

Course Name: Labour Welfare and Industrial Relations

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Week – 01

Lecture – 03

Lec 3: Introduction to trade unions, labour legislations, worker's participation

Hello, learners. Welcome back to the course on labor welfare and industrial relations. We move to the third lecture of Module 1, where we look into trade unions, legislations, and workers' participation. So in the first two lectures, if you recollect, we had actually tried to introduce you to the concept of industrial relations. We checked the background of industrial relations.

We understood the different players in the game of industrial relations. We understood who... is what in the sphere of industrial relations, what was the need to have something like trade union or maybe a workers union or maybe something like a management organization or employers organization. So all these aspects were introduced to you. Today, we'll look deeper into one of the most critical topics in industrial relations, which is trade unions, labor legislations and workers participation.

So there cannot be any discussion in industrial relations without considering the key stakeholder who is the employee or the labor or the worker. So we'll look into that in greater detail in this particular lecture.

I'm Dr. Abraham Cyril Issac. I'm an assistant professor at the School of Business, Indian Institute of Technology, Guwahati. So straight away into the course.

We'll start from the definition of trade union. Now, Sidney and Beatrice Webb, they define trade union as we understand the term as a continuous association of wage earners

for the purpose of maintaining and improving the conditions of their work life. I would try to underline this term. particular aspect, which is conditions of their working life. When we look into the conditions of the working life, there are certainly there are other factors which actually motivated people to bring in trade unions and we look into or bring out different approaches towards industrial relations, we see that working conditions happens to be just one aspect. There could be something like the workplace safety or let's say another important aspect could be the benefits associated with your work. So all these aspects actually pushed the employees to gather together and form trade unions. So one of the foremost criteria that we come or that we understand in terms of trade union is with respect to the conditions.

So, when you are looking into the definition of Sydney and Beatrice Webb, It is more of improving the conditions of working life. When we are actually looking into the second definition, that is the definition by Cole, a trade union means an association of workers in one or more professions carried on mainly for the purpose of protecting and advancing the members' economic interest. So if Sydney and Beatrice Webb was more focusing on the conditions, the working conditions specifically, GDH code defines a trade union from the perspective of economic interest so please note there are different ways to understand why a trade union or what was the need of the trade union after all so there could be a perspective there could be a school of thought which says that the working condition was critical and there is also a school of thought which says that, Economic interest is the suitable aspect in defining trade union. Now, when you look into trade union specifically, it is for by the employees. It is for and by the employees. So when you are Actually, understanding trade union, this should run in your background.

It is a continuous association of workers or employees for the protection and promotion of the economic, social and other rights and interests of its members. So when a trade union is not representing, let's take a case. I cannot use the word hypothetical case because mainly sometimes we see that trade unions, they differ from what was the actual agenda. The actual agenda would have been to work or to fight for the rights of the employee. But unfortunately, due to some other extraneous variables or some other extraneous influences, there are possibilities that they drift away from the actual agenda.

Please remember, trade unions are always for and by the employees for this particular reason, that they work for their or they fight for their rights and interests of its members, essentially the employees. When you look into the trade union, On a generic statement or at a very peripheral level, we can say that trade unions are meant for the workers and their rights. But what exactly do these trade unions actually do? Let's find it out.

We look into them on basis of several functions, such as one, acting as representatives of workers. Let's take a situation whereby a representation of employees is required, maybe to understand the working conditions, a committee set up by the government, which is essentially one of the critical stakeholders in the industrial relations we have seen in our previous classes. We also tend to see it from a different angle. Let's say the major stakeholders of this, let's say that organization would be the employees. So the employees would be the right entity to actually state the exact condition.

So when you are requiring or when the actual requirement of the particular project, be it increasing or improving the working conditions of the people, or maybe improving on the incentive schemes of the people, whatever it be, the best stakeholders to give their say is worker. So worker should have a representation and this is what the first and foremost aspect of the trade union should be. It should work, it should actually come out, it should reflect itself as a representative of the workers. Then there is also a scope for collective bargaining.

We have tried to introduce you to the concept of collective bargaining. Now, there is a possibility that one worker might face a certain trouble, but it would be difficult for him to actually go to the management and get that thing done. But specifically, if you look, there is a problem pertaining to, let's say, a larger number of people. then there is always a possibility that if you go as an association, if you go as a union, you try to convince the management, convince the employer that there is a problem that we are facing. It is not only one person, it is a set of people and it is consistent enough that you have to introduce or you have to bring in or there should be some intervention from your part , then there is a possibility of collective bargaining and there is a real possibility of the employer actually understanding the situation or at least accepting and acknowledging the problem and trying to at least attempting to find out a solution for that. The third most important

aspect would be conflict resolution. As we have discussed in our previous lectures, cooperation should have been the norm but unfortunately because of the larger influence of the employers and their capital and also the lack of strength or the weakness of employees we see that conflict is the outcome so when you are trying to build a particular organization and carry forward the organization in proper harmony.

