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UNIT 1

INTRODUCTION OF INDUSTRIAL RELATIONS

Industrial relation is not a very new concept but it has become one of the most delicate and complex problem of modern Indian society. Industrial Progress is impossible without labour management cooperation and industrial harmony. The concept of Industrial relation has a wide meaning and connotation. In the narrow sense, the term “Industrial Relation” refers to the nature of relationship between the employers and employees in an Industrial enterprise. In the broad sense, industrial relation refers to all types of relationship between all the parties concerned with the industry. Examples are:

- Individual relations
- Relationship between employers and workers at the place of work or workers participation in management.
- Collective bargaining.
- Trade union.
- Machinery for settlement of industrial disputes.
- Unfair labor practices.
- Individual grievance and disciplinary policy and practice.
- Industrial relation training.
- State participation in industrial Relation.
- Another related term is ‘employee relations’ or ‘human relation’.

The Concept of Industrial Relation or Meaning and Definition of Industrial Relation (IR)

The term “Industrial Relation” refers to all types of relationship between all the parties concerned with industry. **According to Encyclopaedia Britannica**, it denotes relations of all those associated in productive work, including industry, agriculture, mining, commerce, finance, transport and other services.

According to Dale in his book Personnel Management and Industrial Relation, defines Industrial relations are relationship between management and employees or among employee and their organization that arise out of employment.

According to R.A.Lester Industrial relations involves attempts to have workable solutions between conflicting objectives and values, between incentive and economic security, between discipline and the industrial democracy, between authority and freedom and between bargaining and cooperation”.

In modern usage, the phrase “Industrial Relation” includes the whole gamut of matters that arise due to the continuing relationship between the employers and the workers.

Its scope includes three rarely distinct areas:

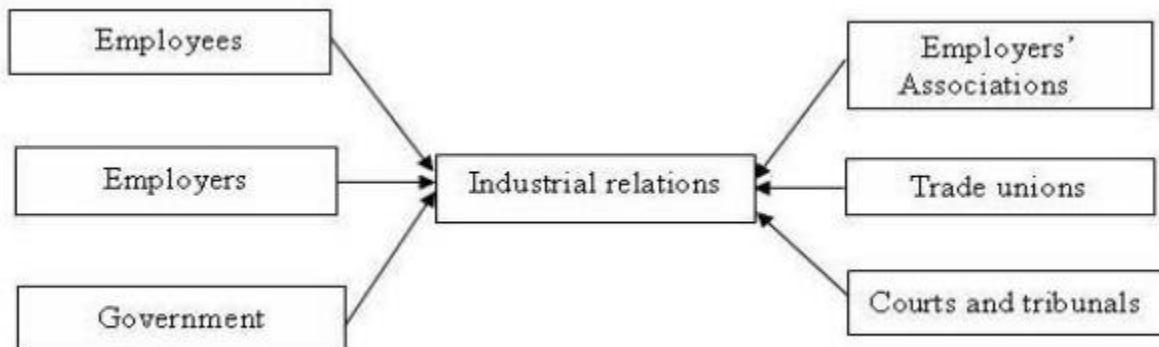
- Relations between managers and individual workers.
- The collective relations between employers and labor (trade) union.
- The role of government in the regulation of these relationships.

These three closely associated areas are often referred to respectively as Personnel Management

- Collective Bargaining
- Labor Legislation

Parties involved in industrial relations:

- Employers
- Employee
- Government



Objective of Industrial Relation

The primary objectives of Industrial Relation at national level are that to improving the economic condition of workers, increasing productivity and achieving industrial democracy in industrial enterprise. The labor management committee of the Asian Regional Conference of the International Labor Organization (ILO) has recognized certain fundamental objectives of Industrial relations are to maintain sound and harmonious relations between employees and employers. The other objectives drawn from this objective are:

1. Industrial Relation safeguards the interest of labor and management through mutual understanding and goodwill among those parties in the industry which actively participates in the process of production.



2. To raise productivity of the industry at a higher level this is the need of the day to contribute to the economic development of the country.
3. To avoid all forms of industrial conflict
4. To minimize labour turnover and absenteeism by providing job satisfaction to the workers and increasing their morale.
5. To minimize the occurrence of strikes, lockouts and gheraos.
6. To encourage and develop trade unions in order to improve workers collective strength and resolving their problems through collective bargaining.
7. To establish, develop and maintain industrial democracy based on employee's participation in management and profit of the industry.
8. To facilitate government control over industries in regulating production and for protecting employment or where production needs to be regulated in public interest.
9. To check and ensure a healthy and balanced social order in the industry.

Approaches to IR

Industrial Relation is perceived by differently by different people. Some of the approaches to industrial relations are as follows. There are three popular approaches to IR: **Unitary, Pluralistic and Marxist**. Some others are psychological approach, sociological, V.V.Giri, Gandhian, HRD and System Approach. Here we are discussing on mainly popular approaches.

Unitary Perspective: In unitary, the organization is perceived as an integrated and harmonious system, viewed as one happy family. A core assumption of unitary approach is that management and staff, and all members of the organization share the same objectives, interests and purposes; thus working together, hand-in-hand, towards the shared mutual goals. Furthermore, unitary has a paternalistic approach where it demands loyalty of all employees. Trade unions are deemed as unnecessary and conflict is perceived as disruptive.

From employee point of view, unitary approach means that:

- Working practices should be flexible. Individuals should be business process improvement oriented, multi-skilled and ready to tackle with efficiency whatever tasks are required.
- If a union is recognized, its role is that of a further means of communication between groups of staff and the company.
- The emphasis is on good relationships and sound terms and conditions of employment.
- Employee participation in workplace decisions is enabled. This helps in empowering individuals in their roles and emphasizes team work, innovation, creativity, discretion in problem-solving, quality and improvement groups etc.
- Employees should feel that the skills and expertise of managers supports their endeavors. From employer point of view, unitary approach means that:
- Staffing policies should try to unify effort, inspire and motivate employees.
- The organization's wider objectives should be properly communicated and discussed with staff.



- Reward systems should be so designed as to foster to secure loyalty and commitment.
- Line managers should take ownership of their team/staffing responsibilities.
- Staff-management conflicts - from the perspective of the unitary framework - are seen as arising• from lack of information, inadequate presentation of management's policies.

The personal objectives of every individual employed in the business should be discussed with them and integrated with the organization's needs.

Pluralistic-Perspective: In pluralism the organization is perceived as being made up of powerful and divergent sub-groups - management and trade unions. This approach sees conflicts of interest and disagreements between managers and workers over the distribution of profits as normal and inescapable. Consequently, the role of management would lean less towards enforcing and controlling and more toward persuasion and co-ordination. Trade unions are deemed as legitimate representatives of employees. Conflict is dealt by collective bargaining and is viewed not necessarily as a bad thing and if managed could in fact be channelled towards evolution and positive change. Realistic managers should accept conflict to occur. There is a greater propensity for conflict rather than harmony.

They should anticipate and resolve this by securing agreed procedures for settling disputes. The implications of this approach include: ·

- The firm should have industrial relations and personnel specialists who advise managers and provide specialist services in respect of staffing and matters relating to union consultation and negotiation.
- Independent external arbitrators should be used to assist in the resolution of disputes.
- Union recognition should be encouraged and union representatives given scope to carry out their• representative duties·
- Comprehensive collective agreements should be negotiated with unions.

Marxist Perspective: This view of industrial relations is a byproduct of a theory of capitalist society and social change. Marx argued that:

- Weakness and contradiction inherent in the capitalist system would result in revolution and the ascendancy of socialism over capitalism.
- Capitalism would foster monopolies.
- Wages (costs to the capitalist) would be minimized to a subsistence level.
- Capitalists and workers would compete/be in contention to win ground and establish their constant• win-lose struggles would be evident.

This perspective focuses on the fundamental division of interest between capital and labor, and sees workplace relations against this background. It is concerned with the structure and nature of society and assumes that the conflict in employment relationship is reflective of the structure of the society. Conflict is therefore seen as inevitable and trade unions are a natural response of workers to their exploitation by capital.



Suggestions and Measures to Improve IR

Good industrial relation refer to harmonious relations between the trade union and the management in an organization, but it is not easy to promote and maintain sound and harmonious industrial relations in an organization but there are some suggestions which are help to maintain sound and cordial relation between the labor and the management.

- 1. Support of Top Management:** Top management action always be proactive and geared to problem solving and its action and decision must be in favour of an organization and employees.
- 2. Sound Personnel Policies:** personnel policies constitute the business philosophy of an organization and guide it in arriving at human relations decisions. Sound policies and rules are of little help unless they are executed objectively and equitably at all the levels of an organization. Positive Attitudes: Both top management and trade union should adopt positive attitudes towards each other, they help them to understand problem of each and which can be solved by collective bargaining.
- 3. Collective Bargaining:** Collective bargaining is an instrument which helps to maintain industrial peace in an organization .such collective bargaining agreements and association of employees in decision making process will bring about cooperation between labour and management.
- 4. Strong Trade Union and Sound Employers' Union:** Industrial relations can be sound only when the bargaining power of the employees' union is strong and equal to that of management. And employers' union should also be sound and well organized. Sound management are helpful for the maintenance and promotion of uniform personnel policies among various organizations and to protect the interest of weak employers.
- 5. There are also some others suggestions** but they are some expensive because they want some research work on them:
 - There should be well established and properly administered grievance redress machinery, sometimes which provides an outlet for tensions and frustrations of workers. Similarly, a suggestions scheme will help to satisfy the creative urge of workers.
 - Job supervisors should be trained thoroughly to ensure that organizational policies and practices as well as leadership and communication skill, which help them too properly, implemented and carried into effect.
 - A regular follow up of IR programmed is essential so that existing practice may be properly evaluated and a check may be exercised on certain undesirable tendencies, should they manifest themselves.

Significance of Good Industrial Relations

If the objective of the nation is rapid national development and increased social justice are to be achieved, there must be harmonious relationship between management and union. Such relations will lead to the following benefits:

- 1. Industrial Peace:** Good industrial relations bring harmony and remove causes of disputes. This leads to industrial peace, which is an ideal situation for an industrial unit to concentrate on productivity and growth.
- 2. High Morale:** Cordial industrial relations improve the morale of the employee. It implies the existence of an atmosphere of cooperation, confidence, and respect within the enterprise. In such an atmosphere, there are common goals, which motivate all members of the organization to contribute their best. Consequently, there is higher productivity, higher income, and increased job satisfaction – all resulting in higher morale of the workforce.



3. Mental Revolution: Sound industrial relation completely transforms the outlook of employers and employee. It is based on consultation between the workers and the management. This motivates the workers to give their best to the organization and share the fruits of progress jointly with the management.

4. Reduced Wastage and Increased Productivity: It helps in increasing production. Wastage of man, material and machines are reduced to the minimum and thus national interest is protected. Thus, they will contribute to the economic growth of the countries.

5. Programmes for Workers Development: New programmes for workers development are introduced in an atmosphere of peace such as training facilities, labor welfare facilities etc. Hence, full advantage of latest inventions, innovations and other technological advancement can be obtained. Through this employee development programme, workforce easily adjusts itself to required changes for betterment.

THEORETICAL PERSPECTIVE AND ORGANISATION OF INDUSTRIAL RELATION IN INDIA

[Industrial relations](#) is a set of phenomena operating both within and outside the workplace, concerned with determining and regulating the employment relationship. Scholars have described three major theoretical perspectives or frameworks, that contrast in their understanding and [analysis of workplace relations](#). The three important perspectives on industrial relations are generally known as Unitarism, Pluralism and Marxism. Each offers a particular perception of workplace relations and will therefore interpret such events as workplace conflict, the role of unions and job regulation differently.

The three major perspectives on Industrial Relations are;

1. Unitary Perspective

In unitarism, the organization is perceived as an integrated and harmonious system, viewed as one happy family. A core assumption of unitary approach is that management and staff, and all members of the organization share the same objectives, interests and purposes; thus working together, hand-in-hand, towards the shared mutual goals. Furthermore, unitarism has a paternalistic approach where it demands loyalty of all employees. Trade unions are deemed as unnecessary and conflict is perceived as disruptive.

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- Employee participation in workplace decisions is enabled. This helps in empowering individuals in their roles and emphasizes team work, innovation, creativity, discretion in problem-solving, quality and improvement groups etc.
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- Staffing policies should try to unify effort, inspire and motivate employees.
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- Reward systems should be so designed as to foster to secure loyalty and commitment.
- Line managers should take ownership of their team/staffing responsibilities.
- Staff-management conflicts – from the perspective of the unitary framework – are seen as arising from lack of information, inadequate presentation of management's policies.
- The personal objectives of every individual employed in the business should be discussed with them and integrated with the organization's needs

2. Pluralistic Perspective

In pluralism the organization is perceived as being made up of powerful and divergent sub-groups – management and trade unions. This approach sees conflicts of interest and disagreements between managers and workers over the distribution of profits as normal and inescapable. Consequently, the role of management would lean less towards enforcing and controlling and more toward persuasion and co-ordination. [Trade unions](#) are deemed as legitimate representatives of employees. Conflict is dealt by [collective bargaining](#) and is viewed not necessarily as a bad thing and if managed could in fact be channeled towards evolution and positive change. Realistic managers should accept conflict to occur. There is a greater propensity for conflict rather than harmony. They should anticipate and resolve this by securing agreed procedures for settling disputes.

The implications of the [pluralistic approach to industrial relations](#) include:

- The firm should have industrial relations and personnel specialists who advise managers and provide specialist services in respect of staffing and matters relating to union consultation and negotiation.
- Independent external arbitrators should be used to assist in the resolution of disputes.
- Union recognition should be encouraged and union representatives given scope to carry out their representative duties
- Comprehensive collective agreements should be negotiated with unions

3. Marxist Perspective

Marxist perspective is also called radical perspective. This perspective is to reveal the nature of the capitalist society. It thinks that workplace relations are against the history. It recognizes inequalities in power in the employment relationship and in wider society as a whole. Consequently, conflict is perceived as an inevitable result. What's more, a natural response regarding workers against the capitalism exploitation is seen as trade unions. This view of industrial relations is a by product of a theory of capitalist society and social change. Marx argued that:

- Weakness and contradiction inherent in the capitalist system would result in revolution and the ascendancy of socialism over capitalism.
- Capitalism would foster monopolies.
- Wages (costs to the capitalist) would be minimized to a subsistence level.
- Capitalists and workers would compete/be in contention to win ground and establish their constant win-lose struggles would be evident.

This perspective focuses on the fundamental division of interest between capital and labor, and sees workplace relations against this background. It is concerned with the structure and nature of society and assumes that the conflict in



employment relationship is reflective of the structure of the society. Conflict is therefore seen as inevitable and trade unions are a natural response of workers to their exploitation by capital.

The three approaches discussed above, which are also referred to as the frame of reference of industrial relations are presented in Table 1 below

Table 1: Frames of Reference of Industrial Relations

Approach	Employment relationship	Form of worker representation	Research implications
Unitary	Based on trust and harmony; managed conflict	Individual voice; employee participation	focus on firm performance, employee satisfaction
Pluralist	Divergent interests; need for regulation to solve conflict	Institutional: trade unions, collective bargaining	Role of trade unions and of institutions such as collective bargaining to resolve conflict
Radical	Underlying structural inequality; struggle for power and control	Militant unions; extra-institutional: social movements	Macro perspective of broader forces to fight for societal change

Adopted from Fox (1966 & 1974)

IR AND CONSTITUTION OF INDIA

INTRODUCTION OF CONSTITUTION OF INDIA

The constitution is the supreme law of India. This is a written document which lays down the framework demarcating fundamental basic code, structure, procedures, powers, and duties of Government and its organizations and rights & duties of the citizen. It was adopted by the Constituent Assembly on 26th November 1949 and came into force on 26th January 1950. At the time of its adoption, the Constitution contained 395 Articles and 8 Schedules and was about 145,000 words long, making it the longest national Constitution to ever be adopted. Every Article in the Constitution was debated by the members of the Constituent Assembly, who sat for 11 sessions and 167 days to frame the Constitution, over a period of 2 years and 11 months. The preamble of the Constitution declares India a sovereign, socialist, secular, and democratic Republic and assures its citizens justice, equality, and liberty, and endeavours to promote fraternity.

The Constitution provides for a Parliamentary form of government which is federal in structure with certain unitary features. The constitutional head of the Executive of the Union is the President. As per Article 79 of the Constitution of India, the council of the Parliament of the Union consists of the President and two Houses are known as the Council of States (Rajya Sabha) and the House of the People (Lok Sabha).

Article 74(1) of the Constitution provides that there shall be a Council of Ministers with the Prime Minister as its head to aid and advise the President, who shall exercise his/her functions in accordance to the advice. The real executive power is thus vested in the Council of Ministers with the Prime Minister as its head. Interesting facts on the Indian constitution:



Dr. Bhim Rao Ambedkar is regarded as the chief Architect of Indian Constitution. **Dr. Rajendra Prasad**, the first President of India become the first person to sign the constitution of India. It is the largest written constitution of the world. The Constitution of India is neither printed nor typed. It is handwritten and calligraphed in both Hindi and English. It was handwritten by **Sh. Prem Behari Narain Raizada** and was published in Dehradun by him. Every page got decorated by **Shantiniketan** artists including **Beohar Rammanohar Sinha and Nandala Bose**. It took two years, 11 months, and 18 days to complete the final draft. At present, it is containing 395 Articles and 12 Schedules. Till date, the constitution has been amended for 105 times.

