## INDUSTRIAL DISPUTE IN INDIA: IT'S IMPACT ON INDIAN SOCIETY

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### Abstract:

Industrial disputes will be detrimental to businesses, employees, economy, and the nation as a whole as a dispute will result in loss of productivity, income, and market share and may result in plant closure. Industrial conflicts are a concern at various levels. The paper discusses the determinants of the labor conflict and describes them. The research will also help to provide insight into the improved industrial situation.

**Keywords:** Industrial dispute, Settlement machineries, Workers, Economy, Industrial relation

### Introduction:

Industrial dispute Act defines "Industrial Dispute" as a dispute or difference between workmen and employers or workmen and workmen, which is connected with employment or non-employment or the terms of employment or with the conditions of labor. Dismissal of individual workmen is deemed to be an industrial dispute. Employer-Employee relation pose one of the most delicate and complex problem for the modern industrial society. For the growth and survival of an industrial enterprise it is of utmost importance to maintain harmonious Employer-employee relations.

The 1947 Trade Dispute Act basically calls for trade disputes to be prosecuted and resolved. The main objectives of the act are:

- Implementation of steps for the safeguarding and maintenance of cooperation and good relations between employer and worker
- Investigation and resolution of labor disputes, between employers and employees, between employers and staff or between employees and employees. Prevention of illegal strikes and lockout
  - Aid's to workmen in the matter of lay off and cost-cutting
  - Collective bargaining

The special provision covering lay-off, retrenchment and closure shall apply to establishments employing on an average per working day not less than 100 employees. The act also provides for protection in the form of compensation for reduction and acknowledgement to employees who have completed 240 days of continuous service at the establishment in the preceding 12 months prior to retrenchment.

As per Section 2(k) of Industrial Disputes Act, (1947)

An industrial dispute can be characterized as any disagreement or discrepancy between an employee and an employer or a trade union and management or an employer and an employee and an employee relating to the terms of employment or non-employment or working conditions of an organization.

The description lists all the elements that may be the major contributors to litigation. This calls the disparity between and within the company's management, employee, trade union. Discontent and discontent among the staff both at the workplace and outside the workplace can also lead to conflict at the business. Having a proper underside

There may be two aspects to have an overview of industrial disputes, one based on the employer and one based on the employee. According to the understanding of the boss, labor disputes result in work stoppage and revenue loss as a consequence of production decline. The overall cost of production can be raised by increasing the number of work stoppages, thereby approaching

The labor disputes, on the other hand, cause the employee to lose income. Normal pay and other benefits income is affected by the industrial tensions there, leading to de-motivation, frustration, health issues of disappointment, and family issues. There is also a risk of loss of employability at the workplace if the disputes are not resolved by the mutual co-worker

**Legal Framework behind Industrial disputes in India**

Three important pieces of legislation have played a major role in shaping Industrial relation in India:

1. Trade Unions Act of 1926: this deals with the creation and registration of trade unions, but for the sake of collective bargaining it does not deal with the acceptance of unions by employers
2. Industrial employment 'Standing orders' Act of 1946: It includes rules and regulations between employer and employee governing the general terms and conditions of jobs. The main purpose of the act is to ensure that certain minimum job conditions are preserved without having to fight for them by a weak labor movement.
3. 1947 Trade Dispute Act: this act is enacted for trade dispute resolution and settlement

## **Causes of Industrial dispute In India**

Causes of industrial disputes in India are varied. The following are some of the important causes of industrial disputes in India:

### **1. Wages and Allowances:**

1. Wages and allowances: Since living costs have generally shown a growing trend, workers have been fighting for higher wages to meet rising living costs and increase their living standards. The demand for higher wages and allowances accounted for 34.1% of industrial disputes in 1973. In 1974, this figure was 36.1%. In 1985, wages and wages accounted for 22.5% of the disputes.

