

CHAPTER - III

EMPLOYEE UNREST

(A THEORITICAL FRAME WORK)

- 3.1 Introduction
- 3.2 Employee unrest meaning and defination.
- 3.3     .1 Effect of Industrial disputes & Unrest.  
       .2 Causes of Unrest and Disputes.
- 3.4 Employee Unrest : Controlling Machinery.
- 3.5 Forms and Techniques of Strikes.

#####

CHAPTER - III

EMPLOYEE UNREST

(A THEORITICAL FRAME WORK)

3.1 INTRODUCTION :-

The subject matter of personnel management is human behaviour which differs from man to man. The persons working in a group can not be fully satisfied in all respect. The management even cannot fully satisfy the feelings and ego of all its employees. It is therefore, but natural that workers have grievances or unrests against his immediate supervisors or against the management as a whole or against the systems and practices which are followed in the organisation. The major disputes may be handed over to the statutory machinery and must be settled by organisations.

According to the 'Royal commission on Labour' before 1918, strikes were rare. This does not mean that workers had no grudge or complaint against their employers or were quiet satisfied with their work environment. But since practically the entire labour class was illiterate, ignorant of its rights and suffered from class, consciousness, and since there was no organisation among them, they could not fully express their complaints. Hence

there were no signs of industrial unrest.

Isolated dispute took place in India as early as the 18th century, but there is hardly any record of these. It was not until 1918 that they became a serious feature of the Indian industrial system. Before the second world war strikes were infrequent because there was not any strong organisation of the workers. Since the second war, and especially at the end of it, relations between workers and their employers became increasingly strained and disputes between them became much more common due to the growth of trade unionism, the rise of labour leaders, the awakening among the masses brought about by the war-II and nationalist movement. During the war, a considerable number of strikes proved successful because the employers were eager to make the use of the opportunities, for earning the profit existed after the war period. They were willing to give into the demands of their workers. But when the trade boom came to an end, large profits, disappeared and when a period of economic depression set in employers began to resist the demands of their workers, as a result of which nearly two-third (2/3) of the strikes failed.

Of the strikes which have occurred since the first post-war period, one of the most serious was in the cotton

industry in Mumbai city in 1924. It involved 1,60,000 workers and caused a loss of 7.75 million working days. The immediate cause of the trouble was the decision of the Mill owners' Association to withhold the annual bonus.

The other most serious strikes was at Ahmedabad by the textile workers affecting 56 out of 61 working mills, involving nearly 45,000 workers. A loss in working days of nearly two & half millions.

The years 1926 and 1927 were comparatively quiet periods because of a slight revival in the trade and partly because of realisation on the part of the workers that prolonged strikes were not always helpful to their own interests. In 1928 there was a fresh spate of disputes - only 203. Loss of working days was 31.5 million. The textile workers in Mumbai who had recovered their morale after 2 years of comparative quiet, declared a general strike as a protest against the decision of employers to introduce schemes of rationalisation of work. Strikes also took place in the iron and steel works at Jamshedpur and in several railways companies. Some of the strikes were in the textile industries. Some of the strikes were of unduly long duration. A notable feature of the strike in textile industry in 1928 was that the workers resorted to violence for the first time.

In 1929, a general strike in Mumbai textile mills lasted for 6 months. Another important strike during the year was in the Bengal Jute Mills, resulting, in a loss of nearly 3 million working days. The cause of the strike was to the decision of employers to increase the working hours from 55 to 60 weeks.

2. Period From 1930 to 1939 :- Because of split in trade union leadership, and the appointment of Royal commission on labour, the vigorous repression by the executive which made no distinction between the political and labour movement. There was a pronounced decline in labour disputes in the next few years. •

During the period of depression, 46% of these disputes resulted in some concession or benefits to the workers involved. In 1938, the number of strikes rose to 399, mainly because of the disputes in the textile industry, involving 4,01,075 workers and a loss of 9.2 million mandays.