The **Constitution of India** is the supreme law of India. It lays down the framework that defines the political principles, establishes the structure, procedures, powers, and duties of government institutions, and sets out fundamental rights, directive principles, and the duties of citizens. It is the longest written constitution in the world and serves as the cornerstone of Indian democracy.

Key Features of the Constitution of India

1. Length and Detail

- It consists of a **Preamble, 448 Articles** divided into **25 Parts, 12 Schedules**, and **105 Amendments** (as of 2024).
- It covers not only the fundamental principles of governance but also the minutiae of administrative functions.

2. The Preamble

The Preamble declares India to be a **Sovereign, Socialist, Secular, Democratic, Republic** and ensures the citizens:

- Justice: Social, economic, and political.
- Liberty: Of thought, expression, belief, faith, and worship.
- Equality: Of status and opportunity.
- Fraternity: Assuring the dignity of the individual and the unity and integrity of the nation.

3. Fundamental Rights (Part III)

These are essential rights provided to all citizens:

- **Right to Equality** (Articles 14-18)
- **Right to Freedom** (Articles 19-22)
- **Right against Exploitation** (Articles 23-24)
- **Right to Freedom of Religion** (Articles 25-28)
- **Cultural and Educational Rights** (Articles 29-30)
- **Right to Constitutional Remedies** (Article 32)



4. Directive Principles of State Policy (Part IV)

- Inspired by the Irish Constitution, these principles are non-justiciable (not enforceable by law) but fundamental to governance.
- Aim to establish a welfare state by promoting social and economic democracy (Articles 36-51).

5. Fundamental Duties (Part IVA)

- Added by the **42nd Amendment** in 1976, these duties (Article 51A) are moral obligations of all citizens.

6. Parliamentary System of Government

- The Constitution adopts a **parliamentary system**, inspired by the British model, where the President is the constitutional head of the state, and the Prime Minister is the executive head.

7. Federal Structure with Unitary Bias

- India is a **Union of States** with a quasi-federal structure. It has a strong central government but also allows for state autonomy in certain areas.

8. Separation of Powers

- The Constitution divides government functions into three branches:
 - **Legislative**: Makes laws.
 - **Executive**: Implements laws.
 - **Judiciary**: Interprets laws and ensures justice.

9. Independent Judiciary

- The judiciary is independent of the executive and legislature. The Supreme Court is the guardian of the Constitution and has powers like judicial review.

10. Single Citizenship

- Unlike the federal systems of other countries, India provides **single citizenship**, meaning all Indians are citizens of the country, regardless of their state or territory.

11. Emergency Provisions

- The Constitution allows for extraordinary powers during emergencies:
 - **National Emergency** (Article 352)
 - **State Emergency (President's Rule)** (Article 356)
 - **Financial Emergency** (Article 360)



12. Schedules

The Constitution initially had **8 Schedules**, now expanded to **12**, detailing specific aspects like:

- Allocation of powers between Union and States (Seventh Schedule).
- Languages recognized by the Constitution (Eighth Schedule).
- Administration and control of Scheduled Areas and Tribes (Fifth and Sixth Schedules).

13. Amendments

- The Constitution can be amended to address changing needs while maintaining its core principles (Article 368). Some notable amendments include:
 - **1st Amendment:** Empowered the state to make laws to implement land reforms.
 - **42nd Amendment:** Known as the "mini-Constitution," it brought extensive changes.
 - **73rd and 74th Amendments:** Strengthened local governance through Panchayati Raj and Municipalities.

14. Languages

- The Constitution recognizes **22 scheduled languages** under the Eighth Schedule.
- Hindi and English are used for official purposes of the Union.

15. Universal Adult Suffrage

- Grants every adult citizen of India the right to vote without discrimination based on religion, race, caste, or gender.

Philosophical Underpinnings

The Constitution reflects a balance between **liberal democratic values** (e.g., individual rights, rule of law) and **socialist ideals** (e.g., economic justice and reducing inequalities). It embodies the vision of leaders like Dr. B.R. Ambedkar, who chaired the drafting committee.

Importance

The Constitution of India serves as:

1. A guiding document for the functioning of Indian democracy.
2. A protector of individual rights and freedoms.
3. A framework for resolving disputes between the Union and states.



JUDICIARY IN INDIA

The **Judiciary in India** is a cornerstone of its democracy and operates as an independent body to uphold the Constitution, ensure justice, and protect fundamental rights. Below is a detailed explanation of its structure, powers, and functioning:

1. Structure of the Indian Judiciary

India follows a **single integrated judicial system** with three main tiers:

(i) Supreme Court (Apex Court)

- **Established:** January 28, 1950.
- **Location:** New Delhi.
- **Composition:** The Chief Justice of India (CJI) and up to 34 other judges.
- **Jurisdiction:**
 - **Original Jurisdiction** (Article 131): Disputes between the Union and states or between states.
 - **Appellate Jurisdiction:** Appeals against judgments of High Courts and other lower courts.
 - **Advisory Jurisdiction** (Article 143): Provides advice to the President on legal matters.
 - **Writ Jurisdiction** (Article 32): Enforces fundamental rights through writs like habeas corpus, mandamus, prohibition, certiorari, and quo warranto.

(ii) High Courts (State Level Courts)

- **Number:** 25 High Courts as of 2024.
- **Jurisdiction:** Covers one or more states or Union Territories.
- **Composition:** Chief Justice and other judges, as determined by the President.
- **Powers:**
 - Original and appellate jurisdiction in civil and criminal cases.
 - Writ jurisdiction under Article 226 for enforcement of fundamental rights and other purposes.

(iii) Subordinate Courts (District and Lower Courts)

- Includes:
 - **District Courts:** Handle civil and criminal cases at the district level.
 - **Magistrate Courts:** Deal with minor civil and criminal cases.
 - **Family Courts:** Handle matrimonial disputes, custody, and related matters.
- Controlled by the High Court of the respective state.

2. Independence of the Judiciary

The judiciary in India is independent of the executive and legislature. This is ensured through:



- **Security of Tenure:** Judges of the Supreme Court and High Courts can only be removed by impeachment.
- **Fixed Salaries and Benefits:** Determined by the Constitution and not subject to executive whims.
- **Appointment Process:** Appointments made through the **Collegium System**, maintaining autonomy.
- **Prohibition of Practice:** Judges cannot practice law after retirement.

3. Powers and Functions of the Judiciary

(i) Interpretation of the Constitution

- The judiciary interprets the provisions of the Constitution, ensuring that laws align with its principles.

(ii) Judicial Review

- Courts have the power to review laws and executive actions to ensure they do not violate the Constitution (Article 13).

(iii) Guardian of Fundamental Rights

- The judiciary protects fundamental rights through writs and judgments.

(iv) Dispute Resolution

- Resolves disputes between citizens, between governments, and between citizens and governments.

(v) Advisory Role

- The Supreme Court provides advice to the President on constitutional or legal questions (Article 143).

(vi) Public Interest Litigation (PIL)

- Introduced to ensure access to justice for marginalized groups. Allows any individual or organization to approach courts for public causes.

(vii) Election Disputes

- The judiciary handles disputes related to elections to Parliament and State Legislatures.

4. Appointment of Judges

Supreme Court Judges:

- Appointed by the President in consultation with the Collegium (comprising the Chief Justice of India and senior Supreme Court judges).

High Court Judges:

- Appointed by the President after consulting the Chief Justice of India, the Governor of the respective state, and the Chief Justice of the High Court.

5. Removal of Judges

Judges can only be removed via **impeachment** for proven misbehavior or incapacity:



- Requires a two-thirds majority in both Houses of Parliament.
- Rare and highly rigorous (e.g., Justice V. Ramaswami case)

6. Challenges Faced by the Judiciary

(i) Pendency of Cases

- Over **4.4 crore cases** pending across Indian courts as of 2024.
- Causes include a shortage of judges, procedural delays, and frivolous litigation.

(ii) Judicial Overreach

- Instances where the judiciary is accused of encroaching on the domain of the legislature or executive.

(iii) Corruption and Lack of Accountability

- Allegations of corruption and lack of transparency in the Collegium System.

(iv) Access to Justice

- Limited access for economically weaker sections due to high costs and procedural complexity.

(v) Infrastructure Issues

- Inadequate courtrooms, staff, and technological resources.

7. Recent Reforms and Initiatives

(i) E-Courts Project

- Digitization of court processes to improve efficiency and transparency.

(ii) Alternative Dispute Resolution (ADR) Mechanisms

- Promoting arbitration, mediation, and conciliation to reduce case backlog.

(iii) National Judicial Data Grid (NJDG)

- Online platform providing data on pending and disposed cases.

(iv) All India Judicial Services (Proposed)

- A proposed initiative for centralized recruitment of judicial officers



8. Landmark Cases

(i) *Kesavananda Bharati v. State of Kerala (1973)*

- Established the **Basic Structure Doctrine**.

(ii) *Maneka Gandhi v. Union of India (1978)*

- Expanded the interpretation of **Right to Life and Personal Liberty** under Article 21.

(iii) *Minerva Mills v. Union of India (1980)*

- Reaffirmed the balance between Fundamental Rights and Directive Principles.

(iv) *Shah Bano Case (1985)*

- Landmark case for Muslim women's rights and maintenance under criminal law.

(v) *Navtej Singh Johar v. Union of India (2018)*

- Decriminalized Section 377, recognizing LGBTQ rights.

9. Importance of Judiciary in India

- Ensures Rule of Law:** Maintains equality and justice.
- Checks and Balances:** Prevents abuse of power by the executive and legislature.
- Protects Democratic Values:** Upholds constitutional principles and fundamental rights.

RELATION IN BETWEEN INDUSTRIAL RELATION AND CONSTITUTION OF INDIA

The Indian Constitution and industrial relations are related in several ways, including:

Articles in the Constitution

The Constitution's articles 14, 15, 16, 19(1)(c), 23, 24, 38, and 41-43A directly relate to labor rights. For example, Article 16 guarantees equality of opportunity in public employment, while Article 23 prohibits forced labor and the trafficking of humans.

Concurrent list

Labor is a subject on the concurrent list of the Constitution, which means that both the Central and State Governments can make laws related to labor.

Industrial Relations Code

The Industrial Relations Code (IR Code) was passed by Parliament in September 2020. The IR Code is one of four new labor codes that aim to simplify and consolidate India's labor laws. The goal is to make it easier for foreign investors and the private sector to comply with the laws.



Collective bargaining

Collective bargaining is a negotiation process between employers and employees to address workplace concerns. Trade unions represent the interests of employees, and the goal is to promote industrial productivity.

Role of the government

The government can become involved in industrial relations by:

Settling disputes in court

Adjusting or amending policies that are outdated, flawed, or irrelevant.

INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT/HUMAN RESOURCE DEVELOPMENT

INTRODUCTION OF HRM:-

Human beings are social beings and hardly ever live and work in isolation. We always plan, develop and manage our relations both consciously and unconsciously. The relations are the outcome of our actions and depend to a great extent upon our ability to manage our actions. From childhood each and every individual acquire knowledge and experience on understanding others and how to behave in each and every situations in life. Later we carry forward this learning and understanding in carrying and managing relations at our workplace. The whole context of Human Resource Management revolves around this core matter of managing relations at work place. Since mid 1980's Human Resource Management (HRM) has gained acceptance in both academic and commercial circle. HRM is a multidisciplinary organizational function that draws theories and ideas from various fields such as management, psychology, sociology and economics. There is no best way to manage people and no manager has formulated how people can be managed effectively, because people are complex beings with complex needs. Effective HRM depends very much on the causes and conditions that an organizational setting would provide. Any Organization has three basic components, People, Purpose, and Structure. In 1994, a noted leader in the human resources (HR) field made the following observation: Yesterday, the company with the access most to the capital or the latest technology had the best competitive advantage; 2 Today, companies that offer products with the highest quality are the ones with a leg up on the competition; But the only thing that will uphold a company's advantage tomorrow is the caliber of people in the organization. That predicted future is today's reality. Most managers in public- and private sector firms of all sizes would agree that people truly are the organization's most important asset. Having competent staff on the payroll does not guarantee that a firm's human resources will be a source of competitive advantage. However in order to remain competitive, to grow, and diversify an organization must ensure that its employees are qualified, placed in appropriate positions, properly trained, managed effectively, and committed to the firm's success. The goal of HRM is to maximize employees' contributions in order to achieve optimal productivity and effectiveness, while simultaneously attaining individual objectives (such as having a challenging job and obtaining recognition), and societal objectives (such as legal compliance and demonstrating social responsibility).

What is Human Resource Management?

HRM is the study of activities regarding people working in an organization. It is a managerial function that tries to match an organization's needs to the skills and abilities of its employees.

Definitions of HRM

Human resources management (HRM) is a management function concerned with hiring, motivating and maintaining people in an organization. It focuses on people in organizations. Human resource management is designing management systems to ensure that human talent is used effectively and efficiently to accomplish organizational goals.



HRM is the personnel function which is concerned with procurement, development, compensation, integration and maintenance of the personnel of an organization for the purpose of contributing towards the accomplishments of the organization's objectives. Therefore, personnel management is the planning, organizing, directing, and controlling of the performance of those operative functions (Edward B. Philippo).

According to the Inancevich and Glueck, "HRM is concerned with the most effective use of people to achieve organizational and individual goals. It is the way of managing people at work, so that they give their best to the organization".

According to Dessler (2008) the policies and practices involved in carrying out the "people" or human resource aspects of a management position, including recruiting, screening, training, rewarding, and appraising comprises of HRM.

Generally HRM refers to the management of people in organizations. It comprises of the activities, policies, and practices involved in obtaining, developing, utilizing, evaluating, maintaining, and retaining the appropriate number and skill mix of employees to accomplish the organization's objectives. The goal of HRM is to maximize employees' contributions in order to achieve optimal productivity and effectiveness, while simultaneously attaining individual objectives (such as having a challenging job and obtaining recognition), and societal objectives (such as legal compliance and demonstrating social responsibility).

In short Human Resource Management (HRM) can be defined as the art of procuring, developing and maintaining competent workforce to achieve the goals of an organization in an effective and efficient manner.

Nature of HRM

HRM is a management function that helps manager's to recruit, select, train and develop members for an organization. HRM is concerned with people's dimension in organizations.

The following constitute the core of HRM

1. HRM Involves the Application of Management Functions and Principles. The functions and principles are applied to acquiring, developing, maintaining and providing remuneration to employees in organization.
2. Decision Relating to Employees must be Integrated. Decisions on different aspects of employees must be consistent with other human resource (HR) decisions.
3. Decisions Made Influence the Effectiveness of an Organization. Effectiveness of an organization will result in betterment of services to customers in the form of high quality products supplied at reasonable costs.
4. HRM Functions are not Confined to Business Establishments Only but applicable to nonbusiness organizations such as education, health care, recreation and like.

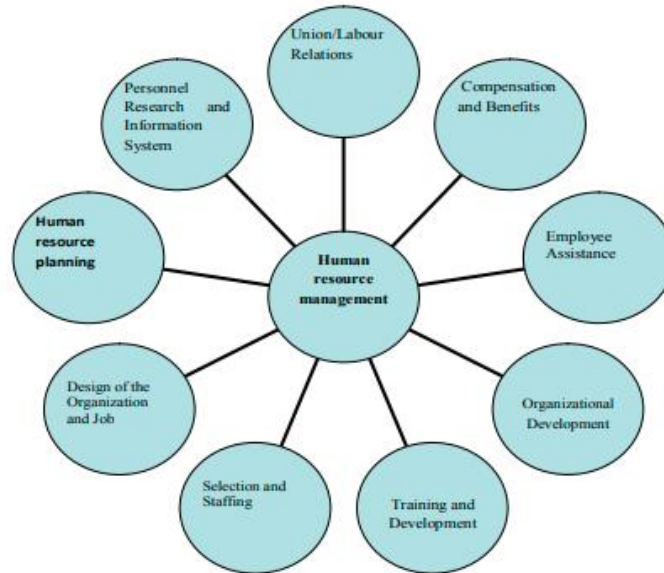
HRM refers to a set of programmes, functions and activities designed and carried out in order to maximize both employee as well as organizational effectiveness.

Scope of HRM

The scope of HRM is indeed vast. All major activities in the working life of a worker – from the time of his or her entry into an organization until he or she leaves the organizations comes under the purview of HRM. The major HRM activities include HR planning, job analysis, job design, employee hiring, employee and executive remuneration, employee motivation, employee maintenance, industrial relations and prospects of HRM.

The scope of Human Resources Management extends to:

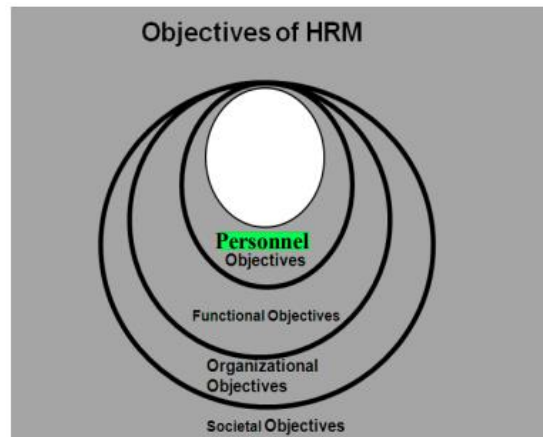
- All the decisions, strategies, factors, principles, operations, practices, functions, activities and methods related to the management of people as employees in any type of organization.
- All the dimensions related to people in their employment relationships, and all the dynamics that flow from it.



