Dynamics of Industrial Relations and Labour Legislations

K. K. AHUJA

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PREFACE

Industrial Relations is a subject of wide importance in its scope and complexity because it provides the interplay of law and labour management forces. Therefore, any law which regulates the employers-employee relationship has to be carefully and meticulously interpreted, adopted and applied keeping in view country's social and economic requirement.

The emphasis is on how stable industrial relations are vital pre-requisite for industrial progress. Stable relations means a situation when the problems of management and workforce are discussed between them in a spirit of mutual trust and confidence without unnecessary delay and friction. The problems of industrial relations are inextricably interlinked with freedom of association, collective bargaining, conciliation, arbitration and adjudication. Industrial Democracy cannot succeed unless all concerned—Workers, Employers, Government and Public in general realise its importance and its due place in the National life. Industrial Relations is eventually human relations. The aim and objective of industrial relations study is to ensure that institutions and procedures of industrial relations are appropriate to current circumstances especially the location of power and organisation in industry.

Industrial process is a multiplicity of relationship and all the cadres involved in industrial relations are important if the industrial process has to operate effectively. Industrial process is basically a relation building exercise in which we try to convert industrial, financial, human and environment resources to end products for improving human welfare. Industrial Relations is not only an economic aspect, but also human and social aspect. It is the business of leadership in the ranks of labour, employees and government to workout a new relationship in consonance with the spirit of true democracy.

The book "Industrial Relations" has been divided mainly in five parts *viz.* "Industrial Concepts and Approaches", Trade Union Movement and Growth, Labour Legislation and Labour Administration Machinery and Welfare and Social Security.

The Evolution and Development of various Laws ; Grievances Handling Machinery ; Domestic Enquiry ; Role of Enquiry Officer ; Industrial Employment and Standing Orders Act ; Industrial Disputes Act ; Authorities under Industrial Disputes Act ; Strikes and Lockouts ; Lay off and Retrenchment ; Apprenticeship Act ; Minimum Wages Act, Payment of Wages Act.

The book deals with the concepts and working of Labour Welfare Schemes and Social Security Systems. Welfare work has been recognised as

an integral part of industrial administration. Industrial progress depends on a satisfied labour force and in this connection the importance of labour welfare measures were accepted as early as 1931 when the Royal Commission on Labour stated, "The benefits which go under these nomenclature are of great importance to the worker and which he is unable to secure by itself." The concept of labour welfare is flexible and elastic and differs widely with times, regions, industry, country, social values and customs, degree of industrialisation, the general socio-economic development of the people and the political ideologies prevailing at a particular moment.

The object of welfare activities is to bring an all round development in the personality of the worker including psychological, economic and cultural development. Labour Welfare work is partly humanistic, economic, civic to develop a sense of responsibility and dignity among the workers and thus to make them worthy citizens of nation. Labour Welfare work in the broad term cover social security activities. Social security is an instrument of social economic justice in the society. The underlying object of social security is to banish poverty, to provide minimum level of well being of the workers, to alleviate the suffering caused due to want. It covers paper of labour laws and Industrial Relations Curriculum of various Universities. Industrial Relations and labour economics paper of Indian Institute of Business Management, Patna, Industrial Relations paper of B.K. School of Management, Gujarat, Industrial Relations paper of Faculty of Management students, Delhi University, Industrial Relations paper of M.S. University of Baroda. It covers the paper of Industrial Relations of Guru Nanak Dev University, Amritsar and Aligarh Muslim University, Aligarh. It covers the papers of Industrial Relations, Labour Welfare and Social Security and Industrial Sociology and Labour Economics of the Department of Business Management, Punjabi University, Patiala. In addition, the book is equally useful for practising Personnel Managers and Industrial Relations Managers dealing with Industrial Relations situations. Any suggestions for the improvement of the book will be highly appreciated.

1997 K.K. AHUJA

COVERAGE

The book "Dynamics of Industrial Relations and Labour Legislations" covers, the contextual framework of Industrial Relations, Trade Unionism, Collective Bargaining, Regulation of Industrial Disputes ; pervasive, coercive and voluntary settlement of Industrial Disputes, Conditions of Change in Trade Unionism, Union Reaction to Technological Changes, Industrial Relation in Developed Countries, Cultural attributes in Industrial Relations, Labour Laws, Productivity and Industrial Democracy and behavioural part of industrial relations such as socialisation, communication etc.

It will serve as a textbook for students of Post Graduate Diploma in Personnel Management and Industrial Relations, M.S.W., M.Com. students, Diploma in Labour Laws ; Diploma in Labour Welfare, Company Secretaries, ICWA, M.B.A., Diploma Human Resource Management, Diploma Social Security and Industrial Psychology. The book is equally useful to Professional Managers, Practising Lawyers, Management Consultants and Trade Union Leaders.

In brief the syllabus of following papers of various Universities and Management Institutes have been referred as random sample before writing the book.