It is noteworthy that though the number of disputes during 1930-1939 had increased to an average of 222 from 195 for the years between 1921 and 1929 the average for the number of workers involved and the loss of mandays was lower.

Kanpur continued to be the storm centre in 1937, 1938 and in 1939 where, besides strikes in individual mills a general strike also took place. Bengal, Bombay and Madhya Pradesh were the other states which were profoundly affected by the strike activities.

### 3. Second World war Period :

With the commencement of world war II, prices began to rise and the cost of living of the workers made a quantum leap. The resulting restlessness generated a demand for dearness allowance for workers all over the country. Later when industrialists made huge profits, the demand for participation in the management was made. When it was rejected, there were strikes. In 1939, there were 406 stoppages affecting more than 4 lakh persons and there was loss of nearly five millions mandays. There after, till 1945, the number of strikes declined for the provision of compulsory settlement of industrial disputes by means of adjudication. Out of total 820 disputes in 1945, 231 were occurred in cotton silk and in wollen mills and 103 in the engineering industries.

During the war period, the government framed two ordinance. One on the Defence of India rules - which empowered it to prohibited strikes and lock out. It compel

employers and workers to observe certain terms and conditions of service. Another issued in 1942, prohibits a person in any undertaking from going on strike without giving 15 days notice. The government also took power to regulate wages and terms and conditions of employment in creation essential services. And so there was comparative peace in the industry.

After the war, the year 1946 and 1947 were most notable years in the history of industrial disputes. The percentage of workers involved increased to 162.5% & a 21.7% increase in the total number of mandays lost. The industries affected were cotton industries, woolen industries, silk industries for the large number of disputes.

Demands for higher wages and bonus were the main cause of disputes. The percentage being 32 and 10.2% respectively. There were 5.2% disputes over leave and conditions of the work and 19.5% disputes were over the personnel factors.

Ref.: Mamoria C.B. &

Mamoria S. Dynamics of Industrial Relations In Inaia  
Page 273 to 280.

### Striking Features of Industrial Unrests In India:-

Some of the striking features of industrial conflicts maybe noted as below.

1. Many present days unrests are totally devoid of cost-benefit consciousness on the part of labour. The issues raised by the strikes and the quantitative benefits even in the case of total success, when weighed against the sacrifice by, and the cost of labour, show a lack of proportion to the disadvantages of labour. It is as though damage and loss to the employer rather than benefits for labour have been the objectives of the struggle.
2. Another significant trend seen in those unrests is the frequency with which management met the 'labour pressure to strike' with the management pressure of a lock out'.
3. Most of the unrests are political unrests' that is they are not the result of any industrial dispute as such. Among these there are included physical restrain (bandh, gherao, dharna etc.) . Go slow and work-to-rule. All these practices show that the diamentions of conflicts in industrial relations are growiny. There are causes of significant loss of mandays. For instance single day bandh may cause a loss of nearly one million mandas in



industrialised status, such as Kerala, Maharashtra, West Bengal, Gujrath and Tamilnadu.

4. Another significant fact is that lock outs account for a sizable number of man days lost. Such lock outs are fairly frequent in the eastern region and may be due to:

a) Employees' reaction to a trbulent industrial situation erupting in 'Gherao', 'Violence' and by destruction of property including burning of vehicles, shapping of telephone wires or even stabbing and murders.

b) A habitual reaction of the Traditional or authoritarian style of management of labour intransignece (i.e. with a view to teaching labour a lesson by withholding employment)

Ref.: Dynamics of Industrial Relations In India.

By - Mamoria C.B. - Page 299.

### 3.2 EMPLOYEE UNREST MEANING AND DEFINITION :-

#### 1. Prof. Jucious :-

1. According to Prof. Jucious grievances or unrest means- 'Any discontent or dissatisfaction, whether expressed or not and whether valid or not, arising out of anything connected with the company then an employee thinks, believes or even feels unfair, unjust or unequitable'.