Objectives of HRM

The primary objective of HRM is to ensure the availability of competent and willing workforce to an organization. The specific objectives include the following:

- 1) Human capital : assisting the organization in obtaining the right number and types of employees to fulfill its strategic and operational goals
- 2) Developing organizational climate: helping to create a climate in which employees are encouraged to develop and utilize their skills to the fullest and to employ the skills and abilities of the workforce efficiently
- 3) Helping to maintain performance standards and increase productivity through effective job design; providing adequate orientation, training and development; providing performance-related feedback; and ensuring effective two-way communication.
- 4) Helping to establish and maintain a harmonious employer/employee relationship
- 5) Helping to create and maintain a safe and healthy work environment
- 6) Developing programs to meet the economic, psychological, and social needs of the employees and helping the organization to retain the productive employees
- 7) Ensuring that the organization is in compliance with provincial/territorial and federal laws affecting the workplace (such as human rights, employment equity, occupational health and safety, employment standards, and labour relations legislation). To help the organization to reach its goals
- 8) To provide organization with well-trained and well-motivated employees
- 9) To increase the employees satisfaction and self-actualization
- 10) To develop and maintain the quality of work life
- 11) To communicate HR policies to all employees.
- 12) To help maintain ethical polices and behavior. The above stated HRM objectives can be summarized under four specific objectives: societal, organizational, and functional and personnel.



- 1) Societal Objectives:** seek to ensure that the organization becomes socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization. The failure of the organizations to use their resources for the society's benefit in ethical ways may lead to restriction. **2) Organizational Objectives:** it recognizes the role of HRM in bringing about organizational effectiveness. It makes sure that HRM is not a standalone department, but rather a means to assist the organization with its primary objectives. The HR department exists to serve the rest of the organization.
- 3) Functional Objectives:** is to maintain the department's contribution at a level appropriate to the organization's needs. Human resources are to be adjusted to suit the organization's demands. The department's value should not become too expensive at the cost of the organization it serves.
- 4) Personnel Objectives:** it is to assist employees in achieving their personal goals, at least as far as these goals enhance the individual's contribution to the organization. Personal objectives of employees must be met if they are to be maintained, retained and motivated. Otherwise employee performance and satisfaction may decline giving rise to employee turnover

Interrelationship between IR and HRM

- **Common Goals:** Both aim to improve workplace productivity and ensure a satisfied workforce.
- **Conflict Management:** HRM strategies like open communication reduce workplace conflicts, complementing IR mechanisms.
- **Employee Engagement:** HRM practices promote positive employee relations, reducing the need for IR interventions.
- **Policy Formation:** Both fields influence workplace rules and policies to balance organizational and employee interests.

Recent Trends and Issues

- **Globalization:** Cross-border workforce management and international labor standards.
- **Technology:** Use of HR analytics, AI, and automation in workforce management.
- **Remote Work:** Managing industrial relations in distributed teams.
- **Employee Well-Being:** Focusing on mental health and work-life balance.
- **Sustainability:** Integrating eco-friendly practices in HR policies.



Conclusion

Industrial Relations and Human Resource Management are vital for ensuring a stable and productive work environment. While IR focuses on legal and structural frameworks to manage labor relations, HRM takes a holistic approach to workforce management by emphasizing strategy, employee engagement, and development. Together, they contribute to an organization's success and sustainability.

HUMAN RESOURCE DEVELOPMENT

INTRODUCTION

Traditionally Industrial Relations (IR) in India are equated with collective bargaining, interpretation of rules, labour laws, court cases, problem of indiscipline etc. Terms like Conflict, Power, Litigation and Legislation are often used in describing IR.

While on one side the IR scenario has been deteriorating, the academic upsurge about human resources development prescribed solution of human problems in industries through Applied Behavioural Science interventions. These interventions are generally focused on individual as well as groups advocating better utilization of latent talent and developing systems to objectively appraise the performance of individuals. For about more than one decade the HRD movement covered mainly the managerial employees and its applicability to non-managerial employees is now increasingly realized.

The newly emerging function of Human Resources Development (HRD) and Organization Development (OD), pre-addresses itself to the problem of individual motivation, development of terms, conflict resolution strategies and developmental aspects of organizational relationship. Unfortunately, both HRD and IR have been considered as different functions and there has been little attempt both by academicians and practitioners to see the relevance of HRD to manage IR function in a pro-active manner.

The exclusion of role of collective bargaining and unions from the main stream of research on Human Resources Management is in part due to academic territoriality (Gallagher)*. Those who consider themselves IR scholars have tended to emphasise the study of relationship between labour and management through the collective bargaining process (Strauss 1977, 1978; Strauss and Feville 1978)*. Also Industrial Relations research focusing on collective bargaining and unions has been dominated by legal, sociological, institutional and neo-classical economic perspective (Kochan 1980). In contrast HRD appears dominated by researchers in the area of industrial psychology and organizational behavior who focus on individuals, groups and organizations as principal unit of analysis. This difference in orientation between Industrial Relation and Human Resources Management scholars results in dearth of studies integrating the impact of collective bargaining and union with multiple function of Human Resources Management.

The table 1 below brings-out the difference in IR and HRD/OD in terms of underlying assumptions. The newly emerging, field of HRM represents synthesis of traditional IR and HRD/OD:



Industrial Relations	HRD/OD
It has its orientation from Economy, Sociology and Law	It has its roots in Psychology, OB etc.
Fire Fighting orientation.	Collaborative problem solving orientation.
Short term approach	Long term approach.
Views relationship mainly as Economic	Views relationship as both Economic and Psychological.
Change constrained by legal and other External factors.	Main focus on internal factors for managing change.
Compliance main objective.	Commitment main focus.
Conflict at the core of IR and is considered unhealthy.	Conflict need not be counter productive and can be managed.
Pluralistic frame of reference.	Unitary frame of reference.
*Seeks power advantage for bargaining And computation.	Seeks power equalization for Trust and collaborations.
*Make most of available human resources.	Develop potential of human resources.
*Emphasis on extrinsic rewards to satisfy and Motivate commitment.	Emphasis in internal motivations and intrinsic rewards and developing commitment.
*Value defined by practice.	Explicit statement of values.

* These terms are taken from Human Resources Management: The Integration of Industrial Relations and Organisation Development. Michael Beer and Best A Spector. In Research in Personnel and HRM,

In order to understand the synthesis between HRD/OD and IR in this unit, we shall define Industrial Relations, Human Resources Development as well as Organisation Development. We shall also look at the rationale and potential of HRD/OD methodology in changing IR from reactive mode to pro-active mode.

INTERCONNECTION BETWEEN IR AND HRD

While IR focuses on ensuring harmonious relationships and adherence to laws, HRD works on building workforce capabilities. Together, they contribute to organizational stability and growth:

- **Preventing Workplace Conflicts:** HRD initiatives like effective communication and employee engagement reduce IR issues like strikes or grievances.
- **Employee Satisfaction:** HRD fosters a motivated workforce, aligning individual goals with organizational objectives, reducing disputes managed by IR.



- **Change Management:** IR ensures smooth implementation of HRD-driven organizational changes by addressing potential employee resistance.
- **Training in Labor Relations:** HRD includes training for managers and employees on labor laws and conflict resolution, aligning with IR goals.

EMERGING TRENDS AND CHALLENGES

Trends in IR

- **Globalization:** Harmonizing IR practices across borders.
- **Technology:** Digital platforms for grievance redressal and conflict management.
- **Employee Advocacy:** Shift from union representation to direct employee engagement.

Trends in HRD

- **Lifelong Learning:** Continuous learning models to keep pace with technological advances.
- **Personalized Development Plans:** Customized growth paths based on employee strengths and aspirations.
- **Data-Driven HRD:** Using HR analytics to measure training effectiveness and employee development.

Shared Challenges

- **Workforce Diversity:** Balancing diverse needs while maintaining industrial harmony.
- **Remote Work Dynamics:** Adapting IR and HRD practices to virtual environments.
- **Compliance with Changing Laws:** Keeping pace with evolving regulations globally.

Conclusion

Industrial Relations and Human Resource Development are complementary functions that work towards creating a productive, satisfied, and adaptable workforce. IR ensures the structural and legal framework for harmony and fairness, while HRD empowers employees with the skills and opportunities to excel. Together, they drive organizational success and employee well-being in an evolving work environment.

PRINCIPALES OF LABOR LEGISLATION:

Labor legislation encompasses the body of laws, regulations, and standards designed to govern the relationship between employers, employees, and labor organizations. Its primary goal is to ensure fair treatment, protect workers' rights, promote industrial harmony, and foster economic growth. The principles of labor legislation provide the foundation upon which these laws are developed and implemented. Below are the key principles explained in detail:

1. Social Justice

- **Definition:** Social justice aims to ensure equality and fairness in the workplace by addressing the imbalance of power between employers and employees.
- **Key Objectives:**



- Eliminate discrimination based on gender, race, religion, or caste.
- Provide equal opportunities for all employees.
- Protect vulnerable groups, such as women, children, and persons with disabilities.

- **Examples:**

- Equal Pay Acts to ensure that men and women receive the same remuneration for equal work.
- Anti-discrimination laws prohibiting workplace bias.

2. Economic Justice

- **Definition:** Economic justice ensures that workers receive fair compensation for their labor and have access to minimum living standards.

- **Key Objectives:**

- Establish minimum wage laws to prevent exploitation.
- Protect against arbitrary wage reductions or non-payment of dues.
- Ensure timely payment of wages.

- **Examples:**

- Minimum wage legislation.
- Payment of Wages Act, which mandates timely payment of wages.

3. Protection of Workers

- **Definition:** Labor legislation seeks to safeguard workers from occupational hazards and unfair labor practices.

- **Key Objectives:**

- Provide a safe and healthy working environment.
- Protect workers from exploitation, such as excessive working hours or unsafe conditions.
- Regulate child and bonded labor.

- **Examples:**

- Occupational Safety and Health Acts (OSHA).
- Laws prohibiting child labor in hazardous industries.

4. Industrial Peace

- **Definition:** Industrial peace focuses on resolving disputes and conflicts between employers and employees to ensure uninterrupted production and productivity.

- **Key Objectives:**

- Provide mechanisms for dispute resolution, such as arbitration, mediation, and collective bargaining.
- Regulate strikes and lockouts to prevent disruptions.
- Foster cooperation between labor unions and management.

- **Examples:**

- Industrial Disputes Act, which outlines processes for dispute resolution.
- Labor relations acts supporting collective bargaining.

5. Workers' Participation in Management

- **Definition:** Encouraging workers to actively participate in decision-making processes related to their workplace.

- **Key Objectives:**



- Strengthen the sense of belonging and responsibility among employees.
- Promote transparency and trust between employers and employees.
- Enhance productivity and job satisfaction.
- **Examples:**
 - Works councils.
 - Joint management committees.

6. Flexibility and Adaptability

- **Definition:** Labor legislation must evolve to meet changing economic, technological, and social conditions.
- **Key Objectives:**
 - Address the challenges posed by globalization and technological advancements.
 - Support the growth of gig and platform economies.
 - Balance the interests of employers and employees.
- **Examples:**
 - Updates to employment laws for remote work and freelance contracts.
 - Legal provisions for employee reskilling programs.

7. Dignity of Labor

- **Definition:** Labor legislation recognizes the inherent dignity of all forms of work and emphasizes the respect and value of labor.
- **Key Objectives:**
 - Encourage humane treatment of workers.
 - Promote respect for workers' contributions to society and the economy.
 - Eradicate exploitative practices.
- **Examples:**
 - Laws prohibiting inhumane treatment of domestic workers.
 - Campaigns against forced labor.

8. Social Security

- **Definition:** Provide a safety net for workers in times of need, such as illness, unemployment, or retirement.
- **Key Objectives:**
 - Ensure income security during periods of unemployment or disability.
 - Support workers with medical benefits and pensions.
 - Protect workers' families in case of accidental death.
- **Examples:**
 - Social Security Acts (e.g., retirement benefits, unemployment insurance).
 - Employee State Insurance (ESI) schemes.

9. Decent Work

- **Definition:** Labor legislation promotes the concept of decent work, which entails fair wages, job security, and equal opportunities.
- **Key Objectives:**
 - Ensure work-life balance through reasonable working hours and leave policies.



- Promote job security and stable employment contracts.
- Advance opportunities for skills development and career progression.
- **Examples:**
 - Universal labor standards by the International Labour Organization (ILO).
 - Fair Work Acts.

10. Human Rights at Work

- **Definition:** Labor legislation incorporates fundamental human rights into workplace policies.
- **Key Objectives:**
 - Protect workers from exploitation and abuse.
 - Uphold the rights to freedom of association and collective bargaining.
 - Combat forced and child labor.
- **Examples:**
 - ILO conventions on the elimination of forced labor.
 - National laws upholding the right to form unions.

Conclusion

Labour legislation, guided by these principles, seeks to harmonize the interests of employers, employees, and society. By creating a framework of rights and responsibilities, it aims to foster economic growth while protecting the dignity and well-being of the workforce.

INDIAN LABOR FORCE – ITS GROWTH, SIZE, CHARACTERISTICS, SECTORAL DISTRIBUTION AND MAJOR OCCUPATION IN INDIA:-

The Indian labour force is a critical driver of the nation's economy. It includes all people of working age (15-59 years) who are either employed or actively seeking work. India, being a developing country with a large population, has a diverse and complex labour force. Here's a detailed explanation:

1. Size of the Labor Force

India's labour force is one of the largest in the world, reflecting its population size. Key statistics include:

- **Population Size:** As of 2023, India's population surpassed 1.4 billion, with a significant proportion in the working-age group.
- **Labor Force Participation Rate (LFPR):** This represents the percentage of the working-age population that is part of the labour force. India's LFPR has hovered around 46-50%, lower compared to global averages due to factors like low female participation.
- **Gender Disparity:** Male participation rates are significantly higher than female participation rates. For instance, while male LFPR exceeds 70%, female LFPR is around 20-25%.

2. Growth of the Labour Force

The growth of the Indian labour force is influenced by:



Population Growth:

- India's high population growth rate, particularly in previous decades, has significantly contributed to the expansion of the labour force.
- The "demographic dividend" phase has led to a surge in young, working-age individuals entering the labour market.

Urbanization and Migration:

- Rural-to-urban migration for better employment opportunities has bolstered the urban labour force.
- Growth of industries and the services sector in urban areas has drawn more workers from rural areas.

Education and Skill Development:

- Increased focus on education and vocational training is gradually transforming the labour force into a more skilled one.
- However, the transition has been uneven, leading to a mismatch in demand and supply of skills.

3. Characteristics of the Labour Force

a. Sectoral Distribution:

- **Agriculture:** Despite its declining contribution to GDP, agriculture employs about 40-45% of the labour force, mainly in rural areas.
- **Industry:** Industrial jobs account for about 25-30% of the workforce, primarily in manufacturing, construction, and mining.
- **Services:** The fastest-growing sector, employing around 30-35% of the labour force, includes IT, finance, healthcare, and education.

b. Informal vs. Formal Sector:

- A large majority (~80-90%) of Indian workers are in the informal sector, characterized by low wages, job insecurity, and lack of social security.
- Formal sector jobs, though fewer, offer better wages and benefits.

c. Gender Composition:

- Women constitute a smaller proportion of the labour force due to social norms, lack of opportunities, and safety concerns.
- Efforts are being made to enhance female participation through policies like maternity benefits and workplace safety regulations.

d. Educational Attainment:

- A substantial section of the labour force lacks formal education or skills.
- However, younger generations show higher literacy and education levels due to improved access to education.

e. Employment Status:

- A significant proportion of the labour force is self-employed or engaged in casual labour, reflecting the dominance of informal employment.



f. Unemployment and Underemployment:

- India faces structural unemployment and underemployment, especially among educated youth and rural populations.

4. Challenges Facing the Indian Labor Force

a. Unemployment and Job Creation:

- Economic growth has not always translated into adequate job creation, leading to a mismatch in labour supply and demand.

b. Skill Mismatch:

- The education system often does not align with industry requirements, leading to a shortage of skilled workers in key sectors.

c. Gender Disparity:

- Low female labour force participation remains a major concern.

d. Informal Employment:

- High prevalence of informal employment results in poor working conditions, low wages, and lack of social security.

e. Technological Disruption:

- Automation and digitalization are reducing the demand for low-skilled jobs, necessitating deskilling and upskilling of workers.

5. Government Initiatives and Policies

The Indian government has implemented several policies to address labour force challenges:

- **Skill India Mission:** Aims to train millions in relevant skills for employment.
- **MGNREGA:** Provides guaranteed employment to rural households.
- **Make in India:** Encourages industrial growth and job creation.
- **Labor Codes:** Recent reforms consolidate and simplify labour laws to enhance worker welfare and employer flexibility.
- **Women Empowerment Programs:** Focus on increasing female participation through initiatives like Beti Bachao Beti Padhao and safety measures.

6. Future Prospects

- India's labor force is expected to continue growing, with an increasing share of young, educated, and skilled individuals.
- Harnessing this potential requires sustained efforts in education, skill development, job creation, and gender inclusion.

