

CHAPTER -3-

INDUSTRIAL DISPUTES ; ' MEANING AND CAUSES '

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INDUSTRIAL DISPUTES : MEANING AND CAUSES:

3.1 Industrial Disputes - Meaning :

The growing complexity of technology and establishment of large plants has resulted into centralisation of industry. The means of production are in the hands of few individuals or groups. These large establishments require heavy capital investment and employ huge manpower. This resulted into the emergence of two distinct groups - management and labour or capitalists and proletariats. They act as two diametrically opposite forces giving rise to labour problems. The employers have the tendency of maximising profits by exploiting helpless workers. The labourer on the other side, wants to get an adequate and just reward for their work and a fair deal of human beings. This results into clash between the two groups - employers and employees. This is the root cause of industrial dispute or industrial unrest. While tracing the source of industrial disputes Kirkaldy points out that the problem of industrial relations arise with and from the divorce of workers from the ownership of the instrument and materials of production.¹"

3.2 Definition :

According to the Industrial Disputes Act, 1947,

1 Kirkaldy H.S. - Spirit of Industrial Relations,

Oxford University Press, London, 1947, p.5.

Section 2(k), " Industrial disputes means any dispute or difference between employers and employees, or between employers and workmen or between workmen and workmen, which is connected with the employment or non-employment or terms of employment or with the conditions of labour of any person.²"

This definition firstly refers to the factum of a real or substantial dispute or difference; secondly, it refers to the parties to the dispute and thirdly, it refers to the subject matter of that dispute. Thus from the legal standpoint, industrial dispute does not merely refer to differences between labour and capital as is generally thought but it refers to differences that affect groups of workmen and employers engaged in an industry. It is necessary for a dispute to assume the form of an industrial dispute within the meaning of the Act that it involves direct and substantial interest of the workmen concerned. Thus, the differences of opinion between employers and workmen in regard to employment, non employment, terms of employment or with the conditions of labour where the contesting parties are directly and substantially interested in maintaining their respective contentions constitute the subject matter of an industrial dispute.

3.3 Causes of Industrial Disputes :

In any industrial dispute, there may be one or more

2 Please refer to Sec.2(g), Sec.2(s), Sec.2(j) of the Act for the definition of employer, workman and industry respectively.

cause involved. All industrial disputes arise due to discontent and frustration among the workers. And it is not always easy to discover what the particular causes are for industrial disputes. Conflicts in industry arise from cases of individual workers or refrenchment of group of workers or from broad questions of hours of work and indeed whenever any grievance rather enough strength and unanimity to became a collectively felt need of the workers. In periods of quick economic changes associated with either dispression, rationalisation, modernisation, automation and unemoloyment or rise in general cost of living, disagreement is more widespread and acute. This gives rise to industrial disputes. These various causes of the industrial disputes can be classified into four categories -

1) Economic Causes -

(A) Division of the fruits of the Industry -

(i) Inadequate Wages -

Division of fruits of the industry is a very important point. The workers through the labour produce the goods and services and create value. This value is distributed between the employer and employees after paying for raw materials and other means of production. But as the sole power of the distribution of the value is vested in the hands of the employer. They appropriate a part of the just reward of the workers. Workers get inadequate wage. Therefore the problem of wage structure and demands for higher wages becomes very important. In the absence of a definite rational wage policy,

labourers are poorly paid, The rise in the price due to inflation has resulted into an increase in the cost of living. Wages also have risen to some extent by way of dearness allowance (in case of organised labourers) but the rise in wages lags far behind the rise in cost living. Therefore the workers have to resort to industrial dispute to get wages increased. Therefore causes can be traced directly to the failure of the Government and economic system in involving a definite wage policy and in stabilising prices at point which would maintain cost of living.

Similarly methods of job evaluation and deductions from wages also give rise to industrial disputes.

(ii) Bonus and fringe benefits :

Another important economic reason for industrial disputes is the bonus issue. Employers are generally not willing to pay bonus unless compelled to do so by the industrial courts. This unwillingness resort to industrial unrest.

The issue of fringe benefits such as - holidays, leave, gratuity, provident fund, pension etc. also causes the industrial disputes. The employers are generally not ready to give benefits to the workers. Therefore workers have to resort to industrial disputes to get these benefits.

(B) Working conditions and Terms of Employment :

The next point which attracts the attention of unions is the conditions of work. In the early age workers had to work

in filthy, conditions. No attention was paid to lighting or sanitation or to provision of amenities. Conditions changed under the pressure of workers, unions and public opinion. Most of the countries now have laws or agreements to regulate conditions of work in factories or other places of work to provide for safety, sanitation, canteen and welfare of workers. It will be the constant endeavour of unions to ensure their implementation and secure improvements in them. This results in industrial disputes.

The differences on the issue of terms of employment such as hours of work, shift working, promotion, demotion, lay off, retrenchment, dismissal, job security etc. lead to industrial disputes.

2) Institutional Causes -

There are some institutional causes for industrial disputes. These include recognition of the Union, membership of the union, bargaining unit and subjects of the collective bargaining, union security and unfair practices etc. The difference between these issues lead to industrial dispute.

3) Psychological causes -

Some psychological causes also lead to industrial disputes. These include clash of personalities, behavioural maladjustments, authoritarian administration, lack of scope for self expression and participation and undue emphasis of the employer on discipline.

4) Denial of Legal and contractual rights :

Due to the emergence of labour movement the Government in many countries have passed some labour laws giving some rights to the workers. The workers have to fight for implementation of these laws some times workers secure some rights through the contracts with the employer. In such cases non-implementation of labour laws and regulations, standing orders, adjudication awards by the employer causes industrial disputes. Similarly the employers violates the collective agreements, wage boards, recommendations and customary rights etc. the workers have to resort to industrial dispute to ensure the implementation of their rights.

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