#### 2. Prof. Pigers and Myers :-

2. According to them unrest means -  
'Unrest is a state of mind which causes due to any type of dissatisfaction of the employee'.

#### 3. Sec.2(x) (k) of Industrial disputes Act.1947, Defines, disputes as follows:-

Industrial dispute is any dispute or difference between the employees and employees or between the employees and workmen, or between workmen and workmen which is connected with the employment or unemployment or the terms of employment or with the conditions of labour of any person'.

For a dispute to become industrial dispute, it should satisfy the following essentials.

1. There must be a dispute or a difference-

- a) between employers and employees (such as wage-warefare where labour is scarce)
  - b) between employers and employee or workman (such as demarcation disputes) and,
  - c) between workmen and workmen.
2. It is connected with the employment or non-employment or the terms of employment or with the conditions of labour of any person (but not with the managers or supervisors) or it must pertain to any industrial matter.
  3. A workman does not draw salary/wage exceeding Rs.1000 per month and,
  4. The relation between the employers and workmen must be in existence and should be the result of the contract and the workman actually employed.

The term industrial dispute has been interpreted and analysed differently in different case, situation by the courts some of the principles for judging the nature of a dispute were evolved by the courts as follows.

Ref.: Personnel Management And Organisational Behaviour

- First Edition.

By - Shyamkant Gokhale.

Page No.- 153.

1. The dispute must affect a large group of workmen who have a community of interests and rights of these workmen must be affected as a class.
2. The dispute should invariably be taken up by the industry union or by an appreciable number of workmen.
3. There must be a concerted demand by the workers for redress and the grievance becomes such that it turns from individual complaints into a general complaint.
4. The parties to the dispute must have direct and substantial interest in the dispute should invariably be taken up by the industry union or by an appreciable number of workmen.
5. If the dispute was in the beginning an individual's disputes and continued to be such till the date of its reference by the government for adjudication it can not be converted into an industrial dispute by support subsequent to the reference even of workmen interested in the dispute.

### 3.3.1 Effect of Industrial disputes & Unrest :-

#### 1. Disturbance in economy, & social life of a country :-

The consequences of industrial disputes are very far-reaching. They are not less than 'war'. It not only suffers to employees, employers but also the economy & social life of the country. Though it initially starts locally, it swallow the entire humanity. The industrial dispute is like a big stone thrown into pond causing ever ending waves till the entire is effected. Naturally, the worker, the employers, the consumers, the community and the nation suffer in more than one way.

#### 2. Wastage of mandays & Dislocation in the production of work :-

A strike in a public utility services disorganise public life and throws the economy out of gear. The consumers are subjected to untold hardships. If the commodity produced by a factory, where workers are on strike, is used in other production operation, then other production also suffer. When such stoppage of work takes place, the short supply of consumer goods results in skyrocketing prices and leads to non availability of goods in the open market.

3. Loss of Wages to the Workers :- (Adverse effect on workers)

workers are also badly affected in more than one way. They lose the wages for strike period. To meet day to day expenses, debts have to be incurred, employment is lost and future prospects become dim. Disturbance in family life, personal hardship, mental agonies & tensions develop & persists. The workers are prosecuted, victimised or kidnapped and given a severe beating by 'goondas', repressed by the police.

4. Heavy Loss to the Employers :-

The employers have to suffer heavy losses, reduction in sales, loss of market. They have to bear heavy expenditure during the strike period for crushing strikes, for maintaining police force, for engaging strike breakers, protecting plant and machinery. Apart from these losses, the loss of mental peace, respect and status in society can not be captured - not in terms of money.

5. Effect on the National Economy :-

Prof. Pigou has observed, 'when labour, equipment in the whole or any part of an industry are rendered idle by a strike, or lock out national <sup>n</sup>dividend suffer in a way that injures economic welfare. This results in a loss of output, ultimately reducing the national income.