India's labour force is both a challenge and an opportunity. By addressing structural issues and leveraging its demographic dividend, India can transform its workforce into a key driver of sustainable economic growth.



INDIAN LABOR FORCE: SECTORAL DISTRIBUTION AND MAJOR OCCUPATIONS

India's labour force is characterized by its size, diversity, and a wide range of occupations across different economic sectors. The structure of the labour force reflects the country's socio-economic conditions, development trajectory, and challenges.

1. Sectoral Distribution of the Indian Labor Force

The Indian economy can be broadly categorized into three sectors:

a. Agriculture Sector:

- **Contribution to Employment:**
 - Agriculture employs the largest share of the Indian labour force, accounting for approximately **40-45%** of total employment.
 - This is despite its declining share in GDP, which is now around **15-17%**.
- **Features:**
 - Most workers in this sector are engaged in subsistence farming, with small and marginal landholdings.
 - A significant portion of the workforce consists of agricultural labourers who work for wages.
- **Challenges:**
 - Low productivity and income levels.
 - Overdependence on monsoons.
 - Lack of mechanization and modern techniques.

b. Industrial Sector:

- **Contribution to Employment:**
 - The industrial sector employs around **25-30%** of the workforce.
 - It includes manufacturing, construction, mining, and quarrying activities.
- **Features:**
 - The sector is growing due to urbanization, infrastructure development, and the "Make in India" initiative.
 - Small-scale and medium-scale enterprises (SMEs) are major employers.
- **Challenges:**
 - Limited formal employment opportunities.
 - Dependence on unorganized small enterprises.
 - Technological disruptions affecting low-skilled jobs.

c. Services Sector:

- **Contribution to Employment:**
 - The services sector employs around **30-35%** of the workforce.
 - It has been the fastest-growing sector in terms of GDP contribution, accounting for over **55-60%** of India's GDP.
- **Features:**



- Major services include IT, finance, healthcare, education, trade, transport, and hospitality.
- The sector offers both high-skilled jobs (e.g., IT professionals) and low-skilled jobs (e.g., retail workers).

- **Challenges:**

- Employment growth in the formal services sector has not kept pace with its GDP growth.
- Significant wage disparity between high-skilled and low-skilled workers.

2. Major Occupations in India

The Indian labour force is engaged in a variety of occupations, which can be grouped as follows:

a. Agriculture and Allied Activities:

- Farming, horticulture, animal husbandry, forestry, and fisheries dominate rural employment.
- A large section of agricultural workers are self-employed as smallholder farmers.
- Allied activities like poultry, dairy, and sericulture supplement rural incomes.

b. Manufacturing and Industry:

- Includes occupations in:
 - **Textiles and Garments:** A significant employer in rural and semi-urban areas.
 - **Automobile Industry:** Employs skilled and semi-skilled workers.
 - **Electronics and Consumer Goods:** Offers jobs in assembly, production, and quality control.
 - **Construction and Real Estate:** One of the largest employers in the industrial sector, especially for migrant workers.

c. Trade and Commerce:

- Small-scale traders, shopkeepers, and wholesale/retail workers form a significant segment.
- The e-commerce boom has created new occupations in warehousing, logistics, and delivery services.

d. IT and Professional Services:

- Occupations in IT, software development, data analytics, and cybersecurity have expanded rapidly.
- Professional services like legal, financial consulting, and accountancy are growing due to increased business activity.

e. Public Administration and Social Services:

- Includes government employees, educators, healthcare professionals, and law enforcement personnel.
- These jobs provide stable employment, especially in rural and semi-urban areas.

f. Informal Sector Occupations:

- A significant portion of the labour force is engaged in informal activities such as:
 - Street vending.
 - Domestic work.
 - Artisanal crafts.
 - Daily-wage labour in construction and agriculture.
- The informal sector is characterized by low wages, lack of job security, and absence of social benefits.



3. Sectoral Shifts and Trends

a. Decline in Agriculture's Share:

- Over the years, the share of agriculture in total employment has declined, reflecting structural transformation.
- Workers are moving to manufacturing and services, though the pace is uneven.

b. Rise of the Informal Sector:

- The majority of India's labour force (~80-90%) remains in the informal sector.
- This includes casual labourers, self-employed individuals, and small-scale entrepreneurs.

c. Urbanization and Migration:

- Rural-to-urban migration has increased due to better opportunities in manufacturing and services.
- Migrant workers often face challenges like housing shortages and lack of social protection.

d. Growth of Gig Economy:

- The gig economy is rapidly expanding, with jobs in ride-hailing, food delivery, and freelance digital work.
- These jobs offer flexibility but lack social security benefits.

4. Challenges in Employment Distribution

a. Skill Mismatch:

- A mismatch between available skills and job market demands hinders employment growth.
- Vocational training and skill development initiatives are needed to address this gap.

b. Unemployment and Underemployment:

- Many workers are underemployed, particularly in agriculture, where disguised unemployment is common.

c. Gender Disparity:

- Female participation in the labour force is low, despite improvements in education and health.

d. Informal Employment:

- Informal jobs dominate all sectors, leading to income instability and lack of benefits for a majority of workers.

5. Government Initiatives

- **Make in India:** Promotes manufacturing and job creation.
- **Skill India Mission:** Focuses on improving employability through training programs.
- **MGNREGA:** Provides rural employment opportunities and reduces migration.
- **Start-Up India:** Encourages entrepreneurship and innovation.
- **Labour Codes Reform:** Simplifies labour laws and aims to improve conditions for workers.

Conclusion

India's labour force, with its sectoral diversity and wide range of occupations, is a key component of its economic potential. While structural changes are shifting workers from agriculture to industry and services, significant challenges



like informal employment, skill gaps, and gender disparity remain. Addressing these issues with targeted policies can enable India to fully leverage its labour force for sustained economic growth.

LEGAL FRAMEWORK OF INDUSTRIAL RELATION:

The **legal framework of industrial relations** refers to the laws, regulations, and institutional arrangements that govern the relationship between employers, employees, and trade unions within an industrial or workplace setting. This framework ensures the smooth functioning of labor relations, resolves disputes, and promotes harmony in the workplace. Below is a detailed explanation:

1. Definition of Industrial Relations

Industrial relations involve the dynamics between employers, employees, and their representatives (trade unions) concerning work conditions, wages, hours, and other aspects of employment. The legal framework serves as the backbone for these relationships.

2. Objectives of the Legal Framework

- **Promotion of Industrial Peace:** Ensures a balanced resolution of conflicts between employers and employees.
- **Protection of Workers' Rights:** Safeguards workers from exploitation and ensures fair treatment.
- **Fair Compensation and Working Conditions:** Establishes standards for wages, hours, safety, and benefits.
- **Encouragement of Collective Bargaining:** Facilitates negotiations between unions and employers.
- **Mechanism for Dispute Resolution:** Provides legal remedies for addressing labor disputes.

3. Key Components of the Legal Framework

A. Labor Laws

Labor laws form the foundation of industrial relations. These laws vary by country but generally include the following:

1. **Employment Laws:** Governing terms of employment, job security, and dismissal.
 - E.g., *Employment Rights Act* (UK), *Fair Labor Standards Act* (USA), *Industrial Disputes Act* (India).
2. **Wage Laws:** Regulating minimum wages, equal pay, and wage distribution.
 - E.g., *Minimum Wage Laws*.
3. **Health and Safety Regulations:** Ensuring safe working conditions.
 - E.g., *Occupational Safety and Health Act (OSHA)*.
4. **Workplace Discrimination Laws:** Prohibiting discrimination based on gender, race, religion, etc.
 - E.g., *Civil Rights Act* (USA), *Equality Act* (UK).
5. **Social Security Laws:** Mandating benefits like pensions, insurance, and unemployment benefits.
 - E.g., *Social Security Act* (USA).



B. Trade Union Laws

Trade union legislation governs the formation, registration, and functioning of trade unions. Key aspects include:

- Legal recognition of trade unions.
- Rules for collective bargaining.
- Protection of union activities.
- Regulation of strikes and lockouts.

C. Industrial Dispute Resolution Mechanisms

Laws establish procedures for resolving disputes, including:

- **Mediation and Conciliation:** Third-party assistance to reach an agreement.
- **Arbitration:** Binding decisions by a neutral arbitrator.
- **Labor Courts/Tribunals:** Specialized courts for adjudicating industrial disputes.

D. Collective Bargaining Framework

Legislation may outline the process of collective bargaining, ensuring:

- Good-faith negotiations.
- Enforceable agreements between employers and unions.

4. International Legal Framework

International organizations like the **International Labour Organization (ILO)** play a significant role in shaping labor standards worldwide. Key ILO conventions include:

- Freedom of Association and Protection of the Right to Organize (Convention 87).
- Right to Organize and Collective Bargaining (Convention 98).
- Minimum Age for Employment (Convention 138).

5. Challenges in the Legal Framework

- **Globalization and Outsourcing:** Difficulty in enforcing labor laws across borders.
- **Gig Economy:** Adapting laws for non-traditional employment arrangements.
- **Technological Advancements:** Addressing issues like remote work and automation.
- **Union Decline:** Ensuring workers' representation in the absence of strong unions.

6. Case Studies of Legal Frameworks

India

The **Industrial Disputes Act, 1947** governs industrial relations, including dispute resolution, strikes, and worker retrenchment. Other significant laws include the **Factories Act, 1948** and **Trade Unions Act, 1926**.

United States

The **National Labor Relations Act (NLRA)** establishes workers' rights to unionize and bargain collectively. The **Fair Labor Standards Act (FLSA)** addresses minimum wages and working hours.



United Kingdom

The **Employment Rights Act 1996** and the **Trade Union and Labour Relations (Consolidation) Act 1992** form the core of industrial relations laws.

NATIONAL COMMISSION ON LABOR:

The **National Commission on Labour (NCL)** is a government-appointed body in India, tasked with reviewing and suggesting reforms for labor laws and policies to improve the working conditions of laborers and ensure economic growth. India has established two such commissions to date, each at different times and with distinct mandates.

First National Commission on Labour (1966–1969)

BACKGROUND

- Established under the chairmanship of **Justice P.B. Gajendragadkar**.
- Tasked with reviewing existing labor laws and suggesting changes to align with the socio-economic conditions of the time.

OBJECTIVES

- Examine labor conditions across organized and unorganized sectors.
- Evaluate the adequacy of labor laws and their implementation.
- Recommend measures for better industrial relations and worker welfare.
- Suggest improvements in labor policy to enhance productivity and economic growth.

KEY RECOMMENDATIONS

- Simplification of Labor Laws:**
 - Consolidation of labor laws into fewer, comprehensive laws.
- Industrial Relations:**
 - Strengthen mechanisms for resolving industrial disputes.
 - Encourage collective bargaining and reduce dependence on adjudication.
- Wages and Working Conditions:**
 - Formulate a national wage policy.
 - Implement minimum wage standards in unorganized sectors.
 - Improve health, safety, and welfare measures at workplaces.
- Social Security:**
 - Expand social security coverage to include more workers, especially in unorganized sectors.
- Skill Development:**
 - Establish training institutes to improve workforce skills.
- Regulation of Contract Labor:**
 - Avoid excessive use of contract labor; ensure parity in wages with regular workers for similar work.

Second National Commission on Labour (1999–2002)



BACKGROUND

- Constituted under the chairmanship of **Ravindra Varma**.
- The purpose was to reassess the recommendations of the first commission and adapt them to modern economic conditions, especially after economic liberalization in the 1990s.

OBJECTIVES

1. Assess the impact of economic reforms on labor and employment.
2. Suggest strategies for employment generation.
3. Simplify and modernize labor laws for better enforcement.
4. Enhance social security and worker welfare measures.

KEY RECOMMENDATIONS

1. **Simplified Labor Codes:**
 - Recommended grouping labor laws into five broad categories:
 1. Industrial Relations
 2. Wages
 3. Social Security
 4. Safety and Working Conditions
 5. Welfare and Development
2. **Flexibility in Labor Markets:**
 - Emphasized flexibility in hiring and retrenchment to boost investment and employment.
3. **Social Security:**
 - Introduce universal social security for all workers, including those in unorganized sectors.
4. **Skill and Employment:**
 - Enhance vocational training and skill development programs.
5. **Contract Labor:**
 - Streamline laws to ensure fair treatment of contract workers and curb exploitative practices.
6. **Worker Participation:**
 - Promote worker participation in management to improve industrial harmony.

IMPACT AND IMPLEMENTATION

- Several recommendations from both commissions have been integrated into labor policy and legislation over time.
- Recent labor reforms in India (e.g., the **Four Labor Codes** enacted in 2020) reflect ideas from the commissions, such as the consolidation of labor laws and the emphasis on social security for unorganized sector workers.

Criticism

- Some recommendations, especially those related to labor market flexibility, have been criticized for favoring employers over workers.
- Delayed implementation of reforms has been a challenge in achieving the intended benefits.



Relevance Today

The recommendations of the National Commissions on Labour remain pivotal for balancing economic growth and worker welfare. They have provided a framework for reforms addressing India's dynamic labor market and socio-economic challenges.

IMPORTANCE OF NATIONAL COMMISSION ON LABOR:

The **National Commission on Labour (NCL)** plays a crucial role in shaping the labor policies and framework in India. Its significance lies in its ability to assess, review, and recommend changes to labor laws and policies to adapt to changing economic, social, and industrial scenarios. Below is a detailed explanation of its importance:

1. Comprehensive Review of Labor Policies

- The NCL conducts a thorough examination of the existing labor laws and policies to identify inefficiencies, overlaps, and gaps.
- It ensures that labor laws remain relevant to the socio-economic conditions of the country.
- The recommendations address outdated practices and promote modernization.

Example: The First NCL (1966–1969) recommended consolidating labor laws, a principle reflected in the **Four Labor Codes (2020)**.

2. Harmonizing Labor-Management Relations

- The NCL suggests measures to improve industrial relations, which are essential for maintaining workplace harmony and minimizing disputes.
- Encourages mechanisms like collective bargaining and arbitration to resolve disputes amicably.

Significance: Better labor-management relations lead to enhanced productivity, reduced industrial strikes, and improved morale among workers.

3. Promoting Social Justice and Welfare

- It focuses on ensuring fair treatment of workers, particularly in terms of wages, working conditions, and social security.
- Advocates for expanding welfare measures to cover workers in unorganized and informal sectors.

Impact: Helps protect vulnerable workers and promotes equitable growth in the economy.

4. Addressing the Needs of a Changing Economy

- The NCL adapts labor policies to match the demands of a growing and globalizing economy.
- Emphasizes flexibility in labor laws to attract investment while safeguarding workers' rights.



Example: The Second NCL (1999–2002) highlighted the need for labor law reforms to align with the economic liberalization of the 1990s.

5. Focus on Employment Generation

- By studying employment trends, the NCL proposes strategies for job creation in various sectors, especially in labor-intensive industries.
- Encourages skill development programs to improve employability and workforce quality.

Significance: This addresses unemployment and underemployment challenges while enhancing national productivity.

6. Simplification and Codification of Labor Laws

- The NCL recommends consolidating multiple labor laws into fewer, easily understandable codes to ensure better compliance and enforcement.

Example: The grouping of labor laws into categories like wages, industrial relations, and social security has simplified compliance for employers and workers alike.

7. Strengthening Social Security Systems

- Advocates for expanding social security benefits, such as pensions, insurance, and healthcare, to more workers, particularly those in the informal sector.
- Proposes mechanisms to make social security schemes universal and sustainable.

Impact: Reduces economic vulnerability and enhances the quality of life for workers.

8. Improving Workplace Conditions

- Recommends setting standards for occupational health, safety, and welfare measures.
- Ensures that workers operate in environments that are safe and conducive to productivity.

Significance: Prevents workplace accidents and promotes a healthy workforce.

9. Facilitating Economic Growth

- The NCL's suggestions for balancing labor rights with employer needs create a conducive environment for economic activities.
- Helps in improving ease of doing business while ensuring workforce satisfaction.

10. Policy Guidance for Governments

- Provides evidence-based recommendations that guide policymakers in drafting and implementing labor reforms.



- Acts as a bridge between stakeholders like labor unions, employers, and the government to achieve consensus on contentious issues.

11. Addressing Informal Sector Challenges

- The NCL emphasizes extending protections to workers in the unorganized sector, who constitute a significant portion of India's workforce.
- Suggests measures to formalize informal work arrangements, providing workers with greater stability and benefits.

12. Long-Term Vision for Labor Development

- The NCL looks beyond immediate issues to provide a roadmap for long-term labor development.
- Its insights are instrumental in shaping labor policies that are sustainable and adaptable to future challenges.

Examples of Impactful Recommendations

- Introduction of a **National Minimum Wage**.
- Promotion of worker participation in management.
- Consolidation of labor laws into labor codes.
- Extension of social security to informal sector workers.

The National Commission on Labour is a cornerstone in India's labor reform journey. Its importance lies in fostering an inclusive, fair, and dynamic labor ecosystem that balances the needs of workers and employers while promoting economic growth. Through its comprehensive approach to reviewing and reforming labor laws, the NCL has been pivotal in addressing both historical challenges and emerging issues in the labor market.