S. No.	*Paper*	*Universities/Management Institutes*
1.	Management of Human Resource, Industrial Relations, Labour Welfare, Social Security and Industrial Sociology and Labour Economics.	Post Graduate in Personnel Management and Industrial Relations, Department of Business Management, Punjabi University, Patiala.
2.	Industrial Relations	Post Graduate Diploma in Personnel Management and Industrial Relations, D.A.V. College of Management, Communication and Educational Administration, Chandigarh.
3.	Industrial Relations Labour Economics	Indian Institute of Business Management, Patna.

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CHAPTER 1

INDUSTRIAL RELATIONS

Introduction

Industrial Relations fall in two heads *viz.* Personnel Relations and Labour Relations. *The term 'Personnel' refers to individual workers while labour refers to the collectivity of workers.* The relationship between the organised labour and employer is known as labour relations. The first phase of industrial relations is the personnel relations which are essential on the individual level. The second phase of industrial relations are the labour relations.

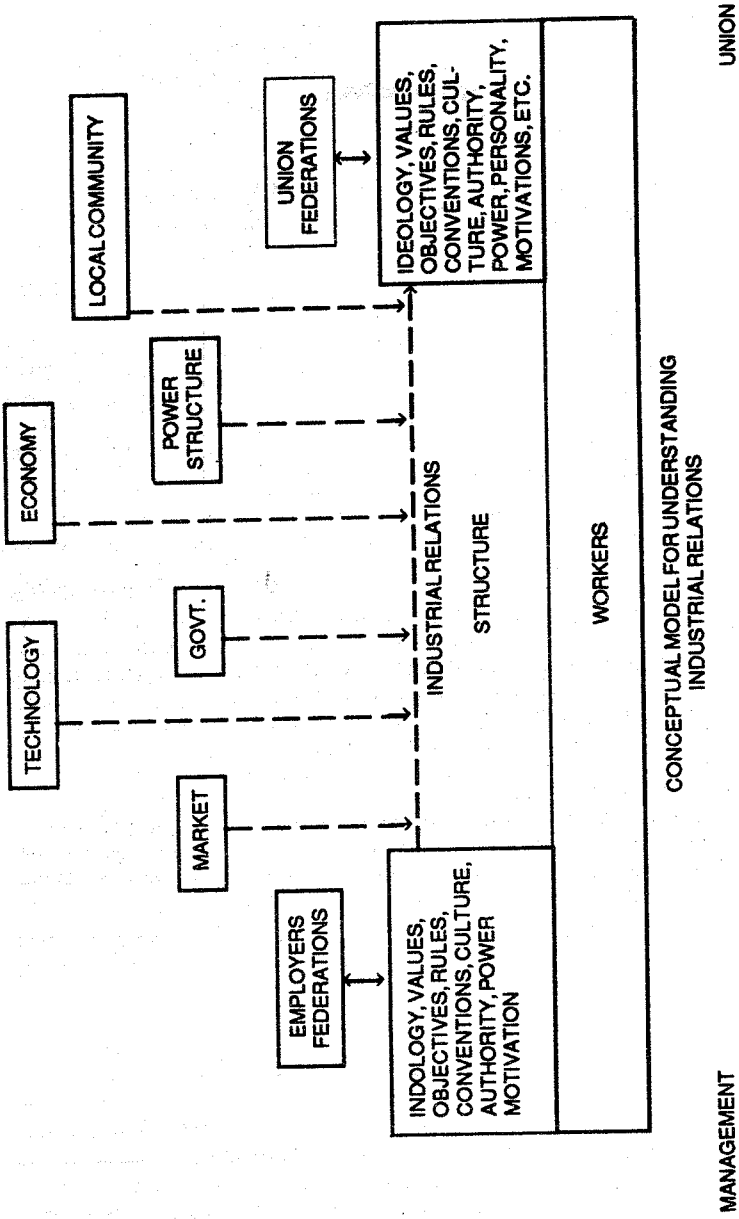
Developing and maintaining harmonious relations is a two-way process. It depends not only on the responsiveness of labour but equally on the responsiveness of management. If the relations are not cordial the reason may be found either with the management or with the labour or with both. Once an unhappy situation has developed, the blame could be apportioned to both the parties. However, it is the responsibility of the management to create such conditions in which relations may be improved and harmonised. The responsibility for breaking the vicious circle is exclusively that of the management even to serve their own ends. If the labour or the unions are not responsive the relations are not cordial, therefore, the efforts of interaction from the management side becomes all the more important and necessary.

Industrial Relations are eventually human relations, therefore, the same basis of human psychology prevails in the field of industrial relations as well. Dr. Van. D. Kennedy has observed that Indian unionism and labour relations are not the product only of their environment and internal forces.

Labour-Management Relation is the sum total of relationship that exist at every level in the organisation structure. The relationship between the organised labour and employer is known as Labour Relation.

CONCEPT OF INDUSTRIAL RELATIONS

Generally, by Industrial Relations we mean relationship between Management and Workers or the relationship between the Employers and Employees. This dichotomy has been so strongly nurtured and maintained that often there has been a clash between the interests of so called Managers and so called Workers. Such clash of interests is quite frequent and its impact on the Industrial Relations mean only relationship between Workers and Managers or the Employers.