### 3.3.2 Causes of Unrest and Disputes :-

The new industrial set up has given a birth to the capitalistic economy which divided the industrial society into two groups i.e. labour and capitalists. The interests of these two groups are not common which create industrial disputes. The main causes of industry disputes may be classified into four groups as follows.

1. Economic Causes
2. Managerial Causes
3. Political Causes
4. Other Causes.

The discussion on more details about the above causes are as follows.

#### 1. Employee Unrest : Economic Causes :-

Really, the most common causes of industrial disputes are economic causes. These are as follows:

a) Wages :- The wage increase was the prime most cause of dispute both after the first and second world war. A large no. of strikes were organised during these periods because of rise in the cost of living. The real wage of workers declined faster and they were dissatisfied with their present wages and struggled for the improvement in wages. By having a cursory glance on the history of industrial dispute, it becomes clear that cause of the most of industrial disputes was wages.

b) Dearness Allowance and Bonus :- Increase in cost of living was the main cause of the demand of dearness allowance by the workers to equate their wages with the rise of prices. Bonus also play an important role as a cause of industrial dispute.

c) High Industrial Profit :- During and after the world wars, prices of the commodities went up and the industrilisation earned a huge profits. In order to get share in the prosperity of the industry, it naturally led to the demands of higher wages and bonus. In the changingy concept of labour they think themselves as a partner of the industry and demand their share in the profit.

d) Working conditions & working Hours :- The working conditions in Indian industries are not hygenic. There is not ample provision of heating, lighting, safety etc. working hours are also greater. The demand of polietable working conditions & shorter hours of work led workers to dispute.

e) Modernisation & Automation of Plant & Machinery :-

The attempts at modernisation and introduction of automatic machinery to replace labour has been the major cause of disputes of India. Workers go on strike, off and resist rationalisation. A strike in cotton textile industry in Kanpur in 1955 for 80 days long is an example



of such disputes. Workers in life Insurance corporation went on strike recently against introducing computers in the corporation.

f) Weaknesses of Trade Unions :-

Weaknesses of trade unions encourages the employers to deny certain basic needs of the workers such as medical, education and housing facilities etc. This led restlessness on the part of workers.

2. Employee Unrest : Managerial Causes :-

These causes include autocratic managerial attitude and defective labour policies etc.

a) Denial of Recognition to trade unions :-

Failure of the employer to recognise the trade unions or to recognise the rival unions for representation, insult of trade union leader, by the employer are some example of autocratic managerial attitude of the employers towards the labour association had never been sympathetic.

b) Defective Recruitment Policies :-

The recruitment practices in Indian industries are defective. Recruitment is generally made by contractors who exploit the workers and suppress their individuality. The defective promotion, demotion transfer and placement policies encourages dissatisfaction among workers.

c) Irregular Lay-off & Retrachment :-

Lay-off & retrachment are reasons to be mentioned for encouraging industrial disputes. Indian employers follow the policy of 'Hire & Fire'. As a matter of practice, workers are not made permanent for a pretty lay time to deprive them of their legitimate rights.

d) Defective Leadership :-

Inefficient leadership is also one of the causes of disputes. Leadership from the management & from the workers are quite incompetent to induce the workers to get them worked. Defective management leadership ignored the labour problems and inefficient labour leadership could not co-ordinate the efforts of their fellow members, so dispute arise.

3. Employee Unrest : Political Causes :-

The political environment also influenced the work environment in the industry.

a) Influence of Politicians :-

Political parties or political ideologies governed the trade unions movement in India. The political leaders misuse the industrial workers, serve the purpose and arrange strikes, gherao, launch etc.

4. Employee Unrest : Other Causes :-

Apart from the reasons maintained above there are several other reasons of industrial disputes. Such as sympathetic strike or in protest of police atrocities etc.

Ref.: Varma and Agarwal.

'Personnel Management and Industrial Relations'.