Case Study: Evolution of Industrial Relations in India – The Tata Motors Experience

Industrial Relations (IR) form the cornerstone of a nation's industrial framework, representing the dynamic relationship between employers, employees, trade unions, and the government. The aim of IR is to establish industrial peace, ensure workers' welfare, and promote productivity through cooperation and mutual understanding. The history of industrial relations in India dates back to the British colonial period when the focus was on labor control rather than welfare. Post-independence, India adopted a welfare-oriented approach, influenced by democratic ideals and constitutional values. With economic liberalization in the 1990s, the structure of IR began to shift from state regulation to collective bargaining and, more recently, to strategic integration with Human Resource Management (HRM).

One of the most notable examples illustrating the evolution and challenges of industrial relations in modern India is the **Tata Motors Limited case**, particularly at its **Pune and Jamshedpur plants**. Tata Motors, a flagship company of the Tata Group, has long been known for its progressive labor practices and welfare-oriented policies. However, in the late 1990s and early 2000s, the company faced serious industrial unrest as it began restructuring to remain competitive in a globalized market. Management introduced automation, workforce rationalization, and voluntary retirement schemes (VRS), which were viewed by employees as threats to job security. The **Telco Employees Union (TEU)** resisted these measures, leading to tension, strikes, and a breakdown of trust between management and workers.

The conflict at Tata Motors can be explained through three major **theoretical perspectives** of industrial relations. The **unitary perspective** views the organization as a single entity where management and workers share common goals, thus perceiving union resistance as unnecessary or disruptive. Tata's management initially followed this approach, emphasizing teamwork and efficiency. The **pluralist perspective**, however, recognizes that conflict is natural and that multiple stakeholders with differing interests coexist within the organization. The trade union's demand for consultation and participation in decision-making reflected this pluralist view. On the other hand, the **Marxist perspective** interprets the dispute as an inevitable outcome of class conflict — management's drive for profit through restructuring clashed with labor's demand for security and fairness.

In response to the escalating tension, Tata Motors' leadership recognized the need to integrate **HRM and IR** strategies. The company introduced **Joint Consultative Committees (JCCs)** to facilitate regular dialogue between management and employees, developed **training and skill enhancement programs** to prepare workers for technological change, and established a transparent **grievance redressal mechanism**. HRD initiatives focused on participative management, leadership development, and communication training, which transformed the culture from confrontation to collaboration. This shift marked a transition from traditional, reactive industrial relations to a **proactive and strategic HRM-based system**.

The Tata Motors case also reflects the **organizational framework of industrial relations in India**, which involves a tripartite system comprising **employers, employees (through trade unions), and the government**. The role of the government is guided by the **Constitution of India**, particularly **Article 19(1)(c)**, which guarantees the right to form associations or unions, and **Article 43A**, which promotes worker participation in management. Various **labor legislations** form the legal backbone of India's IR system, including the **Industrial Disputes Act, 1947**, which governs the investigation and settlement of disputes; the **Trade Unions Act, 1926**, which ensures the legal recognition of



unions; and the **Factories Act, 1948**, which regulates working conditions and safety standards. These acts collectively ensure that industrial relations are maintained within a framework of justice, equity, and legality.

The Tata Motors experience also reflects the **principles of labor legislation** in India — social justice, social equity, social security, and industrial peace. The company's revised HR and IR policies emphasized fair treatment of workers, equitable compensation, and social security measures such as provident fund, gratuity, and medical facilities. Worker participation through consultative committees reinforced industrial democracy, while effective communication helped maintain industrial peace. This alignment of industrial practices with labor principles ensured sustainable productivity and employee satisfaction.

Analyzing the case in the broader context of the **Indian labor force**, several key features become evident. India's labor force is vast, diverse, and largely informal. Only around 10% of the workforce is employed in the organized sector, while the remaining 90% work in unorganized settings, often without job security or social protection. Industrial relations in India must therefore address dual challenges — maintaining harmony in the organized sector while improving conditions in the unorganized one. Tata Motors' initiatives toward contract labor welfare and skill development serve as examples of how large organizations can contribute to bridging this gap.

The role of the **National Commission on Labour (NCL)** is also relevant in this case. The **Second National Commission on Labour (2002)** recommended simplifying labor laws, promoting collective bargaining, strengthening bipartite and tripartite consultations, and improving the regulation of contract labor. Tata Motors' post-conflict practices — participative management, dialogue-based conflict resolution, and worker training — reflected many of these recommendations. This alignment demonstrates how effective implementation of NCL recommendations can transform industrial relations at the organizational level.

Ultimately, the conflict at Tata Motors was resolved through long-term negotiation and cooperation. By 2002, management and unions reached an agreement ensuring job security, improved working conditions, and productivity-linked incentives. The company committed to maintaining fair labor practices while modernizing its production systems. This successful reconciliation turned Tata Motors into a model for **sustainable industrial relations in India**, where legal frameworks, HRM strategies, and welfare principles coexist to create mutual benefit for both labor and management.

In conclusion, the Tata Motors case encapsulates the **evolution of industrial relations in India** — from colonial control to democratic participation and modern HR integration. It underscores that effective industrial relations depend on transparency, dialogue, respect for labor rights, and strategic human resource practices. The harmony achieved at Tata Motors reflects how industrial peace and economic efficiency can go hand in hand when guided by strong leadership, legal compliance, and shared vision.



Discussion Questions

1. What were the main causes of industrial unrest at Tata Motors' Pune plant, and how did management address them?
2. How do the theoretical perspectives (unitary, pluralist, and Marxist) help explain the Tata Motors case?
3. In what ways did Tata Motors integrate HRM and IR practices to build long-term industrial peace?
4. How does the legal and constitutional framework of India support effective industrial relations?
5. What lessons from the Tata Motors case can be applied to other organizations in managing labor relations?
6. How relevant are the recommendations of the National Commission on Labour in the context of modern industrial relations?
7. How can industrial relations contribute to improving the working conditions of India's informal labor force?

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UNIT – 2

INTRODUCTION:

A trade union is an organization of workers that have banded together to achieve common goals such as better working conditions. The trade union, through its leadership, bargains with the employer on behalf of union members (rank and file members) and negotiates labor contracts (collective bargaining) with employers. This may include the negotiation of wages, work rules, complaint procedures, rules governing hiring, firing and promotion of workers, benefits, workplace safety and policies. The agreements negotiated by the union leaders are binding on the rank and file members and the employer and in some cases on other nonmember workers.

WHAT IS TRADE UNION?

Trade union as per Trade Union Act 1926 – “Any combination formed primarily for the purpose of regulating the relations between workmen and employers or workmen and workmen or employers and employers or for imposing restrictive conditions on the conduct of any trade or business and includes any federation of two or more trade unions.”

From the above definition it is clear that Trade union is not just an association of the workmen of a factory or a trade or a business but also can be formed by officers and managers.

Under the Trade Unions Act, 1926, the expression trade union includes both employers and workers in 141 organizations. The term trade union however is commonly used to refer to the organization of workers formed to protect their rights and enhance their welfare.

According to V.V. Giri, “Trade unions are voluntary associations of workers formed together to promote and protect their interests by collective action.”

OBJECTIVES OF TRADE UNION

Trade unions are formed to protect and promote the interests of their members. Their primary function is to protect the interests of workers against discrimination and unfair labor practices. Trade unions are formed to achieve the following objectives:

- **Representation:** Trade unions represent individual workers when they have a problem at work. If an employee feels he is being unfairly treated, he can ask the union representative to help sort out the difficulty with the manager or employer. Unions also offer their members legal representation. Normally this is to help people get financial compensation for work-related injuries or to assist people who have to take their employer to court.
- **Negotiation:** Negotiation is where union representatives, discuss with management, the issues which affect people working in an organization. There may be a difference of opinion between management and union members. Trade unions negotiate with the employers to find out a solution to these differences. Pay, working hours, holidays and changes to working practices are the sorts of issues that are negotiated. In many workplaces there is a formal agreement between the union and the company which states that the union has the right to negotiate with the employer. In these organizations, unions are said to be recognized for collective bargaining purposes.

- **Voice of Decision Effective Workers:** The economic security of employees is determined not only by the level of wages and duration of their employment, but also by the management's personal policies which include selection of employees for layoffs, retrenchment, promotion and transfer. These policies directly affect workers. The evaluation criteria for such decisions may not be fair. So, the intervention of unions in such decision making is a way through which workers can have their say in the decision making to safeguard their interests.
- **Member Services:** During the last few years, trade unions have increased the range of services they offer their members. These include:
- **Education and Training:** Most unions run training courses for their members on employment rights, health and safety and other issues. Some unions also help members who have left school with little education by offering courses on basic skills and courses leading to professional qualifications.
- **Legal Assistance:** As well as offering legal advice on employment issues, some unions give help with personal matters, like housing, wills and debt.
- **Financial Discounts:** People can get discounts on mortgages, insurance and loans from unions.
- **Welfare Benefits:** One of the earliest functions of trade unions was to look after members who hit hard times. Some of the older unions offer financial help to their members when they are sick or unemployed.

ROLE OF TRADE UNION

Trade unions are unique organizations whose role is variously interpreted and understood by different interest groups in the society. Traditionally trade unions role has been to protect jobs and real earnings, 142 secure better conditions of work and life and fight against exploitation and arbitrariness to ensure fairness and equity in employment contexts. In the wake of a long history of union movement and accumulated benefits under collective agreements, a plethora of legislations and industrial jurisprudence, growing literacy and awareness among the employees and the spread of a variety of social institutions including consumer and public interest groups the protective role must have undergone, a qualitative change. It can be said that the protective role of trade unions remains in form, but varies in substance.

There is a considerable debate on the purposes and role of trade unions. The predominant view, however, is that the concerns of trade unions extend beyond 'bread and butter' issues. Trade unions through industrial action (such as protests and strikes) and political action (influencing Government policy) establish minimum economic and legal conditions and restrain abuse of labour wherever the labour is organised. Trade unions are also seen as moral institutions, which will uplift the weak and downtrodden and render them the place, the dignity and justice they deserve.

FUNCTIONS OF TRADE UNION

Trade unions perform a number of functions in order to achieve the objectives. These functions can be broadly classified into three categories:

1. Militant Functions
2. Fraternal Functions

1. Militant Functions: One set of activities performed by trade unions leads to the betterment of the position of their members in relation to their employment. The aim of such activities is to ensure adequate wages secure better conditions of work and employment get better treatment from employers, etc. When the unions fail to accomplish these aims by the method of collective bargaining and negotiations, they adopt an approach and put up a fight with the management in the form of go-slow tactics, strike, boycott, gherao, etc. Hence, these functions of the trade unions are known as militant or fighting functions. Thus, the militant functions of trade unions can be summed up as:

- To achieve higher wages and better working conditions
- To raise the status of workers as a part of industry
- To protect labors against victimization and injustice
-

3. **Fraternal Functions:** Another set of activities performed by trade unions aims at rendering help to its members in times of need, and improving their efficiency. Trade unions try to foster a spirit of cooperation and promote friendly industrial relations and diffuse education and culture among their members. They take up welfare measures for improving the morale of workers and generate self confidence among them. They also arrange for legal assistance to its members, if necessary. Besides, these, they undertake many welfare measures for their members, e.g., school for the education of children, library, reading-rooms, indoor and out-door games, and other recreational facilities. Some trade unions even undertake publication of some magazine or journal. These activities, which may be called fraternal functions, depend on the availability of funds, which the unions raise by subscription from members and donations from outsiders, and also on their competent and enlightened leadership. Thus, the fraternal functions of trade unions can be summed up as:

- To take up welfare measures for improving the morale of workers
- To generate self confidence among workers
- To encourage sincerity and discipline among workers
- To provide opportunities for promotion and growth
- To protect women workers against discrimination.

TYPES OF TRADE UNION

Trade Union Act was established in the year 1926. TU is any association (temporary /permanent) for the purpose of regulating the relationship between employers-workers, employer-employer, worker-worker for imposing restrictive conditions on trade practices. It also includes federation of unions referred as association of professional persons. In countries like England, trade union is referred as association of professional person. In India it is considered as cursi - union /semi- union. In America, TU is considered as the association of all persons in a trade. Functions of TU: functions can be categorized into: 1. Militant /protective 2. Positive/fraternal. 3. Intramural/extramural

1. **Militant /protective:** as the name suggests it protects their members, aims at securing better) conditions of work, employment for members. It uses instruments like strikes, lockouts etc. for protecting the interest of their members.

2. **Positive/fraternal:** It provides financial support to their members during time of temporary unemployment.
3. **Intramural/extramural:** intramural refers to welfare schemes & activities within the framework of factory premises (safety, secure working environment, minimum wages, minimum working hours, and leave with wages) Extramural refers to the welfare schemes outside the factory premises (medical assistance, health care, education etc.)

TU are born out of the necessities of the workers to protect and defend them from injustice, encroachment and wrong. Unions classified according to **purpose:** Under this head, normally two types of unions have been kept 1) Reformist 2) Revolutionary

1. **Reformist Unions:** These unions are those which aim at the preservation of the capitalist society)1 and maintenance of the usual employer-employee relationship, elimination of competitive system of production. The reformist unions have been subdivided by hoxie according to the objectives: into business unions and uplift unionism.
2. **Revolutionary Unions:** These unions aim at destroying the present structure completely and replacing it with new and different institution according to the ideas that are regarded as preferable. The revolutionary unionism is also of two types namely, anarchist and political. Dr horie also enumerates a third type of unionism namely predatory unions and gorilla union.

According to membership structure there are four types of Trade unions: 1.Craft unionism, 2. staff unionism, 3. Industrial union and 4.general union.

1. **Craft Union:** Workers, those are working in same as similar type of work/trade/business. They have similar skills, specialization. Members are mostly non manual workers. Members are craft conscious than class conscious .They take the membership on the basis of similar type of work. They strengthen their union by integration of their members.
2. **Staff Union:** Organization, those are basing upon a sense of common status, same type of need. They try to seek their membership from non manual sectors of the economy like clerical, supervisors, operators, technicians, craftsmen etc. Unique feature of staff union was women workers were also members of staff union. Staff union gained popularity by taking women workers as their members.
3. **Industrial Union:** Irrespective of crafts, skill, grade, position, gender etc. The workers working in one industry were members of industrial union. This union is more class conscious than trade conscious.
4. **General union:** It covers all types of industries. Labor class people from any type of industry can be members of general union. It is more open than the industrial unions. Their numerical strength is high.

IMPORTANCE OF TRADE UNION

The existence of a strong and recognized trade union is a pre-requisite to industrial peace. Decisions taken through the process of collective bargaining and negotiations between employer and unions are more influential. Trade unions play an important role and are helpful in effective communication between the workers and the

management. They provide the advice and support to ensure that the differences of opinion do not turn into major conflicts. The central function of a trade union is to represent people at work. But they also have a wider role in protecting their interests. They also play an important educational role, organizing courses for their members on a wide range of matters. Seeking a healthy and safe working environment is also prominent feature of union activity.

Trade unions help in accelerated pace of economic development in many ways as follows:

- By helping in the recruitment and selection of workers.
- By inculcating discipline among the workforce.
- By enabling settlement of industrial disputes in a rational manner.
- By helping social adjustments. Workers have to adjust themselves to the new working conditions, the new rules and policies. Workers coming from different backgrounds may become disorganized, unsatisfied and frustrated. Unions help them in such adjustment.

Trade unions are a part of society and as such, have to take into consideration the national integration as well.

Some important social responsibilities of trade unions include:

- Promoting and maintaining national integration by reducing the number of industrial disputes.
- Incorporating a sense of corporate social responsibility in workers achieving industrial peace.

RIGHTS AND LIABILITIES OF TRADE UNION

1. Disabilities of Unregistered Union: A trade union shall not enjoy any of the rights, immunities or privileges of a registered trade union unless it is registered.

2. Immunity from Civil Suit in Certain Cases: No suit or other legal proceeding shall be maintainable in any civil court against any registered trade union or any officer or member thereof in respect of any act done in contemplation or in furtherance of a trade dispute to which a member of the trade union is a party on the ground only that such act induces some other person to break a contract of employment, or that it is an interference with the trade, business or employment of some other person or with the right of some other person to dispose of his capital or of his labour as he will.

3. Liability in Tort:

(1) A suit against a registered trade union or against any members or officers thereof on behalf of themselves and all other members of the trade union in respect of any tortuous act alleged to have been committed by or on behalf of the trade union shall not be entertained by any court.

(2) Nothing in this section shall affect the liability of a trade union or any trustee or officers thereof to be sued in any court touching or concerning the specific property or rights of a trade union or in respect of any tortuous act arising substantially out of the use of any specific property of a trade union except in respect of an act committed by or on behalf of the trade union in contemplation or furtherance of a trade dispute.

4. Liability in Contract: Every registered trade union shall be liable on any contract entered into by it or by an agent acting on its behalf: Provided that a trade union shall not be so liable on any contract which is void or unenforceable at law.

5. Objects in Restraint of Trade Not Unlawful in Case of Registered Trade Union: The objects of a registered trade union shall not, by reason only that they are in restraint of trade be deemed to be unlawful so as

to render any member of such trade union liable to criminal prosecution for conspiracy or otherwise or to render void or voidable any agreement or trust.