CONCEPTUAL MODEL FOR UNDERSTANDING INDUSTRIAL RELATIONS

Fig. 1

In an Industrial process there is a multiplicity of relationships and all of them are very important if the industrial process has to operate effectively. As a matter of fact, industrial process is basically relationship building exercise in which we try to convert natural, financial, human and environmental resources into end products for improving human welfare. It will be a narrow approach if we define industrial relations as relationship between workers and managers alone. There has been a significant change in the structure of industries in Public Sector Enterprises all the employees have equal stake in the Organisation. The only difference in the socalled workers and socalled managers is the difference in the Wage Structure which is diminishing very fast. Thus, the problem of relationship within the industry which is commonly known as Industrial Relations is more complex and multi-dimensional than it appears on the surface. It may be emphasised that in the context of modern industries which are characterised by growing sizes, fast technological changes, mounting competitions, changing environments etc., the problem of industrial relations has assumed a special significance. The efficiency of an industry is directly related with the quality of relationship which is being built up amongst the individuals who work together. It is not uncommon to see Organisations which are having all the resources and favourable situations but their performance is highly unsatisfactory due to industrial relations problems.

One can find examples where there is no strike, no lock-out or go-slow tactics and yet the performance is much below the expectations. Therefore, when we talk about the industrial relations it is not merely the external symptoms like strikes, lock-out which should concern us but we should be concerned with real symptoms of healthy relationships in an organisation which are reflected in the morale, commitment, sense of duty, sense of belongingness amongst the employees. Another important factor in the industry is a team work and team spirit. We may see a group of people having high individual merits but when they have to work in a group, the performance of the group is very low.

Importance of Healthy Labour—Management Relation

The writing is on the wall that "without healthy labour-management relation, there is no hope of our overcoming the multifarious problems to which the country is confronted." Labour-management relations are eventually human relations. Labour-Management Relation can be defined as the relationship between management and employees or among employees and their organisation. The concept of labour-management relations have undergone a tremendous change and undergoing a continuous change. Originally, labour-management relation was employer-employee relationship in an industry, but when workers organised into trade union, the labour-management relations was the relationships between employers and trade union. When these relationships between employers and employees acquired the public importance, the state intervention came into picture to modify, regulate and control the relations between employers and employees as a part of industrialisation. At present labour-management relation has come to stand for employers, trade unions and government relationship in employment.

Good labour-management relations are all the more important in a public undertaking because of the role which have been assigned to them. The public

undertakings are around 200 in number with an investment of over 25,000 crores. The spectrum of activities of these enterprises cover the basic and infrastructure industries, *e.g.* mining, metallurgical engineering, chemical fertilizers, drugs and even wide range of consumer-oriented goods and services.

The public enterprises have become the instruments of national development and their economic and social objectives are derived from those of national plans with emphasis on removal of poverty, attainment to self-reliance, better distribution of income, reduction of disparity, expansion of employment opportunity, prevention of concentration of economic power, development of professional personnel in technical, managerial and administrative fields. The public enterprises are accountable to the Parliament and the Government. The Parliament looks into the performance of the enterprises through its committee of public undertakings with specialists in the area of Materials Management, Financial Management, Personnel Management, Industrial Relations and Production Management.

Co-operation

The two important areas of labour-management relations are conflict and co-operation. The industrial production is based on cooperation between Labour and Capital. Co-operation between the two if one of the basic requirement for the growth of industrialisation. Co-operation is the formal feature of Labour-Management Relations. The co-operation between the two is nothing more than the mere coming together of labour and capital or union and management and regarding each other as partners. Co-operation is out of necessity of some sort of working relationship to be reached for the co-operation in the factory on which both are depending and may continue to depend. Lack of co-operation are barriers of industrial relation such as mistrust, craze for authority and power, dissatisfaction without rewards do not exist only at the inter-face of management and labour alone. The various other constituents of industrial relations are consumers, buyers, the society and the government. It is the interaction of two or more of these constituents which will have a direct bearing on the labour-management relation in the near future.

In public enterprises, the intervention of Government, Bureau of public enterprises, central body of various labour-management relation to a greater extent. The industrial unrest in public undertakings is on the higher side due to the following reasons :

1. The master-servant relationship which exists in most of the small private companies is not at all in existence so far as public enterprise is concerned.

2. The worker in a public enterprise is not the old 'Gee Hazoor' who looks supervisor as a dummy God. He is much more enlightened and aware of his rights because of his better education.

3. The job-security is another reason because in public sector, the power of hire and fire is not very much in the hand of management and even an unruly worker is also secured of his job.

4. The intervention of the political parties and other allied bodies have increased considerably with the result the freedom of action is restricted. Although the public enterprises are considered to enjoy a large measure of autonomy and wide operational powers.

5. The Chief Executive's tenure is limited with the result he tries to score over his predecessors by way of better performance avoiding the industrial conflict and manipulating good relations till the time he is in his chair. Therefore, there is a tendency of lenient errors which hampers the workforce and at a later stage becomes difficult to negotiate with their unnecessary and ungenuine demands.

6. There is a feeling among the workers working in public enterprises that they are the watch dog of a management activities. Whatever may be the factors, in order to hold to their leadership, they will continue to assign ulterior motives even to the *bona fide* action of the management.