You need to have proper checks and balances and also you need to have proper arrangement for conflict resolution. So trade union happens to be one of those particular significant factors or element that will initiate the conflict resolution process. And finally, there is dimension of worker education and training. Now this is interesting.

When you are looking into a particular job, we generally say that you are qualified. That is from the perspective of the worker. But let's say with the change in technology, with the change in the requirement, there is a possibility that the worker is not adept to what is actually required or what is actually needed or the need of the hour or the situation he or she is not well versed with. So there is a constant need to consistently train these employees.

Now, mainly this is required on the basis of or it is required for the employees there is no doubt about it but In fact, if there are trained employees, if there are skilled employees, the final benefactor would be definitely the organization or the employer because of the high efficiency and high effectiveness. So, it is essentially advised, it is essentially recommended that there should be proper worker education and training. Now, who will put this word for word? Towards the employer, the trade union comes into picture.

The trade union would be a factor or would factor in as a medium or as a via media to initiate some of the worker education and training programs. So these are some of the core functions of trade unions specifically. When you look into trade union, we have to also understand, acknowledge another important area, which is labor legislation. This important area has a great impact on the entire IR system because we cannot simply run. A system with just some representations.

We need to have a law book. We need to have some bylaws. We need to have some essential bylaws by which we have to work. There are always courts by which things should work. Otherwise, there will be always anarchy.

There will be always chaos. There will be always the cases of anomaly happening. So this is something which warrants our careful attention. So labor legislation has been instrumental in shaping the course of industrial relations. There is no doubt about it.

We have tried to introduce you to some of the labor legislations. I will quickly tell what were the objectives and what are they and what is the actual requirement or how they have molded or how they have changed the face of the industrial relations system especially in India. So when we look into the objectives of the labor legislation specifically, the first and the foremost one inevitably would be to protect the workers from exploitation. So this is the whole contention that we are raising from the lecture one. There is no need, there is absolutely no need if there is everything going on in a smooth fashion.

But the moment there is a possibility of exploitation of worker, the moment there is a possibility of people changing or let's say the workforce is not made to get the maximum output, they are being exploited. So in those cases, the objectives of labor legislation is to correct it. Another important aspect could be to strengthen the industrial relations. We do understand and acknowledge the existence of two entities. One is the employee, another is the employer.

We also understand that there are some associations or unions representing employees like the trade union. such federations we also understand that there are certain associations that represent the employer like employee organizations or employee employer federations etc that said there is no mandate that these two bodies should always discuss or come to a convergent idea and then execute it there is absolutely no mandate It is that it is the wish of the employee that if this happens, it would have been good. And always employer tries if there is a scope, if there is a scope would try to benefit the situation. So in this particular context, it is vital to understand that to strengthen industrial relations, to strengthen the association between employer and

employee, to strengthen the link between employer and employee, and finally to have a harmonious conduct of operations within a plant or factory or company or whatever is the case. You need to have labor legislation. So please understand this is how labor legislations have effectively over the period of time strengthened the industrial relations. Now the last point would be to provide machinery for setting industrial disputes and welfare of workers. So the working conditions we have talked about how it strengthens industrial relations and,

In the previous lecture, we had actually looked into the industrial disputes cases and all. So those situations would also warrant that there should be some clear-cut understanding or there should be some clear-cut law which tells you that you have to do this in case A, you have to perform like this in case B. If there is a conflict, what is the resolution or what is the resolving mechanism? So all these aspects are governed by labour legislation. And this is the significance of labor legislation. Also, labor legislation has certain provision and it mandates the employer to give certain benefits to the worker to improve the welfare of the people, to improve the welfare of the workers who are working there.

So this happens to be another significant feature of labor legislation as such. Now, when you look into labor legislation specifically and the primary categorization, we have understood the factors in which it will pitch in and how it is helpful or how it is aiding the strengthening of industrial relations. That said, we are trying now to categorize this according to the need. The first and foremost one is protective and employment legislation. When you look into the first protective and employment legislation, these are acts that concern with the health and safety of workers.

So all the acts like the factory act, the safety acts, all of them come under this protective legislation bucket. So when we look into this, it is the essence of industrial relations, labor legislations. Protective legislation should be the initial way or the initiation factor to go ahead and have a better industrial relations. The second one is essentially social security. When you are looking into social security legislations, these social security measures are meant to protect workers against the risks of undue hardship and probation.