### **2. Personnel and Retrenchment:**

The causes of staff and decrease were also significant. During 1973, as opposed to 29.3 percent in 1961, 24.3 percent of labor disputes were due to dismissals, retrenchment, etc. In 1979, workers and reduction ranked 29.9% above the list of causes of labor disputes. The number of employment disputes and retrenchment disputes was 32.0% in 1971, 23.1% in 1985, and 19.8% in 1996. In the year 2000.

### 3. Bonus:

Reward was a major factor in labor disputes, 10.3% of industrial disputes in 1973 were attributed to reward compared to 6.9% in 1961. In 1976 and 1977, 13.8% and 15.2% of the conflicts were attributed to incentives. It should be noticed that only 4.7% of the conflicts were attributed to incentive during 1982 compared to 7.3% in 1985. In 1992, 3.6 in 1996 and 8, this figure was 4.2.

### 4. Indiscipline and Violence:

The number of conflicts among the employees due to indiscipline and violence was high. In 1987, 15.7% of the disputes were due to indiscipline and violence compared to just 5.7% in 1973. In 1985, 16.1% of industrial disputes were triggered by indiscipline and violence and around 21.6% of industrial disputes occurred in 1996 due to indiscipline and violence in the industrial sector.

### 5. Leave and Hours of Work:

Departure and working hours were not the major causes of labor disputes. In 1973, 1.5% of the causes were caused by hours of work and leave. These accounted for 2.2% of labor disputes in 1977, 1.8% in 1985, 2.2% in 1996, and 0.9% in 2000.

### 6. Miscellaneous Causes:

Miscellaneous causes include modernization of plant and introduction of computers and automatic machinery recognition of union political factors, etc. These factors have caused a significant number of industrial disputes in the country, 24.1% of the industrial disputes in 1973 were due to miscellaneous causes. They accounted for 19.5% of the industrial disputes in 1977, 29.2% in 1985, 27.8% in 2000.

Miscellaneous causes of labor conflicts are: (a) resistance of workers to rationalization, introduction of new equipment and change of factory position.

(B) Trade union non-recognition.

(C) The propagation of rumors by unwanted elements.

(D) Conditions of employment and methods of work.

(E) Inadequate communication.

(F) Supervisors' conduct.

(G) Competition between the trade unions, etc.

Therefore, the industry.

### Objective of the Study:

- Identify the nature and causes of industrial disputes
- Identify different criteria formulated by the central and state governments for the settlement of industrial disputes
- Analyze the relative position of the various disputes and machinery used to deal with such disputes
- Study the level of effective settlement of such disputes
- Recommend various suggestions for improvement in the industry

### Review of Literature

Industrial Relation and Trade Union In West Bengal: Binay Mukhopadhyay (1979) In this research work, the issue of industrial relations and method for preserving the ideal shop floor situation has assumed new dimensions in a developing economy's prescriptive. Since a developing economy can not remain in separate labor-capital relationships, the scholar's attention has been drawn by thorough analysis of various aspects of the problem. The latest treatise is an attempt to cover up this up-to-date area and as such may claim to be the first of its kind.

The aspects of the lockout are discussed. Emphasis related to labor courts and trials for adjudication, Indian trade union act, bilateral agreements were addressed between management, employers and employee

### **Industrialization And Worker Protest:**

Gamji Parameshwara Rao (1947) In this worker earning finding related to job protest, average annual worker earnings and index costs, work stoppage operation analyzes the full observation.

he theoretical study of industrialization in the view of the molding worker, attitude, actions, financial position of the worker and manager, protest of the worker and their response, effect of trade unionism, public policy on labor, question formulations along with set of objectives, providing a theoretical framework to examine the effects of industrialization.

### **Psycho-Social Problem of Industrial Shift Worker:**

Nilima Chaudhuri (1986) in this research work, the main assessment was explored of the effect of shift work on the worker's psycho-social life along with the influence of management that can ultimately affect his wellbeing, efficiency and productivity.