7. The bureaucratic system and procedures also come in the way of production of public sector enterprises.

8. There is ingrained feeling among the employees in the public enterprises that it is their right to have various welfare benefits such as housing, free medical care and other social benefits irrespective of the capacity of the industries to pay.

9. The ongoing benefits in the other industries in the region or the similar undertaking in the other parts of the country has an impact on the workforce. Hence the benefit in one of the public enterprises becomes precedence for the negotiation. The public sectors being model employers have to provide these facilities.

Existance of Conflict

Another important aspect of labour-management relation is the existence of conflict. It only becomes apparent when industrial disputes resulting in strikes and lock-outs become more frequent. In our daily life, we rarely pay attention to physical health so long as we are healthy. Likewise, so long as industrial peace prevails, the production of goods and services continues uninterrupted, there is little effort of cooperation between labour and management. Because of this, the industrial relation consists of two dominant aspects of cooperation and conflict, both of which are very important for effective industrial relation. The number of acts which have been brought into action decades ago and the machinery and processes developed to resolve industrial disputes, have failed because of the inordinate delays caused at several levels. If it is going to take years for a charter of demand to be settled, the workers are bound to restless agitated.

Labour-Management relations have many aspects. There are lapses on the part of employers, lack of communication, understanding and quick response to problems on the one hand and inter-union rivalry and the desire of trade union leaders to capture power and create conflicts on the other. The extremely slow moving negotiation, conciliation, adjudication machinery add fuel to the

fire. The mere absence of strikes and lock-outs do not signify good labour-management relation in the organisation because the management might be buying industrial peace by compromising on discipline and productivity. Similarly the workers might be disorganised and have exploited by management but without any protest from them. A good labour-management relation is a quality, an approach, an attitude of mind which prevails all along the length of the organisation and becomes the way of life to the management. An effective labour-management relation will be one, in which collective will to work is there. For effective industrial relation the labour power should not be considered similar to any other commodity.

Labour-Management Relations need greater emphasis than ever before and this relation should not be based on short-term and short sighted strategies. The time has come when management and labour have to utilise their own mutual obligations, their roles, scope and areas of cooperation. Wherever good labour-management relationship exists, the atmosphere is more friendly and productive, resulting in higher output. It pays to have good industrial relations. It lays the ground for consultation, exchange of views between the workers, representatives as well as the management. For effective labour-management relations, it is essential that trade unions should be organised and are given due recognition and facilities for union officers to carry out their duties. It is also important that agreement once signed is strictly adhered to. There is a need to eliminate a sense of distrust and to create a feeling of confidence and goodwill among union representatives and management. The improved labour-management relation can help us to achieve higher production both in volume and quality and to meet the challenges of high standards of living.

Major Constraints—Labour Management Relations

Labour-Management relation is the pre-requisite for national and economic growth of the country. The problems of labour-management relations are going to be more difficult and complex in the time to come because of the greater barriers between organisations and the surrounding—social environments. The organisation policies and practices are being questioned by Government, consumers, workers and other active groups. The workers are bringing their own attitude and value system to the work place. There is a greater need for personnel Manager to changing their priorities and system styles to suit the changing environments.

Following are going to be the major constraints in our Labour-Management relations in the coming two decades.

1. Growing Concern for unemployment and underemployment

The truth is that are increasing in numbers much faster than our capacity to generate new jobs. Our efforts will be exerted not only in finding employment but also in learning to live with it. If we do not accommodate ourselves with these social impact, we may have to pay the price in terms of economic waste, conflict and even in violence.

2. Slower Growth

The economy which has experienced a rapid growth in the last 15 years is showing signs of slow and painful growth of present. Slow rates of growth in turn can impose an inhabiting factor, on the growth of the organisation and even pose threat to the survival, causing anxiety and lack of security or employment.

3. Technology and Organisations

Changes due to technology will take place at even more rapid pace and will equal the total changes, in the last 30 to 35 years. With these fast changes, the new opportunities, products and markets can and will be developed. The changes will also widen the channels of communications within the organisation and this will require unprecedented flow of cheaper informations through which workforce will have easy access to each other and to the various beneficiaries. The changes will have greater scope for use in more constructive way to take the monotony out of work or to assist in environmental protection and resource conservations.

4. Social Progress and Social Cost

Social progress does not occur automatically. It has to make it happen by various means including legislation, education, negotiation and persuasion.

Pre-occupation with human welfare and social betterment introduced through a vast array of social services such as pension plans, health care, educational benefits carry with them an economic cost which is in good measure to change enterprise. There is limit to social cost if a good measure of it is passed on to consumers and where increase in price can have a side effect on a multitude of vital products.

5. Increased Liberalism and the Changing Life Style

The family ties are becoming looser in the years to come. It is believed that more permissiveness will govern the relations between family members rather than traditional parental authority. These changing life style will pose new problems in managing industrial relations. The people will change their life habits to fit the place and time of work. The issue of participation, job satisfaction and career development will become mile stone of our future industrial or personnel policies.