So when there are conditions that are actually going against your life and especially health of the worker, there could be a possibility that these workers might not be able to render their full potential into the work. And also there is a possibility that they may fall apart or they may not be able to complete the work and there could be causes or reasons of undue hardship and probation so this is where the social security legislations pitch in and finally the third important aspect are the regulatory legislation so all the regulatory registrations the acts under this category actually provides for the investigation and settlement of industrial disputes act so something like the industrial disputes act categorically comes under the regulatory legislation which is the actually the which adds to the teeth of the entire labor legislation so where you have protective legislation you will have a better employment or let's say employee would be happy to come and work for the organization where you have social security legislations the whole aspect of his life, not only with respect to the time spent within the organization, but also a healthy and a quality life is what is being guaranteed when it comes to social security legislation.

Finally, when There is need, there should be a mandate to actually enforce something which is right. And for that matter, regulatory legislations are there under which the investigation and settlement of all the disputes and conflicts come into picture. So this were some of the categorization that broadly are. Now, based on that, we look into some legislations list which pertains to different domain.

The first one is legislation pertaining to industrial relations. So, in this particular domain, there are, again, this is not an exhaustive list. I tried to put in a perspective to it by bringing in some of the acts. When you are looking into a legislation pertaining to industrial relations, We have something like the Trade Union Act of 1926, the Trade Union Amendment Act of 2011, the Industrial Employment Act Standing Orders 1946, it will be also coming under this domain and so is the Industrial Disputes Act of 1947.

When you look into another domain of legislations pertaining to wages specifically, we have the Payment of Wages Act 1936 and the Payment of Wages Amendment Act of 2005. We also do have the Minimum Wages Act 1948, which actually underscores that certain minimum wage should be given to a particular employee for his or her sustenance and a better living. So irrespective of the work period or the industry or the sector, the

minimum wage enforces on a certain minimum wage, which is obviously the need of the hour for the particular individual who is working in such strenuous conditions. The Payment of Bonus Act again pertains to all the bonus and incentives that have to be given with respect to the performance of the employee and it mandates on that the Payment of Bonus Act 1965. Also, the Equal Remuneration Act of 1976 also pertains to the domain of legislation pertaining to wages.

So, these are some of the domains and the legislations. If we move ahead on these domains, we will find that We look into working conditions. So we have looked into wages and after that we come to the working conditions. So in the domain of legislation in working condition or pertaining to working condition, we have quite a large number.

Again, this is not an exhaustive list, but I can simply categorize in this domain the Factories Act of 1948, the Contract Labor Regulation and Abolition Act of 1970. the Shops and Establishment Act, the Dock Workers Regulation of Employment Act 1948, the Plantation Labor Act 1951, the Mines Act 1952, the Merchant Shipping Act 1958, the Building and Other Construction Workers Regulation of Employment and Conditions of Service Act 1996. So, we will go in detail in most of these acts, but again, my requirement here or my suggestion here is to look into this as a categorical understanding of legislations pertaining to work conditions so these are some of the legislations that pertain to the working condition that essentially comes under that domain now when you look into women and children. The related legislations are the Maternity Benefit Act of 1961, the Child Labour Prohibition and Regulation Act 1986.

In the coming modules, we'll talk about these acts in a very specific and detailed manner. But here, I would like to introduce you to these acts basically in terms of different categorical domains. When you look into the social security domain, the legislations pertaining to that would be Workman's Compensation Act 1923. The Workman's Compensation Amendment Act of 2000.

The Employees' State Insurance Act. Please note the ESI comes under the Social Security. The Employment State Insurance Act of 1948. The Employees' Provident Fund

and Miscellaneous Provisions Act 1952. And the Employees' Provident Fund and Miscellaneous Provisions Amendment Act 1996.

The Payment of Gratuity Act 1972 and the Unorganized Workers Social Security Act 2008 is also coming under the list of social security based legislations in the domain. Now, when you are looking into these acts, what essentially is underscored or the essence of today's lecture is to talk about the workers' participations. Why we are trying to look into all these legislations in a domain-specific way is to understand and improve the workers' participation. So please note that all these legislations, all these laws, even though they mandate certain things, there are some critical aspects what we should understand. And the first and foremost one is this will not bring voluntary participation of the workers.

So workers' participation is essential for the organization to thrive and to excel. So on this basis, there will be certain legislation which, of course, undoubtedly will bring in or elicit better performance from the workers, but I don't feel that 100% workers' participation can happen. So there should be some morale boosting. There should be something which would actually motivate the workers to come forward and work for the organizations day in, day out.