In contrast, the explanation for shift worker reported more symptoms of exhaustion, work stress, social and cultural responsibility, frustration had been thoroughly investigated. The issue with the night shift worker has been dealt with, their pressure issues, physical health complaints. The role of organizational dedication and manager in this field has been emphasized by providing different types of facilities such as medical benefit, rest room, accommodation, children's education, etc. In this way, the worker's job environment is reduced.. The obvious indicated the worker's psycho-social life and health and well-being, their proper remedial action, their biological rhythm will not be disrupted and their psycho-social life will also have a marginally determinable effect.

### **Study of Aspiration of Industrial Workers and Its Impact on Their Attitude to Management:**

Swapna Kumar Sarkar (1986) In this study, the emphasis is placed on discovering the underlying reasons for such failures in planned growth, the preservation of good human relations, the degree of ambition of industrial workers, economic needs, the fear of job losses, the spirit and cooperation grievances.. The field of anger was addressed by the brand / approach, violence, and regression of behaviorists. The problem of having notes is a society's deep-seated problem, the solution of which has been given to economists, politicians, and government with reference to sociologists' approach to well-being.

### **Limitation of the study**

- i. The research will be limited to India's geographical boundaries.
- ii. With special reference to Maruti Suzuki India, only a particular manufacturing unit which is the automotive industry will be taken into account.
- iii. Some considerations may be used for future research that are not specifically taken into account in the analysis.

## Research Design and Methodology

### Hypothesis:

**Data:** Secondary Data

**Data Source:** research papers, Books, Periodicals, journals and Government websites etc.

**Unviers size:** Whole Universe

**Sample Size:** All the Manufacturing units within the boundaries of India

**Type of Research:** Descriptive Research

**Tools Used:** Simple Statistical tools to collect, organize and evaluate data and various government measures are used to resolve Industrial dispute.

## Settlements of Industrial Disputes: Policy of the Government

Growing trade disputes are not a healthy sign of the country's industrial development. The government has also taken numerous steps and approaches to address labor disputes in the country from the very beginning.

The main objectives of industrial relation policy of India are:

(a) Prevention and resolution of trade disputes in a peaceful manner and (b) promotion of improved industrial relations. The Industrial Disputes Act 1947 and its modifications in 1956: In 1947, the Government of India passed the Industrial Disputes Act, which was later amended in 1956, in order to prevent and resolve industrial disputes.

Following are some of the provisions of the Act to settle industrial disputes in the country:

- (a) **Work Committees** Work committees shall be formed, bringing together employers and employees for all undertakings employing 100 or more employees to maintain good relations between them.
- (b) **Conciliation.** This Act allows the government to nominate conciliation officers and also to set up a conciliation board to represent employers and employees in the resolution of such disputes
- (c) **Court of Enquiry.** If conciliation has failed to produce any outcome, the matter must be referred to the investigative court for inquiry into the conflict and submitted to the government.
- (d) **Labour Courts** State governments formed labor courts to address contested matters such as firing, employee suspension, legality of strikes and lock-outs, etc.
- (e) **Industrial Tribunals** The government has developed two types of industrial tribunals that include: (i) state courts and (ii) national courts. These courts adjudicate pay, bonus, profit sharing, etc. conflicts. The decisions of these tribunals are binding on the parties concerned. In addition, some other procedures have been adopted in recent years to settle labor disputes

These include:

- a) Establishment of Joint Management Councils with the involvement of employees in management to improve the relationship between management and labour;
- b) The adoption of a code of discipline established at the 1958 Indian Labor Conference where employers and employees voluntarily agreed to establish mutual trust and co-operation within the industrial unit
- c) The adoption in 1962 of industrial truce resolutions by the central organization of employers and employees agreeing to stop or slow down production;
- d) Creation in July 1967 by the Government of the National Arbitration Promotion Board to settle labor disputes.