6. Unionisation

Recently the labour has acquired considerable organisational power in modern industrial society. The organised labour force can now bring to a standstill, the productive machinery of the society. In many cases the organised unions force the employers to concede to their demands which are beyond the capacity of the industry ; this way they can render the industry stick or push up the prices to detriment of social interests. These restrictive and wasteful practices of work under utilise the productive capacity of the industries and render social investments ineffective. In fact, the provision in the Trade Union Act that any seven persons can from a union has caused mushroom of trade unions within each organisation. Each political party has its own trade union wing and they are

forming unions in every establishment with the support of a few. This has led to a situation of inter-union rivalry in most of the organisations.

Motivating Factors

The next decade will witness serious rethinking of understanding of motivation. It will be difficult to draw curtain between the private man and the enterprises man or to insolate human problems of the environment from the human problems of the organisation. Therefore there will be greater need to assess the impact of rising wave of strikes, political unrest, dissatisfaction with social order and personnel problems of motivation at work. At present 46% to 50% of population in the country is aged 18 years or less. They are the new upcoming job seekers and their value system is and will be in future quite different from the previous generations. They will expect from the organisations freedom to express one's view and exert one's creativity. Wages will continue to be an important motivating factor but only a vehicle for better quality of life which will become a more dominant objective. The Personnel Managers for maintaining effective industrial relations have to be more sensitive to the environment of his organisations and also need to understand, predict change and to adopt his policies and styles to an emerging situation.

It is a well known fact that wherever relations exist, there is minimum of friction between the workers and employers and the atmosphere is more friendly and productive and also the output is much greater. It pays to have a good industrial relations. It lays the ground for consultation and exchange of views between the workers' representatives as well as the management's representatives. In order to have good relations, it is essential that trade unions should be organised and are given recognition and functions. It is important that agreement once signed are strictly observed. There is a need to eliminate a sense of distrust and create a sense of confidence and goodwill among the union representatives and management.

Importance of Good Labour Management Relations

For a radical change in the concept the management and labour has to realise their own mutual obligations, their own mutual roles without which no enterprise can really exist. Labour and management have to realise that none of them is made of bricks but are human beings, with human problems, human views and there can always be differences of viewpoint. They reside in human beings, the desire for growth which finds expansion in their creativeness. A good labour-management relations can also tap the vast resources that reside in human beings. Human beings are the greatest beings, much higher than all animals, all angels ; none is greater than mankind. Man is the most versatile resource available to us because by his thoughts and action he can create, improve and affect the total system. Manpower is an asset which appreciates with time and can be effectively utilised only if better labour-management relation exists. It is more effective to consider. "Human Relation" approach in effective utilisation of manpower. This approach recognises human dignity as well as human productivity. In fact, the effective utilisation of all resources depends on the effective utilisation of human resources. Out of the five Ms of an organisation namely, Material, Machine, Methods, Money and Men, 4 Ms are balanced by the 5th

'M'—Human Resource. Therefore, there is a greater need to lay emphasis on human relationship than ever before.

Causes of Industrial Unrest

Improved labour-management relation can help us to achieve the production both in volume and quality and to meet the challenges of high standards of living and also to meet the needs of expanding population. Following are the various reasons for breach of industrial peace which can be classified as external and internal. The internal/external reasons are :—

Internal Reasons

1. Economic Reasons

(*a*) Concerned with wages and allowances.
(*b*) Incentive.
(*c*) Bonus.
(*d*) Fringe benefits.

Personnel Reasons

(*a*) Working conditions.
(*b*) Working hours.
(*c*) Behaviour pattern.
(*d*) Suspension and warnings.
(*e*) Retrenchment and dismissal.
(*f*) Transfers and promotions.
(*g*) Leaves and intervals.

External Reasons

External factors can be classified as :—

(*a*) Technical.
(*b*) Political.
(*c*) Psychological.
(*d*) Organisational.

(*a*) Technical

(*a*) Rationalisation.
(*b*) Automation.
(*c*) Computerisation.
(*d*) Lay-off.
(*e*) Lock-out.

(*b*) Political

(*a*) State intervention.
(*b*) Labour laws.
(*c*) Adjudication machinery.
(*d*) Affiliation of factories.

(*c*) **Psychological**

(*a*) Personnel Prejudice.
(*b*) Individual difference.
(*c*) Personnel bias.
(*d*) Organisation of Trade Unions—Federations, Multiplicity of unions.

Scope of Industrial Relations

The scope of labour-management relation is quite wide. Following are certain functions which can be included in the nature and scope of industrial relation :—

(*a*) Designing objectives and policies.
(*b*) Recruitment and selection procedures.
(*c*) Induction training.
(*d*) Employees benefit.
(*e*) Wage and salary administration.
(*f*) Employees' information.
(*g*) Employees' service.
(*h*) Safety measures.
(*i*) Medical service.
(*j*) Development activities.
(*k*) Employees record and maintenance.
(*l*) Union relations.
(*m*) Research activities.