So the concept of workers' participation emerged within the framework Of the tripartite system. Of labor management relations. In India. The three major actors.

The three major actors. Of the Indian labor management relations. So please recollect what we have discussed. As the fine actors. And different approaches and models.

Respect to industrial relations. When you look into worker participation in India, it is nothing but the involvement of employees in decision making process within organizations, particularly concerning matters that affect their working conditions, rights and welfare. So please note, when you are looking into workers, participation is not only one way, not only one. for the side of the employer to increase the production or to increase the revenue. It is more towards the side of the employee, whether you have the proper working conditions to actually work, whether there are any hazardous conditions that actually prevent you from even coming to that particular place.

Are you given the right facilities, amenities in the working space? Are there measures taken specifically for your welfare within the organization and outside the organization so all these factors essentially contribute to the workers participation so in India worker participation schemes had their beginning from after independence specifically because again if you recollect our discussion Before independence, it was more of hegemonic rule. It was more of lack of ownership or lack of sense of ownership that was there.

But as independence happened or India got independence, there was more of sense of ownership and there was more of sense of belongingness with the people and also with the authorities. So please note the workers' participation actually got the real boost post-independence. Workers participation in management in many cases specifically may imply a representation of the workers on the board of directors of a company or it may simply mean the establishment of joint councils. So when you are looking into workers participation you should not have a very high ambition but still there are some provisions whereby in certain decision-making bodies, you have to be there.

If there are some disputes happening, there should be a common independent body that is sitting in which there should be a representative or there should be a participative representation of the worker. So these are some of the aspects, especially in the background of joint councils. And let's say something like BOD will see that the decision making process is delegated to a certain extent. there is a certain at least certain opinion taken from the representative of the worker so this increases the morale of the worker this increases the motivation of the of the employee that okay in this particular situation the organization is considering my input too so the significance of the individual is also getting boosted so workers participation in management is a form of labor management cooperation.

So it brings together both the entities, and this is where the worker participation actually blooms. And it's quite different from the participation of the union to collective bargaining in the managerial decision-making process. So please understand the essential aim or the essence of the full discussion is to bring together two of these entities who have to work together towards a better future for the organization and the country. When

you are looking into worker participation, it is not that it takes the form of only trade unions.

There are different forms of worker participation and we'll quickly look into that. The first and the foremost one, obviously, we cannot neglect the existence of trade unions. Trade unions act, as I have already mentioned, as a via media between the employer and the employee. It acts as essentially a representative forum. A segment of people can actually give or the entire set of employees can actually give their concerns.

It acts as a grievance cell. It acts as a possibility whereby their voice could be raised to the higher management. This is what trade union is all about. It is not on vested interest. It is based on the collective interest of the workforce.

I repeat, it is based on the collective interest of the workforce. So are the work committees. Work committees actually come into picture when there is a collective decision that has to be made. Let's say there should be a change in time, work time. So it cannot be simply coming from top to bottom.

Rather, it should be based on... a collective decision making process whereby you have representative of both the employer segment and the employees. So please note, work committees also are a form of workers participation. So are joint management councils which sit mainly once there are some conflicts, there are some disputes or some constructive criticisms have come or there are some points or agenda to be discussed whereby you need input on an independent basis from both the parties. Rather than just looking on a myopic lens, through the lens used by the manager or through the view of the management or the employer, it is always advised and recommended that you would have to have employee participation also, which amounts to workers' participation.

So are legislations. Legislations actually enhance the workers' participation because they give the mandate. They give the real power for the employees or they give the real power to the employees to actually fight for their rights. Till now they were looking through different mechanisms of mediation, maybe arbitration. But when it comes to something like legal legislation, they get a certain power in their hand.

And this is what makes workers' participation critical. And another important aspect would be social security schemes. Because without active involvement of workers' participation, let's say, A case in point would be the Provident Fund. Let's say if there is equal participation not coming from the employer and employee, such a scheme would not be a success.

So this is again another workers' participation form. So when you are looking into the industrial relations, we try to introduce you to different actors. In this lecture, I tried to underscore the relevance of trade union. I tried to underscore the relevance of workers' participation. The whole agenda of bringing in or having trade union was to have...

the proper representation of the employee reaching the employer. And similarly, it was to boost the workers' participation. So this is the takeaway from this lecture. Please do understand, industrial relations are always strengthened when there is harmony, when there is convergence of thought, when there is convergence of ideas. This happens only when there is effective worker participation.

On that note, we'll end today's class. We'll look into more details of industry relations, especially the introduction part in the next class. Till then, take care. Bye-bye.