## Maruti Suzuki India and Labour Disputes

Maruti Suzuki India Limited is India's largest passenger car manufacturer (formerly MarutiUdyog Ltd). It is involved in producing, buying and selling motor vehicles and spare parts. It has four plants in Delhi's Palam and Haryana's Manesar. The company was founded as a government corporation in 1981 to manufacture a cheap people's car for the middle class, with Suzuki as a minor partner. In 1982, the company signed a license with Suzuki Motor Corporation, Japan, and a joint venture deal. The company began production in 1983 when a small car named Maruti 800 was introduced.

Suzuki increased its share of the company to 50% in 1992. The company began operations at its new car plant and diesel engine plant in Manesar, Haryana, during 2006

7. The first workplace strike that lasted from June 04 to June 17, 2011 took shape during a time of disharmony. The workers wanted to form a new union in order to fight for better working conditions and to make permanent contract workers. The board was opposed to this. Because of this conflict, 2000 employees stopped their jobs and refused to leave the plant and in the second shift of the day they hit work. In response, 11 employees were fired by the board. The production of 13200 cars was postponed during this time. Compared to the last two years, sales fell by 23 percent. On July 28, 2011, the company again witnessed a second strike which resulted in a 33-day lock-out. This strike was the result of five workers being suspended for allegedly attacking a supervisor physically. MSIL ordered all its Manesar factory workers to sign a "good behavior promise" on August 29, 2011, before entering the plant. This order has come from the heels of the quality issues reportedly occurring the week before. The "good behavior bond" included a commitment by workers not to slow down their job, damage their performance or take part in acts that would impede normal production. It was not allowed to join the factory for the workers who refused to sign the pledge. Haryana's government has supported the company in its efforts to bring normalcy to the province. Under the terms of the 1947 Labor Disputes Act, the issue of continuing strike was referred to the competent labor court and orders were issued banning the continuation of strike. This strike was officially called illegal. The workers' union led by their new leader, Shiv Kumar, decided to resume work on the condition of not being asked to sign the undertaking and reinstate the eleven fired workers. Work had hardly resumed for a month when the staff resorted to another strike from 7 October 2011 that lasted until 30 on the issue of the management's non-inclusion of casual labour. This led to a production delay of 51000 cars resulting in a loss of about Rs. 1500 crores. In fact, the union leaders betrayed the workers by resigning from their posts. Sales fell from 81060 units a year earlier to 66667 units in September. The sparkling frustration became explosive when the Company General Manager, Human Resources, turned violent on 18 July 2012 at the Manesar factory by burning alive. The situation deteriorated as the agitating workers burned office furniture and physically assaulted many executives, managers including the Japanese boss, supervisors and all those who came in their way. This disturbance was due to casteist remarks made by a boss against a permanent worker. Instead of taking note of this misbehavior with the workers, the workers objected to these remarks but the officials ordered the dismissal of the worker against whom the comment was produced. The employees were unable to bear this and turned violent when agitating against the management.

On the other hand, management argues that the union of employees stopped management from taking disciplinary action against the employee concerned. This added that the unions withdrew from the talks because they felt it was controlled by members of management.

The management was left with no other option than to order the closure of the factory resulting in production stoppage of 1600 units per day. This cost the company a daily loss to property damage of Rs. 70 crores along with Rs. 500 crores.

It was met with a huge backlog as the company produces customer requested main models. Its rivals such as Ford, Skoda and Hyundai are taking advantage of the demand as many people are moving to other brands in view of a long waiting time for Maruti Suzuki's car delivery.

## Conclusion

It is essential for all related people, therefore, to create circumstances which will reduce to the lowest the chances of industrial disputes. The resultant squeeze in employment, wages, bonus, and benefits create a sense of helplessness and result in disputes in industrial setup. If difference arise workforces, the capitalists, and the customers all have to suffer. The workers lose their wages, the companies their profits and their hold on markets, especially of foreign markets, and the customers have to go without the services. It is essential to explore the causes of the difference as and when it arises and effort should be made to settle it as early as possible.

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