CHAPTER 3

LABOUR LAWS AND LABOUR LEGISLATION

Labour Laws

Labour laws are the product of the particular conditions and circumstances of each country *viz.*, history, traditions, economic and social structure and political orientation. The common objective of all labour laws has been to ensure a steady growth in the minimum standards of working, employment and living conditions for workers. Labour laws have helped the Government to play a role in regulating and structuring industrial relations. The labour laws define not only legal rights and obligations of employers and employees but also provide guidelines for their day-to-day working relationships. Labour laws can be grouped as follows :

(*a*) Laws regulating working conditions.

(*b*) Laws regulating industrial relations.

(*c*) Laws regulating wages and bonus.

(*d*) Laws regulating social security measures covering maternity, sickness, occupational disease, Payment of gratuity, provident fund and family pension.

(*e*) Laws regulating training covering apprentices act, employment exchanges, compulsory notification of vacancies act.

(*f*) Laws regulating welfare and living conditions.

Labour Laws Awareness

Labour law awareness means, how for the workers are acquainted with the various labour laws. Awareness minimises the conflict between the management and workers in an organisation. Management knows what are the benefits/facilities/amenities, they are expected to provide statutorily as per various labour laws. If the workers are also aware of labour laws, management cannot deviate from those statutory requirements, rather they will be forced to implement it. During collective bargaining, workers can bargain more effectively if they are aware of provisions of various labour laws.

Labour laws occupies a distinct place in the Judicial system of our country. Labour laws aim at safeguarding the interests of the workers and establishing good relations between the employers and the employees. All laws passed by the states from time to time for achieving their objectives come within the scope of labour legislation. Labour laws directly affects approximately 8-9 crores of Indian industrial workers working in different manufacturing process.

With the increasing industrial activity and the problems of employers and employees relations assuming greater significance. The labour laws are bound to play a pivotal role for maintaining harmony in labour-management relations.

Awareness of labour laws among workers is of paramount importance in discharging their duties efficiently, effectively and wholeheartedly. The complete awareness of labour laws among workers will foster friendly relations with the management and would help in the following :

(*i*) Increase in the degree of cohesiveness and team spirit.

(*ii*) Provide the workers with an overall organisational point of view.

(*iii*) Decrease the amount of conflict, hostility.

(*iv*) Helping in the removal of grievances and increase in the degree of tolerance and patience in the organisation.

(*v*) Increasing openness among the workers and management thereby giving a free expression of individual personality existence.

(*vi*) Developing a work climate as a result of other tendencies, in which work force find opportunity to be more creative.

(*vii*) Would help in upgrading individual's mental and emotional involvement in a group situation that contribute to group goals and to share responsibility on equitable basis.

The awareness of social security measures and labour laws have acquired momentum from the labour movement. The main media through which the awareness of social security and labour laws is awakened is through participation. The philosophy of participation contains following three important concepts :

(*i*) Participation should mean mental and emotional involvement of an individual rather than his skill.

(*ii*) It should motivate for contribution.

(*iii*) It should encourage individuals to accept responsibilities for an activity. Participation will involve all the members of the group who would like to see that the system work more successfully so as to involve an individual.

LABOUR LEGISLATION

Enactment of labour legislation all over the world has been the offshoot of the exploitative system of employer and management brought about by industrial revolution wherein human element in industry had been totally foregotten and the worker was considered as a commodity to be utilised by employers in any manner he liked. If the employers had given due recognition to workers as human beings and had cared to ensure them fair deal, the government would not have intervened to make the employer realise their obligation towards the labour. Labour legislation is that body of legal enactments and judicial principles which deals with employment and non-employment, wages, working conditions, industrial relations, social security and labour welfare of industrially employed persons. Labour legislation is the expression of the feelings of the people and gives practical shape to current human and social values prevalent in the community. In India where economic and social

progress has been hastened, there is a greater need of social consciousness in different groups of the community.

The labour legislation is that paramount effort of the community which granted a real equality to workmen. Labour legislation in India as in other parts of the world have been framed with a view to safeguard the interest of the employees and the employers. Labour legislation now covers practically all aspects of employment, working and living conditions of industrial and commercial workers. Labour legislation has come into existence through the process of Industrial Revolution and is an integral part of modern society. Labour legislation is a continuous process of growth which adopts to the changing conditions of society.

It helps in training workforce in industrial discipline, political solidarity and social ethics. Labour legislation in any country should be based on the principles of social justice an social equity. Social justice implies to following areas :

(*i*) Equitable distribution of profits and other benefits of industry between employer and employees.

(*ii*) Providing protection to the workers health, safety and morality.

Our constitution guarantee social justice to the people of India. Social justice means achievement of socio-economic objectives. Labour legislation is one of the most progressive and dynamic instruments for achieving socio-economic progress.

Labour legislation is that part of state's action by which the state, through parliamentary enactments has intervened in the conduct of industry and imposed statutory obligations on the employers and on the workmen.

Objectives

Following are the main objectives of labour legislation :

(*i*) To protect the workers from exploitation.

(*ii*) To strengthen cordial relationship between the employers and employees.

(*iii*) To preserve health, safety and welfare of workers by regulating conditions of work and providing the welfare and social security to workers.

(*iv*) To reduce frequent breaks due to strikes and lock-outs.