### 3.4 EMPLOYEE UNREST : Controlling Machinery :-

Before, independence, the government did not concern over the settlement of industrial dispute. conflicts or unrest of the employees were looked upon as a problem of law and order. But since independence government paid attention in this direction and passed the industrial disputes Acts. These acts are as follows.

1. Trade Union Act (1926).
2. Payment of wages Act (1936)
3. Workmens compensation Act (1923)
- 4 Minimum wages Act (1948)
- 5 Factories Act (1948).

Under Industrial Dispute Act 1947, following machinery is established to settle down the disputes or unrest of the employee or employer.

#### I) Machinery for Prevention of Industrial Dispute :-

Various provisions are incorporated in the Act. for preventing the unrest and disputes as prevention is better than cure is the principle for the establishment of this machinery. The provisions are as follows-

- a) Establishment of workes committes
- b) Wage boards.
- c) Process of collecting bargaining
- d) Industrial truce resolution.

- e) Standing orders.
- f) Joint management councils
- g) Grievances procedures
- h) Codes of discipline and of efficiency
- i) Suggestion system.
- j) Voluntary arbitration.

II) II) Machinery for settlement of Disputes and Unrests:

If dispute could not be prevented on voluntary basis, and do arise the Industrial Dispute Act 1947 amended in 1956 provides several provisions for settling the disputes. There are two types of machinery viz- i) Internal and ii) External. Internal machinery tries to settle the dispute within the industry and external machinery settles the disputes outside the industry.

A - Internal Machinery :- It includes the following.

i) Establishment of work's Committees :-

In every industrial establishment employing 100 or more workers, it is a compulsory to establish a workers committee to promote the measures for securing and preserving acuity and good relations between the parties. There are equal number of representatives of workers and employers on the committee. The main function of the committee is to remove causes of friction between the two parties which concern the factory life of workers. The

functions of these committees are purely of advisory of workers and employers on the committee. The main function of the committee is to remove causes of friction between the two parties which concern the factory life of workers. The functions of these committees are purely of advisory character and no. legal obligation is imposed upon employers to carry out the decisions arrived at.

ii) Appointment of Labour Welfare Officer :-

Under the factories Act 1948, every industrial establishment employing 500 or more workers, is under to obligation to appoint a labour welfare officer. He contributes to the prevention of labour disputes and remove the grievances of the labour.

B) External Machinery :- It includes -

i) Concliliation officer- The appointment of conciliation officer is made by the state for a particular region or industries in parties together and help them resolve their differences. They can do everything to settle the disputes between the two parties amicably. He is bound to take decision within 14 days from the date of registration of dispute. If the dispute is settled through his efforts and an agreement is reached, he should send a report to the government. In case, the dispute is not settled he should inform the government about his failure, steps taken and the reasons for not being successful.

ii) Conciliation Board :- In case, conciliation officer fails to resolve the dispute, the government oppoints a board of conciliation consisting of a chairman and two to .....

four persons representing the employer and the employees to consider the dispute as referred to by the government. The board reports the government about the success or failure of its efforts, steps taken and reasons for its failure to bring about a settlement.

iii) Court of Enquiry :-

Whenever an industrial disputes remains unresolved by the conciliation officer and the board of conciliation, the matter is referred to a court of inquiry. The court may consist of one or more independent persons. It will investigate the whole dispute and submits its report to the government.

If settlement is not arrived at by the efforts of the above machinery a three tier machinery for compulsory adjudication is provided under the act. There are three types of semi-judicial bodies. viz-labour courts, industrial tribunals and National courts.

iv) Labour Courts :-

Such courts have been set up the state governments to go into the disputed orders of the employers, dismissable and suspensions of employees by the management, legality or otherwise of strikes and locks outs etc. These courts will award decision and send report to the government. The courts are not empowered to award decisions on matters affecting 100 or more workers.

v) Industrial Tribunals :-

The state government may set industrial tribunals for the adjudication of disputes relating to wages, bonus, profit sharing etc. The tribunal consists with of a person of the rank of a high court judge. The adjudication of these tribunals is binding on both the parties.

vi) National Tribunals :-

Such tribunals are set up by central government for the adjudication of tribunal decisions which involve questions of national importance or which affect industrial establishment situated in more than one state. It gives decisions on matters referred to it by the central government.