6. Proceedings By and Against Trade Unions:

1. A registered trade union may sue and be sued and be prosecuted under its registered name.
2. An unregistered trade union may be sued and prosecuted under the name by which it has been operating or is generally known.
3. A trade union whose registration has been cancelled or withdrawn may be sued and prosecuted under the name by which it was registered.
4. Execution for any money recovered from a trade union in civil proceedings may issue against any property belonging to or held in trust for the trade union other than the benevolent fund of a registered trade union.
5. Any fine ordered to be paid by a trade union may be recovered by distress and sale of any movable property belonging to or held in trust for the trade union in accordance with any written law relating to criminal procedure.
6. In any civil or criminal proceedings in which a registered trade union is a party such trade union may appear in such proceedings by anyone of its officers or by an advocate and solicitor.

7. Strikes and Lock-outs:

1. No trade union of workmen shall call for a strike, and no member thereof shall go on strike, and no trade union of employers shall declare a lock-out –

- a) in the case of a trade union of workmen, without first obtaining the consent by secret ballot of at least two-thirds of its total number of members who are entitled to vote and in respect of whom the strike is to be called; and in the case of a trade union of employers, without first obtaining by secret ballot the consent of at least two-thirds of its total number of members who are entitled to vote;
- b) before the expiry of seven days after submitting to the Director General the results of such secret ballot in accordance with section 40 (5);
- c) if the secret ballot for the proposed strike or lock-out has become invalid or of no effect by virtue of section 40 (2), (3), (6) or (9);
- d) in contravention of, or without complying with, the rules of the trade union;
- e) in respect of any matter covered by a direction or decision of the Minister given or made in any appeal to him under this Act; or
- f) in contravention of, or without complying with, any other provision of this Act or any provision of any other written law.

2. Any trade union which, and every member of its executive who, commences, promotes, organises or finances any strike or lock-out which is in contravention of subsection (1) shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding two

3. Any member of a trade union of workmen who commences, participates in, or otherwise acts in furtherance of, any strike which is in contravention of subsection (1) shall forthwith cease to be a member of the trade union, and thereafter such member shall not be eligible to become a member of any trade union except with the prior approval of the Director General in writing; and the trade union of which he has so ceased to be a member shall forthwith –

- a) remove the name of such member from its membership register;
- b) inform the Director General and the member concerned of such removal; and
- c) exhibit conspicuously in its registered office in a place where it may be easily read a list of members whose names are so removed.

4. The Director General may, where he is satisfied that subsection (1) has been contravened by any person and the trade union concerned has failed to carry out the provisions of subsection (3), or where there is undue delay in so doing, after such investigation as he deems necessary, order the trade union to remove forthwith the names of the members concerned from its membership register.

5. The satisfaction of the Director General under subsection (4) that subsection (1) has been contravened by any person may be arrived at regardless as to whether or not there is any prosecution of any person for contravention of the said subsection (1).

6. Any registered trade union which, and every member of its executive who, fails to comply with subsection (3) or with an order of the Director General under subsection (4) shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding one thousand ringgit, and a further fine of one hundred ringgit for every day during which such offence continues.

7. In every proceeding for an offence under this section the onus of proving that the requirements specified in subsection (1) have been complied with shall be on the trade union, the member of its executive or the member of the trade union, as the case may be.

Thousand ringgit, or to imprisonment for a term not exceeding one year, or to both, and a further fine of one hundred ringgit for every day during which such offence continues.

LABOR MOVEMENT:

The **labor movement** is a collective effort by workers to improve their rights, working conditions, wages, and overall quality of life. It is a significant force in shaping economic and social policies around the world. Below is an in-depth look at its history, goals, strategies, and key milestones:

1. Origins and Historical Background

- **Early Roots:**
 - Began in the late 18th and early 19th centuries during the Industrial Revolution.
 - Workers in textile mills, coal mines, and factories faced long hours, low pay, and dangerous conditions.
 - Artisans and skilled workers initially resisted industrialization, fearing loss of traditional crafts.
- **Formation of Unions:**
 - Guilds of skilled craftsmen evolved into trade unions.
 - The rise of collective bargaining aimed to negotiate better wages and conditions.
- **Philosophical Influences:**
 - Influenced by thinkers like Karl Marx, who advocated for the working class (proletariat) to challenge capitalist structures.
 - Other movements, such as socialism and anarchism, were intertwined with labor activism.

2. Key Goals

- **Economic:**
 - Fair wages, job security, and benefits such as healthcare and pensions.
 - Prevention of exploitation through minimum wage laws and regulation.

- **Social:**
 - Safer working conditions and reduced working hours.
 - Elimination of child labor.
 - Equality in the workplace, including gender and racial equity.
- **Political:**
 - Advocacy for labor-friendly policies and legislation.
 - Establishment of the eight-hour workday and weekends.

3. Strategies and Tactics

- **Strikes:**
 - Work stoppages to pressure employers into meeting demands.
 - Example: The 1886 Haymarket Affair in Chicago.
- **Protests and Demonstrations:**
 - Marches, rallies, and sit-ins to raise awareness.
 - Example: The 1968 Memphis Sanitation Workers' Strike.
- **Collective Bargaining:**
 - Negotiating contracts between unions and employers.
- **Political Action:**
 - Endorsing labor-friendly candidates and influencing policy.

4. Key Milestones

- **19th Century:**
 - **1834:** Formation of the Grand National Consolidated Trades Union in Britain.
 - **1869:** Founding of the Knights of Labor in the U.S.
- **20th Century:**
 - **1911:** The Triangle Shirtwaist Factory Fire highlighted the need for safety regulations.
 - **1935:** Passage of the National Labor Relations Act (Wagner Act) in the U.S., guaranteeing workers' rights to unionize.
 - **1960s-70s:** Rise of public-sector unions and focus on civil rights in labor.
- **21st Century:**
 - New challenges due to globalization, automation, and the gig economy.
 - Efforts to unionize tech workers and gig economy employees (e.g., Uber, Amazon).

5. Modern Labor Movement Challenges

- **Decline in Union Membership:**
 - Particularly in developed countries, due to outsourcing and anti-union policies.
- **Precarious Employment:**
 - Growth of contract work, gig jobs, and informal labor markets.
- **Globalization:**
 - Labor standards vary greatly across countries, complicating collective action.
- **Technological Disruption:**
 - Automation and AI are displacing traditional jobs, creating a need for reskilling.

6. Significant Organizations

- **International:**
 - International Labour Organization (ILO) promotes global labor standards.

- **United States:**
 - American Federation of Labor (AFL) and Congress of Industrial Organizations (CIO), later merged into AFL-CIO.
- **United Kingdom:**
 - Trades Union Congress (TUC).
- **India:**
 - All India Trade Union Congress (AITUC).

7. Legacy and Impact

The labor movement has profoundly influenced:

- Establishment of labor laws and workplace standards.
- Reduction in income inequality and poverty.
- Growth of the middle class in many countries.

Despite its successes, the movement continues to evolve to address modern challenges, such as the rise of digital economies, climate change, and global inequality.

TRADE UNION MOVEMENT:

Trade Union Movement in India is not a new idea. From the Marxian to the Gandhian, move violently to non violence, howlingness to achievement Trade Union Movement has been gradually developed till date. It is mentionable that, in industrially developed countries, there are every Trade Unionism in the fields of Agriculture, Industry, Bus and Lorry, Handy Workers and Labours, and Edu-Professionals etc. Their Trade Unionism had made a great impact on the social, political and economic life, while in India; Trade Unionism can be seen only in the field of Industrial area. As long as history of human society various conflicts between workers group and employers group have been lasting in the form of strike, gherao, lock out, pen down etc against exploitation. To make people strengthen in a democratic way to asset their demands over their contribution to an organization, people associate themselves in a group and constitute a Union for common welfare. Thus Trade Union is an instrument of defence formed by employees against exploitations to protect themselves from economic as well as social interests. This is a complex institution with a numerous facts like social, economic, political and psychological. Trade Union provides services as an agent of workers and working classes at large. In this epistle thought on Trade Union Movement in India, a brief discussion is made on stipulations in relation to Trade Unionism.

Trade Union: An organized association of workers in a trade, group of trades, profession or industrial groups formed to protect and further their rights and interest. The flow chart of workers strength as

Workers → Trade Union → Federation → National Conference → ILO.

Trade Association: An association or an organization founded and funded by industrially trade group, businessmen that operate in some specific industry. Their main focus is to collaborate between companies, or standardization, associations producing services, such as producing conferences, networking or charitable events or associations of non-profit organizations governed by bylaws. The flow chart of workers strength as

Traders → Trade Association → Chamber of Commerce → FICC → ILO.

Craft Union: When workers engaged in a single occupation and form a union is called Craft Union. For example, all the workers working in cotton textile industry or its allied possess similar characteristics together

form a Craft Union.

Industrial Labour Union: This is the grassroots level of Trade Unionism.

Staff Union: A combination of both Craft Union and Industrial Labour Union is called Staff Union.

General Union: It is the form of union that comprises workers of various industries and assembles of different skill-groups and different occupations. Whatever the forms of Unions, it is Trade Union, an association of employees for the primary purpose to strengthen their bargaining position and raise their claims for better working conditions.

The need for Trade Unionism:

The need for Trade Unionism since the human set up has been felt necessary in the following ways-

- To provide job security to the workers group working in different industries.
- To safe guard workers common interest.
- To bring the situation in participation of decision making.
- To communicate better industrial relation among workers, employers and system groups.
- To bring an industrial relation with win-win- situation through collective bargaining with the union leaders' representativeness.

Gandhiji comments, Trade Union movement as a reformist and economic organization and considers capital and labour are equally parts and parcels of an organization.(Known as Sorvodya)

HISTORY OF TRADE UNION MOVEMENT IN INDIA:

In India, Trade Union movement has been considered as the product of industrial development since the First World War 1914-18. Before the time Indian workers were poor and did not have strong union to effort legal fight against any exploiters. At that time they used to follow the guidelines of Government of India's Factory Act 1881 which was not perfect to protect the interests of employees. The system of collective bargaining was totally absent. In several industries, the workers went on strikes every now and then to secure wage increase. In that mean time, Labour leader Narayan Meghaji Lokkande led a labour movement and formed "Bombay Mill Hands Association" and succeeded a weekly holiday system for Bombay Mill Owners Association. In 1918 Trade Union Movement in India became more organized and formed varieties of unions e.g. Indian Collie or Employees Association, Indian Seamen's Union, Railway Men's Union, Port Trust Employees Union etc. Meanwhile Gandhiji formed The Textile Labour Association in 1920 for fulfilling the demands of spinners and weavers society. More over the different labour unions and their representatives from all over India met in Bombay in 1920 and established the All India Trade Union Congress (AITUC) led by Lala Lajpat Rai. With the days passed, Trade Union Movement in India gradually strengthened and became national figure in leading of periodic strikes, Gherao, picketing and boycotts etc in contrary of different work fields for prevention and settlement of industrial disorders.

The historic background of Bombay Mill Case of 1920 over which Madras High Court witnessed Madras Labour Union forbidding by an interim injunction against The Laborers' strike which was pondered about some necessary legislation for protecting the sustained Trade Union in India. As a result Mr. N.M. Joshi, the then General Secretary of All India Trade Union Congress moved a resolution in the Central Legislative Assembly in 1921 recommending the Government to introduce legislation for the registration and protection of Trade Union's existence in India. The resolution was strongly protested by Bombay Mills Owners and it took a long bed rest on the table of the Central Legislative Assembly. While in the year of 1924, many communist leaders were arrested and prosecuted against aggressive and lengthy strikes. From the period numbers of Indian working classes including Peasants Party united and demanded Indian government through the AITUC to pass an

act to protect the interest of all India workers group which results The Trade Union Act 1926 in India. More over different situations in different times formed many Unions and Federations, which of some as listed below.

All India Trade Union Congress 1920
Red Trade Union Congress 1931,
National Federation of Labour 1933,
Red Trade Union Congress merged with AITUC in 1935,
Indian Federation of Labour 1941 etc.

The Eighteenth Session of the All-India Trade Union Congress led by Suresh Chandra Banerjee, President of the Congress, was held at Bombay on 28 and 29 September 1940; The session constituted a landmark in the history of the Indian Trade Union Movement is that it witnessed the restoration of complete unity in Indian Trade Union from the merging of the National Trades Union Federation in the All-India Trade Union Congress. A Tripartite Labour Conference was convened in 1942 to provide common platform for discussion between employees and employers. Indian National Trade Union Congress (INTUC) was formed in 1947 to settle the industrial disputes in democratic and peaceful methods.

Moreover, the Indian Federation of Labour formed in 1949, Hind Mazdoor Sabha in 1948 and United Trade Union Congress formed in 1949 in the national level and recognized by the government of India as to serve national and International conference.

Trade Union Movement does not delimit its operation within Bombay vicinity nor Delhi only. With the passage of time the movement spreads all across the country and convenient groups welcome the organism of Trade Union Movement from different parts of India. In state of Assam, the garden men's forum, Assam Chah Mazdoor Sangha, claims for their minimum wages from their employers according to the rules of The Plantation Labour Act, 1951, which regulates the wages of tea-garden workers, their duty hours and the amenities, states that the management is supposed to provide housing, drinking water, education, health care, child care facilities, accident cover and protective equipment. The government of Assam has fixed Rs.169 as the minimum daily wage for tea plantation workers and asked the commissioner and secretary of labour and employment to execute the same in other fields of industry also. But all the tea garden owners have not equally implemented the rules accordingly as the statement claims. For their negligence a huge agitation has been sustained at present.

On the other hand the apex body National Council of Central Trade Union is formed in 1971 by unitized of AITUC, INTUC and HMS (Hind Mazdoor Sabha).

At present there are 14 Central Trade Unions and various registered Federations like All India Bank Employees Association, All India Mine Workers Federation etc functioning in various fields of industries. Thus Trade Union Movement in India has been developed and changed the scenario over time coping up the situations and conflicts.

DEVELOPMENT OF TRADE UNIONISM IN INDIA:

The growth of trade unionism in India has been shaped by historical, social, and economic factors. The movement evolved in response to industrialization, colonial policies, and workers' need for representation and rights.

1. Early Beginnings (Before 1900s)

- **Pre-Industrial Period:**
 - India's economy was largely agrarian, with little industrial development.
 - Artisans and craftsmen worked in informal settings without organized labor groups.
- **Emergence of Industrial Labor:**
 - Industrialization began in the mid-19th century under British rule.

Autonomous Institute (by UGC, Govt. of India as per Clause 7.4)

- The establishment of railways, jute mills, and cotton mills introduced factory-based labor.
- Early attempts to address worker grievances were sporadic and lacked formal organization.

2. Early Trade Unions (1900–1920s)

- **First Organized Efforts:**
 - The first significant labor protest occurred in 1877 in Bombay, led by textile workers.
 - Narayan Meghaji Lokhande, often called the "Father of the Indian Trade Union Movement," played a key role in the late 19th century.
- **Formation of Unions:**
 - The **Madras Labour Union (1918)** was one of the first organized labor unions in India, formed under the leadership of B.P. Wadia.
 - Workers from jute mills, railways, and ports began organizing themselves for collective bargaining.
- **Impact of World War I:**
 - Economic hardships and inflation caused unrest among workers.
 - Industrial disputes rose significantly during and after the war.

3. Institutionalization of Trade Unions (1920s–1940s)

- **All India Trade Union Congress (AITUC):**
 - Founded in **1920**, AITUC became the first national trade union in India.
 - Leaders like Lala Lajpat Rai, C.R. Das, and N.M. Joshi were instrumental in its establishment.
- **Legislative Milestones:**
 - **Trade Unions Act of 1926:**
 - Provided legal recognition to trade unions.
 - Laid down rules for registration, rights, and duties.
 - Enabled workers to strike and collectively bargain.
- **Political Influence:**
 - Nationalist leaders used trade unions to mobilize workers against British colonial rule.
 - The Swadeshi movement and other anti-British campaigns gained labor support.
- **Economic Struggles:**
 - The Great Depression (1929–1933) caused massive unemployment, fueling labor strikes and protests.

4. Post-Independence Period (1947–1970s)

- **Early Years of Independence:**
 - India's focus on industrial development under the Five-Year Plans increased the need for organized labor.
 - Trade unions aligned themselves with political parties, leading to the fragmentation of the movement.
- **Major Trade Union Federations:**
 - **INTUC (1947):** Indian National Trade Union Congress, affiliated with the Indian National Congress.
 - **HMS (1948):** Hind Mazdoor Sabha, independent of political parties.

- **CITU (1970):** Centre of Indian Trade Unions, aligned with the Communist Party of India (Marxist).
- **Industrial Relations:**
 - Strikes and lockouts became frequent, especially in sectors like textiles, railways, and coal mining.
 - Government intervened through labor laws like the Industrial Disputes Act (1947).

5. Modernization and Challenges (1980s–Present)

- **Economic Reforms of 1991:**
 - Liberalization, privatization, and globalization (LPG reforms) significantly impacted trade unionism.
 - Growth of informal and contract labor reduced the influence of traditional unions.
- **Fragmentation of Unions:**
 - Increasing politicization weakened collective strength.
 - The rise of multiple federations often led to conflicting interests.
- **Gig Economy and Informal Sector:**
 - Rapid expansion of the informal sector, including gig workers, led to new challenges.
 - Workers in industries like e-commerce, food delivery, and ride-sharing began organizing.
- **Recent Trends:**
 - Digital platforms have enabled workers to coordinate and advocate for their rights.
 - Focus on gender inclusion and representation of women in unions.

6. Major Contributions of Trade Unions in India

- **Worker Rights:**
 - Secured laws for minimum wages, maternity benefits, and workplace safety.
- **Social Justice:**
 - Advocacy for marginalized groups, including women and Dalits.
- **Economic Equity:**
 - Limited exploitation of labor in key industries.