Need

The need for labour legislation arises from the following reasons :

(*a*) Workers in industries are exposed to certain risks and hazardous conditions.

(*b*) Workers are economically weak with low bargaining power.

(*c*) To encourage and facilitate the formation of trade unions and workers associations.

(*d*) Maintaining good relations between the two partners in industry.

Principles of Labour Legislation

The underlying force of labour legislation may be classified as : (*i*) Social Justice (*ii*) Social and Economic Justice (*iii*) National Economy and (*iv*) Social Justice and Labour Laws.

Social Justice

It has been said that law approximates to Justice. The concept of social justice is dynamic. In dispensing social justice, the general and over all interests of society as a whole have to be taken into consideration so as to prevent hampering of one group in society at the cost of the rest. In matters of claims of labour the principle is that the employer and the employees are so inter-related and dependent on each other that it is in the interest of each that the other should survive, and it is in the interest of society that both should be kept functioning in harmony with each other. It is for the good of both, the employer should be made to help employee to keep himself alive and fit to work.

Social and Economic Justice

Social and Economic Justice have been given a place of pride in our Constitution and one of the Directive Principles of State Policy enshrined in Article 38 requires that a State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political—shall inform all the institutions of national life. The concept of social and economic justice is a living concept of revolutionary import ; it gives substenances to the rule of law and meaning and significance to the ideal of a welfare state.

National Economy

The advent of the doctrine of a welfare State is based on nations of progressive social philosophy which have rendered the old doctrine of laissez faire obsolete. In constructing a wage structure industrial adjudication does take into account to some extent considerations of right and wrong, property and impropriety, fairness and unfairness. It is because of this socio-economic aspect of the wage structure that industrial adjudication postulates that no employer can engage industrial labour unless he pays minimum basic wage. It is the duty of the society and the Welfare State to assure to every workman engaged in industrial operations the payment of what in the context of the times appears to be basic minimum wage.

Social Justice and Labour Laws

The development and growth of industrial law during the last decade presents a cose analogy to development and growth of Constitutional law. Where a conflict arises between citizen's fundamental right to hold property and a restriction sought to be imposed upon that right in the interest of the general public. Courts take the precaution of confining their decision to the points raised before them and not to lay down unduly broad and general propositions. Similarly in the case of individual adjudication the claims of the employers based on the freedom of contract have to be adjusted with the claims of industrial

employees for social justice. The process of making a reasonable adjustment is not always easy but still it is essential. Industrial adjudication has necessarily to be aware of the current socio-economic thought around. It must recognise that in the modern Welfare State healthy industrial relations are a matter of paramount importance. The essential function of industrial adjudication is to assist the State by helping a solution of industrial disputes which constitute a distinct and persistent phenomenon of modern industrialised states. In attempting to solve industrial disputes, industrial adjudication does not and should not adopt a doctrine approach. It must evolve some working principles and should generally avoid formulating or adopting abstract generalisations.

Labour Welfare in India

Labour welfare in India has a special significance as the constitution provides for the promotion of the welfare of the people for human conditions of work and securing to all workers leisure, social and cultural opportunities. Labour welfare is a measure to promote the efficiency of labour. The various welfare measures provided by the employer will have immediate impact on the health, physical and mental efficiency, alertness, morale and overall efficiency of the workers and thereby contributing to the higher productivity. Moreover, the workmen require protection from certain calamities which imperil their efficiency. Social security measure provided by employer will act as a protection to the workers. Social security aims at providing collective measures to protect the members of a community against social risks as their individual resources are seldom adequate to offer protection against hardships. Both social assistance and social insurance form integral parts of the system of social security. Labour welfare introduces the extra dimension to industrial relationship which even a satisfactory wage alone cannot provide. Labour welfare expresses the human interest as enlightened employer has in the well being and contentment of the people who work for him. Labour welfare means activities designed for the promotion of the economic, social and cultural well-being of the employees. The term labour welfare includes anything done for the intellectual, physical, moral and economic betterment of workers by employers, by government or by other agencies over and above what is laid down by law in various contingencies like illness, unemployment, disability and death which have a direct impact on the well being of the workers and his dependents. Social security aims at providing collective measures to protect the members of a community against social risks because the individual's resources are seldom adequate to offer protection against hardships. Social assistance and social insurance form integral parts of the system of social security. In India there are several acts aimed at social security and labour welfare such as provident fund and Misc. Provision Act, 1952, Payment of Gratuity Act, 1972, Workmen's Compensation Act, 1923, Employees State Insurance Act, 1952, The Maternity Benefit Act, 1961, Plantation Labour Act, 1951, Employees Family Pension Scheme, 1971, The Assam Tea Plantation Provident Fund and Pension Fund's Scheme Act, 1955, the Factory Act, 1948, Mines Act, 1952, Contract Labour (Regulation and abolition) Act, 1970, Plantation Act, 1951, Motor Transport Workers' Act, 1961.

Labour Legislation in India

Labour legislation comprise of social justice, social welfare, national economy and international uniformity. Social justice aims to protect those who cannot protect themselves. Social welfare is the concept of better manhood and better society. National economy is a guiding principle of labour legislation and is concerned with ensuring national growth of industry for the benefit of the country as a whole. International Labour Legislation has also played an important role in securing minimum standards on uniform basis in respect of labour matters.