### 3.5 FORMS AND TECHNIQUES OF STRIKES :-

Strikes maybe broadly classified into primary and secondary strikes.

Primary strikes are generally directed against the pressure with whom a dispute exists. They may take the form of a stay-away strike, stay-in, sit-down, pen-down or tools-down strike, go slow and work-to-rule, token or protest strike, lightning or cat-call strike, picketing or boycott.

Secondary strikes are the strikes in which the pressure is applied not against the primary employer with whom the primary workers have a dispute but against some third person who has good trade relations with him which are severed and the primary employer incurs a loss. Such strikes are popular in USA but not in India.

The techniques of strikes are explained briefly as follows-

#### 1. Stay away strike :-

In this type of strike, workmen do not come to the work place during the prescribed working hours. Instead they organise rallies and demonstrations with a view to drawing the attention of the employer to their grierances<sup>(1)</sup>.

## 2. Sit-down and sta-in-strike :-

A sit-down-strike is said to have occurred whenever a group of employees or others interested in attaining certain objectives in a particular business take possession of property of that business, establish themselves in the plant, stop its production and refuse access to the owners or to others desiring to work.<sup>(2)</sup>

The stay-in-strike is one which develops when the demands of the workers are not met on the strike day and the workers remain determined on the 'sit-down-strike and do not leave the plant.<sup>(3)</sup>

## 3. Tools down and Pen-Down strike:

Such types of strikes resorted to by factory workers and office employees respectively. In such a strike, the strikers lay down their tools or pen and refrain from doing work though they remain on the job in work place.<sup>(4)</sup>

## 4) Token or protest strike:-

It is a very short duration strike and is in the nature of a signal for the danger ahead. Such strikes are accompanied with threats of a strong dose, of direct action on the part of workmen and their purpose is simply to inform the employer about the feelings of the employees against any decision taken by him.<sup>(5)</sup>

#### 5. Lightning or cat-call strike :-

This type of strike is suddenly announced, generally by way of surprise without notice or at very short notice. Usually, such strike takes place because of some provocation and the real cause maybe some discontentment on the more fundamental issues involving employer employee relations.<sup>(6)</sup>.

#### 6. Go Slow :-

In this type of strike, the workers pretend to be engaged in the factory. The purpose is to reduce the production or efficiency while pretending to be engaged in the factory. It is considered very worse because it not only bring loss in the production but added losses resulting in the running of all machines and equipment without putting these to proper and adequate use.

#### 7. Picketing and Boycott :-

Picketing is an act of posting pickets and implies marching or patrolling of workmen in front of premises of the employer, carrying and displaying signs, banners and placards (in connection with dispute) for the purpose of preventing others from entering the place.<sup>(7)</sup>.

Boycott aims at disrupting the normal functioning of the enterprise. It is an appeal for all voluntary withdraws of co-operation.

8. Gherao :-

It is physical blockade of a target by encirclement, intended to block the egress and ingress from and to a particular office, workshop, factory or residence or forcible occupation. The target maybe a place or a person or persons, usually the managerial or supervisory, staff of an industrial establishment.

9. Hunger Strike :-

A hunger strike is resorted to either by leaders of the union or by some workers all at a time or in small batches for a limited period or by all workers in masses at some stage of the dispute, the purpose being to create the sympathy of the employer and to attract the attention of the public. <sup>(10)</sup>.

10. Sympathetic Strike :-

It is a strike in which the striking workmen have no demands or grievances of their own against their employer but they go on strike for the purpose of directly aiding or supporting others in their cause. <sup>(11)</sup>.

Ref.: Mamori C.B. And Mamoria S,

\* Dynamics of Industrial Relations in India.

Page No.- 263, 264, 265.