7. Key Challenges Today

- Decline in union membership due to automation and gig work.
- Resistance from corporates and regulatory constraints.
- Balancing the needs of formal and informal sector workers.

PROBLEMS OF TRADE UNION:

Trade unions are organizations formed by workers to protect their interests, improve working conditions, and negotiate better wages and benefits with employers. Despite their importance, trade unions face several challenges that hinder their effectiveness. Below is a detailed explanation of the common problems faced by trade unions:

1. Declining Membership

- **Reason:** Many workers, particularly in developed economies, are employed in sectors like technology or services, which traditionally have lower unionization rates.

- **Impact:** Reduced membership weakens the union's bargaining power and financial resources.
- **Example:** Automation and the rise of gig economies make unionization more difficult as workers often have temporary or non-traditional employment arrangements.

2. Legal and Political Constraints

- **Restrictive Laws:** Some governments impose stringent regulations on union activities, such as limiting the right to strike or requiring excessive registration processes.
- **Political Influence:** Unions may struggle in environments where governments are pro-business and less supportive of labor movements.
- **Example:** In certain countries, unions are required to give long notice periods before striking, reducing their leverage.

3. Internal Conflicts

- **Factionalism:** Differences in ideology, leadership disputes, or regional conflicts can lead to divisions within unions.
- **Lack of Transparency:** Poor governance and corruption in some unions erode trust among members.
- **Impact:** Internal strife reduces the union's ability to present a united front during negotiations.

4. Globalization and Outsourcing

- **Challenges:** Companies moving operations to countries with cheaper labor markets weakens unions in high-wage nations.
- **Result:** Workers lose jobs domestically, and unions have limited influence in other jurisdictions.
- **Example:** Manufacturing jobs moving from the U.S. and Europe to Asia have led to a decline in unionized workforces in traditional industries.

5. Resistance from Employers

- **Anti-Union Practices:** Employers may use tactics like union-busting, intimidation, or hiring non-union labor to weaken unions.
- **Technology as a Tool:** Surveillance and monitoring software can be used to track and discourage union activities.
- **Example:** Companies may hire legal experts to delay or prevent union recognition.

6. Financial Constraints

- **Low Dues Collection:** Declining membership often means reduced funding, which affects the union's ability to function effectively.
- **Dependence on Donations:** Over-reliance on external funding can lead to compromises on union autonomy.
- **Impact:** Limited resources hinder the union's ability to organize events, negotiate, or provide member benefits.

7. Lack of Awareness and Engagement

- **Worker Apathy:** Some workers are unaware of the benefits of unionization or feel that unions are no longer relevant.
- **Youth Participation:** Younger workers may not relate to traditional union structures or objectives.

- **Example:** In tech industries, younger employees often prefer individual negotiation over collective bargaining.

8. Technological Disruption

- **Automation:** The rise of artificial intelligence and robotics reduces the need for human labor, weakening union bases.
- **Remote Work:** Workers in remote setups are harder to organize and unify under a single union banner.
- **Example:** Freelancers or gig workers operating online lack the infrastructure to form traditional unions.

9. Negative Public Perception

- **Stereotypes:** Unions are sometimes perceived as obstructive or responsible for economic inefficiencies.
- **Media Influence:** Negative coverage of strikes or union activities can turn public opinion against them.
- **Impact:** Reduced public support makes it harder for unions to mobilize or advocate for worker rights.

10. Economic Challenges

- **Economic Recession:** During downturns, unions may be forced to accept unfavorable terms to preserve jobs.
- **Cost of Living:** High inflation or cost-of-living increases may outpace negotiated wage hikes.
- **Impact:** Unions may struggle to balance job security with wage increases.

11. Fragmentation of Labor

- **Diverse Workforces:** The increasing diversity in workplaces can lead to conflicting priorities within unions.
- **Sector-Specific Unions:** Specialized unions may not address the broader needs of all workers.
- **Example:** A union for IT professionals may have vastly different objectives compared to one for construction workers.

Strategies to Address These Problems

- **Modernization:** Unions must adapt to the needs of a changing workforce by embracing technology and offering digital platforms.
- **Inclusive Policies:** Encouraging participation from women, youth, and marginalized groups can strengthen unions.
- **International Collaboration:** Global alliances can help unions tackle issues related to globalization and outsourcing.
- **Public Awareness:** Campaigns to educate workers about the benefits of unionization and improve public perception are crucial.

By addressing these challenges, trade unions can remain relevant and continue to advocate effectively for workers' rights in a rapidly changing economic landscape.

TRADE UNION: REGISTRATION, FUNDS, IMMUNITIES RECEIVED AND ITS AMALGMATION, DISSOLUTION:

A **Trade Union** is an organization formed by workers to protect and promote their collective interests, improve working conditions, secure better wages, and address grievances. The legal framework for trade unions in many countries, including India, is governed by specific legislation such as the **Trade Unions Act, 1926**.

1. REGISTRATION OF TRADE UNIONS

The process of registration grants a trade union a legal status and certain privileges.

Procedure for Registration

1. Application for Registration:

- Submit to the Registrar of Trade Unions.
- The application must be signed by at least seven members of the union.
- Include the name, address, and objectives of the union.

2. Submission of Documents:

- A copy of the union's constitution or rules.
- Names, occupations, and addresses of the executive members.
- Details of union offices.

3. Verification:

- The Registrar verifies the application for compliance with legal requirements.

4. Certificate of Registration:

- Upon satisfaction, the Registrar issues a Certificate of Registration.
- This certificate serves as conclusive proof of the union's legal existence.

2. TRADE UNION FUNDS

Trade unions maintain funds to support their activities.

Sources of Funds

- Membership fees.
- Contributions and donations.
- Income from investments.

Utilization of Funds

Under Section 15 of the Trade Unions Act, funds may be used for:

- Payment of salaries, allowances, and administrative expenses.
- Legal proceedings related to the union.
- Welfare activities for members.
- Educational and training programs.
- Political purposes (subject to limitations).

3. IMMUNITIES RECEIVED BY TRADE UNIONS

Registered trade unions enjoy certain legal immunities to facilitate their functioning:

Immunities under the Trade Unions Act

1. **Civil Immunity (Section 17):**

- Protection from civil suits related to strikes or other actions undertaken in furtherance of lawful trade disputes.

2. **Criminal Immunity (Section 18):**

- Protection from prosecution for acts committed during a trade dispute, provided they are not violent or illegal.

3. **Exemption from Certain Liabilities (Section 19):**

- Unions are not liable for the acts of their members if done in good faith for union activities.

4. AMALGAMATION OF TRADE UNIONS

Amalgamation refers to the merging of two or more trade unions into a single entity.

Process of Amalgamation

- Obtain the consent of at least 50% of the members of each union involved.
- Prepare an amalgamation agreement.
- Notify the Registrar of Trade Unions.
- The Registrar verifies compliance and issues a certificate of amalgamation.

Benefits

- Enhanced bargaining power.
- Efficient use of resources.
- Broader representation of workers.

5. DISSOLUTION OF TRADE UNIONS

Dissolution refers to the formal termination of a trade union.

Grounds for Dissolution

- Voluntary decision by members.
- Failure to comply with legal requirements.
- Inability to maintain the minimum required membership.

Procedure for Dissolution

1. **Decision by Members:**

- Pass a resolution in a general meeting as per the union's rules.

2. **Notice to Registrar:**

- Submit a notice of dissolution, signed by the majority of the members.

3. **Distribution of Assets:**

- Assets are distributed among members or as specified in the union's constitution.

4. **Registrar's Approval:**

- The Registrar confirms the dissolution.

6. ADVANTAGES OF TRADE UNIONS

- Improved working conditions.
- Collective bargaining for better wages and benefits.

- Representation in disputes and negotiations.
- Social security and welfare activities for members.

7. CHALLENGES FACED BY TRADE UNIONS

- Declining membership in some sectors.
- Fragmentation and lack of unity among unions.
- Legal restrictions on strikes and protests.
- Adapting to the gig economy and informal sector.

This comprehensive explanation outlines the key aspects of trade unions, highlighting their legal framework, financial management, protections, and operational procedures like amalgamation and dissolution.

PROBLEMS IN TRADE UNIONS:

Trade unions play a pivotal role in protecting workers' rights, but they face numerous challenges that hinder their effectiveness. These problems can be categorized into structural, functional, and external issues.

1. Structural Problems

These relate to the internal organization and functioning of trade unions.

a. Fragmentation of Unions

- Multiple unions within the same industry or organization often lead to conflicts.
- Rivalries weaken collective bargaining power.

b. Lack of Skilled Leadership

- Many unions are led by individuals without adequate training or knowledge of labor laws, negotiation tactics, or economic policies.

c. Limited Financial Resources

- Dependence on membership fees for funds restricts unions' capacity to undertake large-scale activities or legal actions.

d. Small Membership Base

- Declining membership in some sectors reduces the union's strength and bargaining power.

2. Functional Problems

These issues stem from how unions operate and interact with their members.

a. Political Interference

- Many trade unions are affiliated with political parties, leading to priorities that may not align with workers' needs.
- Political influence often causes divisions and inefficiency.

b. Inadequate Member Participation

- Members are often disengaged due to a lack of transparency or benefits.
- Poor communication between union leadership and members exacerbates this problem.

c. Resistance to Change

- Unions are often reluctant to adopt modern technologies, innovative strategies, or adapt to changing labor markets (e.g., gig economy workers).

3. External Problems

These challenges arise from the socio-economic and political environment.

a. Employer Resistance

- Employers may actively discourage unionization through threats, anti-union policies, or incentives for non-unionized workers.

b. Government Restrictions

- Strict labor laws, restrictions on strikes, and bureaucratic hurdles limit the operational freedom of unions.

c. Impact of Globalization

- Increased outsourcing and automation reduce union influence over employment terms.
- Competition from international markets forces employers to cut costs, often at the expense of labor conditions.

d. Informal Sector Challenges

- A significant portion of the workforce in many countries is in the informal sector, which is difficult to unionize due to lack of formal contracts and organization.

4. Socio-Cultural Issues

a. Lack of Awareness

- Many workers, especially in rural and informal sectors, are unaware of their rights and the benefits of union membership.

b. Gender Inequality

- Women workers often face marginalization within unions and lack representation in leadership roles.

c. Stigma Against Unions

- Negative perceptions of unions as disruptive or politically motivated deter membership and support.

5. Legal and Administrative Challenges

a. Cumbersome Registration Process

- The process of registering a union can be bureaucratic and time-consuming.

b. Legal Restrictions on Strikes

- Many governments impose severe restrictions on strikes, making it difficult for unions to protest effectively.

c. Weak Enforcement of Labor Laws

- Even where labor laws exist, enforcement mechanisms are often weak or biased toward employers.

6. Challenges Due to the Gig Economy

- Growth of freelancing, contractual work, and platform-based jobs makes it hard to unionize workers with diverse and scattered roles.
- Lack of formal employer-employee relationships in gig work reduces traditional union relevance.

7. Technological Advancements

- Automation and artificial intelligence are reducing traditional jobs, diminishing the role of unions in certain sectors.
- Technological surveillance tools are sometimes used by employers to suppress union activities.

Strategies to Overcome Challenges

1. **Internal Reforms:**

- Improve leadership training and financial management.
- Promote inclusivity and better communication with members.

2. **Modernization:**

- Adapt to technological changes and include gig and informal sector workers.
- Use digital platforms for member outreach and advocacy.

3. **Collaboration:**

- Unite fragmented unions to strengthen collective bargaining.
- Partner with international labor organizations for better support and resources.

4. **Legal Advocacy:**

- Campaign for favorable labor law reforms.
- Seek judicial intervention against unfair employer practices.

ISSUES IN TU – CENTRAL TRADE UNION ORGANISATION IN INDIA:

Trade unions in India, including the Central Trade Union Organisations (CTUOs), face several challenges. These issues stem from economic changes, political influences, and structural constraints. Here's an overview:

1. Key Issues in Trade Unions

a. Fragmentation and Rivalry

- Multiple trade unions often exist within the same organization or industry, leading to fragmentation and inter-union rivalry.
- Competition among unions weakens collective bargaining power.

b. Political Influence

- Many trade unions are affiliated with political parties, leading to politicization of union activities.
- Political interests often overshadow workers' genuine concerns.

c. Decline in Membership

- Growth of informal employment and contract labor has reduced the membership base of traditional unions.
- Many workers in the gig and informal economy remain unorganized.

d. Ineffectiveness in the Informal Sector

- Over 90% of India's workforce is in the informal sector, which remains largely outside the purview of unions.
- Existing trade unions have limited resources and reach to organize informal workers.

e. Legal and Regulatory Challenges

- Complex labor laws and procedural delays hinder effective functioning of unions.
- Some provisions of labor reforms are perceived as weakening workers' rights.

f. Employer Resistance

- Employers often resist unionization by adopting anti-union tactics such as union busting or discouraging membership.

g. Globalization and Automation

- Increased globalization and automation have led to job insecurity, making it harder for unions to secure stable employment for members.
- Structural shifts toward contract and gig work reduce permanent employment opportunities.

2. Central Trade Union Organizations (CTUOs) in India

There are **12 recognized Central Trade Union Organisations** in India, each representing workers at the national level. The major ones include:

a. Indian National Trade Union Congress (INTUC)

- Affiliated with the Indian National Congress.
- Focuses on workers' rights and welfare.

b. Bharatiya Mazdoor Sangh (BMS)

- Associated with the Rashtriya Swayamsevak Sangh (RSS).
- Advocates for non-political trade unionism.

c. All India Trade Union Congress (AITUC)

- Linked to the Communist Party of India (CPI).
- One of the oldest trade unions, advocating socialism.

d. Centre of Indian Trade Unions (CITU)

- Affiliated with the Communist Party of India (Marxist).
- Known for its focus on leftist ideology.

e. Hind Mazdoor Sabha (HMS)

- Independent and socialist in ideology.

f. Self-Employed Women's Association (SEWA)

- Focuses on women workers in the informal sector.

CHALLENGES FACED BY CTUOS

1. **Overlapping Functions:** Lack of coordination among CTUOs often leads to duplication of efforts.
2. **Declining Relevance:** Inadequate response to new-age labor issues such as gig work, remote work, and tech-driven industries.
3. **Policy Advocacy:** Struggles to influence government policies effectively in favor of workers.
4. **Youth Representation:** Limited engagement with younger workers and new-age industries.

STEPS FOR IMPROVEMENT

- Promote unity among trade unions to enhance collective bargaining power.
- Focus on organizing informal and gig economy workers.
- Modernize union strategies to address challenges posed by technology and globalization.
- Engage with government and employers to streamline labor reforms.
- Encourage non-political, worker-centered unionism for broader representation.

By addressing these issues, trade unions can regain relevance and effectively protect workers' rights in the changing economic landscape.

EMPLOYERS ORGANIZATION:

Employers' organizations (EOs), comprising business enterprises, are key actors in industrial relations. EOs are primarily concerned with matters relating to a wide range of employment issues including industrial relations. In India, the All India Organization of Indian Employers (AIOE) and Council of Indian Employers (CIE) are the umbrella organizations for Indian employers. Chambers of commerce and trade, industry associations, and representative organizations of the public sector are all members of these EOs.

Employers' organizations are formal groups of employers set up to defend, represent, or advise affiliated employers and to strengthen their position in society at large with respect to labour matters as distinct from economic matters'. They may make collective agreements but that is not a formal rule and cannot be an element of their definition. Unlike trade unions, which are composed of individual persons, employers' organizations are composed of enterprises. The legal definition of a trade union applies to them (Oechshin 1990). The Trade Union Act, 1926, includes in its purview associations of both workers and employers. Several employers' organizations in India are registered under the Trade Unions Act, 1926.

Employers' organizations are mainly concerned with matters relating to a wide range of employment issues including industrial relations. Chambers of commerce are usually set up to defend the economic interests of employers. However, in some countries such as the U.K., Norway, and Jordan, for instance, the same organization deals with both employers' and employees' interests. For example, in India, the Confederation of Indian Industries (till 1991 it was a sectoral association mainly confined to the engineering industry) and the United Planters' Association of South India undertook a combined role of defending the interests of employers in both economic and labour matters.

AIMS AND OBJECTIVES

The main aims and objectives of all EOs are similar though they may vary to some extent in matters of detail.

- A) AIOE (All India Organization of Indian Employers):** The principal objective of the AIOE is to guide employers so as to maintain harmonious industrial relations. However, the first objective listed in its rules and regulations reads as follows: 'To take all steps which may be necessary to promote and protect the development of industry, trade, and commerce of India'.

The same point was emphasized differently in the list of objectives, which include the following:

- to take all steps which may be necessary for promoting, supporting, or opposing legislative and other measures affecting or likely to affect directly or in directly, industry, trade and commerce in general, or particular interest
- to take all possible steps for counteracting activities inimical to industry, trade, and commerce of the country
- to promote and protect the interests of employers engaged in industry, trade, and commerce in India



The principal objectives relating to the industrial relations aspects include:

- to encourage the formation of EOs and to foster cooperation between EOs in India and abroad
- to nominate delegates and advisers, etc., representing Indian employers at the International Labor Conference, International Chamber of Commerce, and other conferences and committees affecting the interests of trade, commerce, and industry, whether as employers or otherwise
- to promote and support all well-considered schemes for the general uplift of the labor and to take all steps to establish harmonious relations between capital and labor
- to educate the public with regard to the character, scope, importance, and needs of industry, trade, and commerce represented by the members

The rules and regulations of the AIOE thus seem to support trade-related activities as well, though the preoccupation of the AIOE has always been in influencing labor policy and legislation and disseminating information and news to members.