Labour Legislation in India have been framed with a view to safeguard the interest of the employees and the employers. Labour Legislation is that body of legal enactment and judicial principles which deals with employment and non-employment, wages, working conditions, industrial relation, social security and labour welfare of industrially employed persons. Labour legislation is a paramount efforts of the community which has granted real equity to workmen. Labour Legislation is to express all the feelings of the people and to give practical shape to the human feelings and values prevalent in society. There is greater need of social consciousness in a country like India where economic and social progress has to be fast. Unless the people in India willingly accept their social responsibility, there will always be a loophole in statutory enactment and ways to by-pass them. Employer and employees as well as the commercial organisations should feel convinced about the usefulness of statutory measures and should give their willing cooperation in the implementation of various acts. The fundamental principles on which labour legislation is based are different from the fundamental principles of civil laws. The civil laws are purely judicial in its approach. The disposal of cases of labour courts and tribunals should be speedy and should be within the reach and understanding of ordinary workers.

History of Labour Legislation

History of Labour legislation in India may be divided into three periods that is :

(*a*) Before First World War
(*b*) Pre-Independence Period
(*c*) Post-Independence Period

(*a*) Before First World War

The Government was more inclined to follow a policy of non-intervention in employer-employee relations. A few labour laws enacted in this period were the Apprentices Act, 1850, Fatal Accident Act, 1955, Factories Act, 1891 and 1911, Mines Act, 1901, some of the legislations undertaken in this period were more to meet the requirements of the employers than that of the employees.

(*b*) Pre-Independence Period

Legislative Activity grew faster after the first world war for keeping pace with rapid industrialisation and general awakening among working class. The other facts responsible for labour enactments were the Russian Revolution, Swarajya Movement, setting up of International Labour Office, Recommend-

ations of the Royal Commission on labour. Some of the laws enacted in this period were the Workmen Compensation Act, the Trade Disputes Act, 1929, Maternity Benefit Act. During the second world ware the Government felt all the more concerned for maintaining industrial peace so that maintenance of essential services required for the war may not be affected adversely. Defence of Indian Rules were promulgated prohibiting, strikes and closures and ensuring workers certain minimum service and employment conditions. Indian labour conference was set up and it started working in 1942. Industrial Employment (Standing Orders) Act, 1946 was enacted.

Post-Independence Period

Independence altered the tone and contents of the Government's labour policy so radically, as to usher in a new phase in the development of activities. Some of the important laws widening their coverage were enacted *viz*. The new Factories and Mines Act, 1948 and 1952, Industrial Disputes Act, 1947, Minimum Wages Act, 1948, Plantation Labour Act, 1951, Employees State Insurance Act, 1948. Employees Provident Fund Act, 1952, Central Maternity Benefit Act, 1961, Payment of Bonus Act, 1965, Apprentices Act, 1973, Payment of Gratuity Act, 1972, Family Pension Scheme, 1971, Sales Promotion Employees Act, 1976.

The speeding up in labour legislation since Independence has enabled the Government to achieve in a few years what had taken other countries decades to built up by normal growth.

In the development of industrial law in this country since 1947 two decisions can be regarded as outstanding in importance and significance. The decision in the case of **Western India Automobile Association** *Vs.* **Industrial Tribunal, Bombay (F.C.R. 321 1949)** which authoritatively enunciated the fact that industrial adjudication may sometimes involve the extension of an existing agreement or even the making of a new one and in that sense its scope is much wider than that of commercial arbitration or adjudication. The other decision was pronounced by the Supreme Court in the case of **Bharat Bank Ltd., Delhi** *Vs.* **Employees of Bharat Bank Ltd., Delhi (1950 S.C.R. 459).** The majority judgement of the Supreme Court in that case held that the awards made by Industrial Tribunals under the provisions of the Industrial Disputes Act are subject to the appeal to the Supreme Court under Article 136 of the Constitution. The decision was significant because it brought within the jurisdiction of the Supreme Court industrial adjudication contemplated by the Industrial Disputes Act. The importance of healthy and proper development of Industrial law can hardly be exaggerated. For the economic development in this country and for the establishment of socio-economic equality it is of utmost importance that the development and progress in all industrial and economic activities should not be hampered by disharmony or discord between capital and

labour. Conflicts are likely to arise occasionally between employers and their employees but these conflict have to be and must be resolved by give and take. The mission of Labour Law, is to balance the demand of the working class and socio-economic justice to maintain peace and harmony in the industry.

The development of labour laws is a story of grim struggles against the brutal force of the colonists and inhuman treatment of unscrupulous employers. It is also the perserverance of the workers, the unions, the enlightened employers, government organisations whose efforts have succeeded in promoting the welfare of the workers. Labour legislation has come into existence through the process of industrial evolution and related economic, social and political factors. Labour legislation has been helpful in encouraging the development of promptness, dexterity, steadiness and ingenuity. It has a significant effect on the growth of self-discipline, trade unionism, collective bargaining and growing class solidarity.