- B. EFI(Employers' Federation of India) :** The main objectives of the EFI as embodied in its constitution are as follows:

- to regulate the relations between employers and workers
- to promote and protect the legitimate interests of employers engaged in industries, trade, and commerce
- to maintain harmonious relations between managements and labour and to initiate and support all properly considered schemes that would increase productivity and at the same time guarantee to labour a fair share of the increased return
- to collect and disseminate information affecting employers and to advise members on their employer-employee relations and other ancillary aspects



Although consideration of broad economic problems is not excluded from its purview, the EFI usually likes to reserve commercial questions such as customs and taxation for chambers of commerce.

C. SCOPE (Standing Conference of Public Enterprises): The objectives of SCOPE cover a wider ambit:

‘SCOPE looks upon its tasks as both internal and external to the public sector. Internally, it would endeavour to assist the public sector in such ways as would help improve its total performance. Externally, it would help improve its total boundary and the Government as would generally help the public sector in its role.’



LEGAL STATUS

Employers' organizations could be registered in any of the following legal forms:

- The Trade Unions Act, 1926;•
- The Indian Companies Act, 1956/ Companies Act 2013; or•
- the Societies Act, 1860.•

AIOE remained a registered body till 1969, when it was registered under the Trade Unions Act. The EFI came into being in March 1933 as a company under the Indian Companies Act. A quarter century later, it was reorganized as an unregistered Association, a position which continued till 1963, when it too was registered under the Indian Trade Unions Act. The main reason for the AIOE opting for registration under the Trade Union Act was to allow it to take up test cases before the courts and industrial tribunals. In the case of EFI, the motivation was to overcome the burden of income tax on its steadily rising income and surplus. SCOPE, however, continues to be registered under the Societies Act.

AMALGAMATION OF EOs

During the pre-independence industry, trade and employer associations were divided on the basis of indigenous vs foreign, large vs small, and, to an extent, on regional basis. After independence, the indigenous private industrialists began to train their guns against the public sector, which had witnessed a rapid growth (at least until the 1990s, when the era of privatization started). The small and medium sectors have formed their own associations. There is also a plethora of sectoral associations. With the proliferation of EOs, the need for their unification began to find expression. After several initiatives and meetings, it was in 1956 that a super structure called the Council of Indian Employers (CIE) was formed to bring AIOE and EFI, the two national-level EOs, together under one umbrella.

COUNCIL OF INDIAN EMPLOYERS (CIE):



The main objective in setting up the CIE was to ensure closer co-operation and coordination between the two bodies, which together represent particularly the interests of large-scale industry in India. In the year 1973, SCOPE joined CIE. CIE, with its headquarters in the office of the AIOE in Delhi, consists of equal number of representatives of AIOE, EFI, and SCOPE. Its principal functions are as follows:

- to discuss the general problems confronting Indian employers, with particular reference to matters coming up before the ILO conferences and various industrial committees, and to formulate, from time to time, the policy and attitude of Indian employers in the matter of collaboration with employers of other countries
- to furnish and exchange information on problems relating to industrial relations with employers of other countries
- to maintain close contacts with the International Organization of Employers (IOE) with a view to study international trends in the employer-employee relations and to keep the two parties informed of such matters
- to select the personnel for the Indian employers' delegations to the various conferences and committees of the ILO

On behalf of the three organizations, the CIE also submits representations to the Government of India on matters involving important issues of labour policy on which a common approach is desired. Under the Constitution of the ILO, its member countries (India is a founding member of the ILO since its inception in 1919) should accord recognition to the most representative organizations of unions and employers. The CIE is the organization which represents the Indian employers.

INTERNATIONAL ORGANIZATION OF EMPLOYERS (IOE):

Founded in 1920, the International Organization of Employers (IOE), with headquarters in Geneva, is the only world organization authoritatively representing the interests of employers of the free world in all social and labour matters at the international level. As of June 2001, it has a membership of EOs in 104 countries. One of the main tasks of IOE is to closely follow the activities of the ILO where, under its consultative status, it strives to preserve the principle of tripartism— according to which employers and workers are represented at all major ILO meetings on an equal footing with governments, from whom they enjoy complete independence at all times, notably when it comes to voting. The IOE also acts as secretariat to the employer groups at almost all of its tripartite meetings and ensures continuous liaison with its members, worldwide; IOE membership is open to any national central federation of employers upholding the principles of free enterprise, which is independent of any control or interference from governmental authority or any outside body and whose membership is composed exclusively of employers. The Council of Indian Employers is a member of the IOE.



International Organization
of Employers

MEMBERSHIP, STRUCTURE, AND MANAGEMENT OF EOS

A. Membership: As in most countries, in India too membership in EOs is voluntary. The AIOE has two categories of members: individual (enterprise) and association (group of enterprises). The EFI additionally has provision for honorary membership whereby individuals with special skill or experience, such as legal luminaries or professionals, are co-opted to serve on various committees of the federation. While the predominantly private sector EOs do not bar public sector enterprises from becoming members, and rather welcome their entry and indeed have a few, SCOPE remains an EO exclusively for the public-sector enterprises, especially those in the central sphere.

In 1986, 648 EOs were registered under the Trade Union Act. Of these, however, only 98 submitted returns. Several more were registered under the Companies Act and the Societies Registration Act, 1860 whose number is not known. The definition of an EO under these three legal forms is much wider than the meaning assigned to EO in the ILO parlance and include industry' associations, chambers of commerce, etc., at various levels including national, regional, state, local, etc.

In 2000, AIOE and EFI had 59 and 27 association members and 30 and 172 individual members (enterprises), respectively. Some members in both the categories are common for AIOE and EFI. Between 1986 and 2000 the association membership grew marginally but individual membership declined. The representative character of AIOE and EFI, even with regard to the large industry, is rather limited. On the other hand, SCOPE is the most representative organization for the public enterprises in the central sphere (i.e., those established by the central government) with over 95% of them being members of SCOPE.

B. Structure: The AIOE has a unitary type of organization. It has no sub-organization on an industrial or geographical basis. Even though there are important clusters of members in Calcutta and Mumbai, there has been no attempt to create local committees or offices. The EFI, however, has federal type of organization structure with its activities distributed over a central body and the regional committees. Both AIOE and EFI have a governing body, executive committee, and secretariat. The governing body is the supreme policy-making body,

the executive committee is responsible for implementing the policies and objectives of the organization, and the secretariat with permanent staff, is responsible for carrying out the decisions of the governing body. There is greater continuity in the leadership of EFI than of AIOE. The EFI had only four presidents in over 50 years. The AIOE, which used to elect a new president every two years, is now electing a new president every year. The EFI constitution provides for setting special technical committees if the need arises to provide special attention on any subject.

SCOPE has two administrative organs, the Governing Council and the Executive Board, besides the Secretariat with permanent staff. The Governing Council lays down policy and elects office bearers, the Executive Board oversees policy implementation. The Chief Executive of a member enterprise/organization shall automatically be a member of the Governing Council. Additionally, it has three government representatives nominated by the Director-General, Department of Public Enterprises, as ex-officio members of the Governing Council with full voting rights.

C. Finances: Employers' organizations are referred to as rich men's poor clubs. The EFI's balance sheet for 1999- 2000 shows an income of Rs 24 lakh and that of AIOE Rs 5 lakh approximately. Nearly half of the income of EFI and one-fourth of the income of AIOE are from membership subscriptions. Other incomes include interest on corpus/ deposits, conferences, publications, etc. Excessive dependence on income from subscription makes EOs financially vulnerable. The surest way for them to raise funds is to upgrade the quality, relevance, and usefulness of services to their members and other constituents, including the community.

D. Representation: Employers' organizations in India play two types of roles in representing the interests of their members. First, they nominate representatives of employers in voluntary or statutory bodies set up not only to determine wages and conditions of employment of workers in a particular industry/sector, but also for consultation and cooperation on social and labour matters in the national and global context (see list below). Secondly, they seek to redress the grievances of employers against legislative or other measures by making submissions to the concerned authorities. They also play the significant role of representing the interests of employers in the ILO, various committees/institutions, and various bipartite and tripartite fora at the national level and on various issues such as legislation, voluntary codes, social security, bonus, etc. (Venkata Ratnam 1989).

List of Organizations representing Employers at the National Level

- National Council for Vocational Training
- Employers' State Insurance Corporation
- Employers Provident Fund Committee
- Indian Labor Conference
- Labor Advisory Council
- National Productivity Council
- National Safety Council
- Standing Labor Committee
- VV Giri National Labor Institute

E. Services: The real worth of an EO and the best justification for its support is the range of services that it provides to its members. Within the overall framework of the need to develop enlightened human resource management practices, the kind and range of services that an EO could provide should rest mainly on the needs

Autonomous Institute (by UGC, Govt. of India as per Clause 7.4)

of the members and their priorities as also the resources and competence within the leadership and secretariat of the EO. Some of the basic services that every EO may be expected to provide include

- study and analysis of problems and dissemination of information—advice, advocacy, dispute settlement, and guidance or conduct of collective bargaining (In India, this role is voluntary and at the initiative and request of the members.);
- training and development of staff and members;
- safety and health at workplace and working environment; and
- public image and public relations.

F. Relations: In the course of exercise of their functions, EOs interact with the three principal actors—employers (who are their members), government, and unions. Traditionally, employers are individualistic in nature and competitive considerations affect their ability to confederate as a cohesive entity. Employers want individual discretion rather than taking a collective, unified stand for a good policy. This attitude influenced their orientation towards relations with governments. Individual office bearers would like to cultivate personalized relations with government functionaries than institutionalize the interactions. The relations with unions are typically adversarial and interactions are occasional, which are not usually founded on the realization of the importance of a continuous dialogue and discussion to develop rapport and mutual trust.

Employers' organizations also interact with political parties, professional organizations, and the community. Relations with political parties assume significance even if EOs choose to remain avowedly apolitical. The presence of professional organizations makes it imperative to see whether these organizations of managers are similar or dissimilar to those of employers. In the present context of large, modern corporations, the employers' dependence on professional managers has increased. Likewise, the professionals and professional bodies draw their sustenance, to a large extent, from employers

International Environmental Factors/External Factors

- globalization of corporations, knowledge, products, consumers, and communication
- growing competition within and across countries, amongst domestic companies, and between domestic and transnational companies
- link between international trade and international labour standards and parallel efforts to secure labour market flexibility through relaxation of labour laws and standards for stimulating investment, both domestic and foreign
- speedy flow of information, capital, and innovation throughout the world
- rising expectations of all stakeholders
- easy access to the best and the least expensive products and services, worldwide
- rapid pace of change ('If the rate of change in our organization/society is slower than the rate of change outside the organization/society, we will be led by others.')
- faster response time (As Smajda of the World Economic Forum states, The days of big fish eating small fish are over. It is the fast fish which swallows the small fish.)
- growing socio-economic inequity.

Case Study: Trade Unionism and Industrial Relations in India – The Air India Employees' Union Conflict

Trade unionism has long played a critical role in shaping industrial relations in India. The roots of India's **labour movement** can be traced back to the early 20th century when industrialization brought about new forms of employment, long working hours, and poor working conditions. Workers began organizing themselves to demand fair wages, reasonable hours, and safe environments, leading to the birth of trade unions. Over time, these unions became essential stakeholders in industrial relations, representing employees' voices and negotiating on their behalf with employers and the government.

A striking example of the complexities and evolution of trade unionism in India is the **Air India Employees' Union conflict**, which highlights the struggles, functions, and limitations of trade unions in a rapidly changing economic environment. **Air India**, the national carrier of India, once symbolized national pride and government-backed job security. However, with the onset of liberalization, privatization, and globalization in the 1990s, the aviation sector faced increased competition, efficiency pressures, and financial losses. These developments strained the company's relationship with its multiple trade unions and exposed deep challenges in maintaining effective industrial relations.

Historically, Air India had more than **eight registered trade unions**, including the **Air Corporation Employees Union (ACEU)**, **Indian Pilots Guild (IPG)**, and **All India Cabin Crew Association (AICCA)**. Each represented a specific group of employees such as ground staff, engineers, pilots, or cabin crew. This **fragmentation** of unions led to conflicting interests, weak collective action, and frequent disputes. While the management emphasized modernization, cost control, and performance-linked pay, unions resisted any move that threatened existing job structures, benefits, or seniority.

The tensions reached their peak during the **Air India–Indian Airlines merger in 2007**, aimed at improving operational efficiency. Instead, the merger resulted in overlapping roles, pay disparities, and insecurity among employees. Pilots from the two former entities clashed over seniority lists and promotion rights. The **Indian Pilots Guild (representing Air India pilots)** and the **Indian Commercial Pilots Association (representing Indian Airlines pilots)** both demanded preferential treatment, leading to strikes that crippled operations. Thousands of passengers were affected, and the airline suffered severe financial losses.

From an **industrial relations perspective**, the Air India case highlights the interplay of multiple **theoretical approaches**. The **unitary perspective**, where management sees the organization as a team with shared goals, failed because of mistrust and conflicting interests. The **pluralist perspective** was evident, as multiple unions pursued diverse objectives, requiring effective negotiation and mediation. The **Marxist perspective** also applies, as workers viewed management's restructuring policies as capitalist strategies to cut costs at the expense of labor welfare.

Under the **Trade Unions Act, 1926**, all unions in Air India were legally registered, granting them recognition, the right to collect membership fees, and to represent employees in negotiations. The Act also provides unions with certain **immunities** — for instance, protection from civil or criminal liability during lawful strikes and protection of trade union funds from being used for non-union purposes.

Unions are allowed to maintain **separate funds** for welfare, education, or political activities, provided they adhere to legal auditing and reporting standards.

However, the Air India case revealed several **problems of trade unions in India**. First, **political interference** was rampant — many unions were affiliated with national political parties such as the Indian National Trade Union Congress (INTUC), Centre of Indian Trade Unions (CITU), and Bharatiya Mazdoor Sangh (BMS). This politicization often shifted the focus from employee welfare to ideological battles. Second, **multiplicity of unions** weakened the collective bargaining process, allowing management to exploit divisions. Third, **declining membership** and **lack of young leadership** reduced union effectiveness, particularly in an industry increasingly reliant on technology and contract workers.

In 2011 and 2012, a series of **pilot strikes** by the Indian Pilots Guild resulted in large-scale flight cancellations. The government invoked the **Essential Services Maintenance Act (ESMA)** to ban the strikes, citing disruption of critical services. This exposed the limitations of trade union power in state-controlled enterprises. The conflict also revealed the weaknesses in the **employers' organization** — Air India's management struggled to negotiate effectively, lacked consistency in communication, and failed to implement fair HR policies that could balance efficiency with employee welfare.

The case also demonstrates the role of **central trade union organizations in India**, such as INTUC, AITUC, CITU, and BMS, which provide broader representation to sectoral unions at the national level. While these central bodies have historically contributed to labor law reforms and workers' rights, their influence has waned due to globalization, privatization, and the rise of contractual employment.

In the aftermath of prolonged disputes, Air India's management introduced new strategies for industrial relations. These included **joint consultative forums**, **grievance redressal mechanisms**, and **employee communication programs** to build trust and transparency. Despite these efforts, the long-standing mistrust and overlapping union interests continued to hamper industrial harmony. Ultimately, the **privatization of Air India in 2021**, with its acquisition by the **Tata Group**, marked the beginning of a new era in its industrial relations. The Tata management sought to rebuild the company with a modern HRM approach — encouraging collaboration, performance incentives, and retraining — signaling a shift from traditional trade unionism toward professionalized employee relations.

The Air India case vividly reflects the **development of trade unionism in India**, from early labor movements focused on rights and welfare to modern challenges involving restructuring, competition, and privatization. It illustrates the **functions of trade unions** — collective bargaining, protection of workers, dispute resolution, and welfare promotion — as well as their **problems** such as multiplicity, political influence, and lack of modernization. It also shows how the **legal framework of registration, funds, and immunities** under the Trade Unions Act, 1926, while essential, cannot alone guarantee effective industrial harmony. Trade union success depends on unity, responsible leadership, and adaptability to economic realities.

In conclusion, the Air India Employees' Union conflict highlights the critical link between **trade unionism and industrial relations**. It shows that sustainable industrial peace requires cooperation among unions, employers, and government, guided by mutual respect and a shared vision for progress. The evolution from adversarial unionism to participatory employee relations remains key to ensuring both **worker welfare** and **organizational competitiveness** in the modern industrial landscape.

Discussion Questions

1. What were the key causes of conflict between the Air India management and trade unions?
2. How did the multiplicity of unions affect collective bargaining and industrial relations at Air India?
3. Discuss how political affiliations influenced trade union functioning in this case.
4. How does the Trade Unions Act, 1926, provide for registration, funds, and immunities of trade unions?
5. In what ways did the Air India merger reveal the limitations of traditional trade unionism in a globalized industry?
6. What reforms could strengthen trade union effectiveness in India's modern, privatized sectors?
7. How can employers' organizations and trade unions cooperate to promote industrial harmony?