

Department of Commerce (CA)

CLASS : II B.Com. (CA)

SEMESTER : 4

Human Resource Management (18BCA45A)

UNIT 4

Labour relations - Functions of Trade Union -

Forms of collective bargaining - workers

participation in management - Industrial
Disputes and Settlement (laws excluded)

Reference Book

Human Resource Management

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UNIT 4

LABOUR RELATIONS

Meaning

It is the process of management dealing with one or more unions with a view to have industrial peace and good labour relationship

Features:

- ① It arises from the employment relationship between management and workers
- ② It involves both conflicts and cooperation between management and workers
- ③ It focuses on minimising conflicts
- ④ The Components are employees, trade unions organisation and Government
- ⑤ It studies Government rules and regulation
- ⑥ It studies conditions needed for conducive labour management

Objectives

- ① To foster harmonious relationship
- ② To protect the interest of management & staff
- ③ To avoid industrial conflicts
- ④ To reduce employee turnover
- ⑤ To promote industrial democracy
- ⑥ To create sense of ownership among workers

Factors influencing Industrial Relation

- ① Outlook, attitude and approach of top management
- ② Attitude and approach of trade union
- ③ Approach of workers towards trade union
- ④ Industrial relationship policy of organisation
- ⑤ Enforcement of labour laws
- ⑥ Compensation benefits
- ⑦ Working conditions
- ⑧ Work culture in the organisation
- ⑨ Education and economic status of workers
- ⑩ Attitude and approach of supervisors.

Importance of Labour Relations

1. Continuity of production
2. Optimal resource utilisation
3. Stability of employment
4. Industrial peace
5. Improved morale
6. Unity of interest
7. Improved efficiency
8. Positive attitude
9. Promotes national development

TRADE UNION

Meaning

A trade union is a continuous association of workers which is formed with the purpose of protecting the interest of workers.

Principles of Trade Union

1. Unity
2. Equality
3. Security

Characteristics

1. Association
2. Voluntary Association
3. Continuous Association
4. Collective Strength
5. Collective Strength
6. Includes federation
6. Agreement through negotiation
7. Protect common worker interest

Functions of Trade Union

1. To Improve co-operation among workers
2. Ensuring job security
3. obtaining better benefits
4. Ensuring social security
5. Improving work environment
6. Better safety to workers
7. Secure better position for workers

8. Ensure better treatment
9. Negotiation
10. Provide legal assistance
11. Influencing the government
12. Redressal of grievances
13. To safeguard interest of workers
14. Counselling workers and management
15. Improve overall welfare
16. Promoting industrial peace

Measures to increase Trade Union effectiveness

1. Increased ownership
2. Higher membership fees.
3. Clear and specific objectives
4. By and for the members
5. Practical approach
6. Motto of worker's welfare
7. Constructive outlook
8. Avoiding political interference
9. Avoiding membership in many trade unions
10. Contributing to national interest.

Problems of trade Union

1. Outside leadership
2. Multiplicity of trade Unions
3. Rivalry among unions
4. Poor finance
5. Low awareness
6. Lack of balanced growth
7. Low membership
8. Lack of worker's unity
9. Disinterest of workers
10. Lack of paid office bearers
11. Indifferent attitude of employers
12. Ineffective leadership.

COLLECTIVE BARGAINING

Meaning

It is a process in which employees act as a group in seeking to shape conditions and relationships in their employment

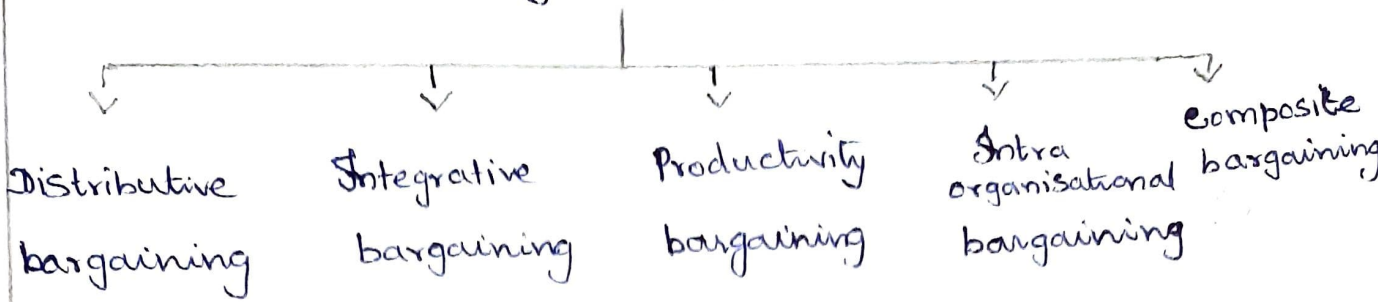
Features

1. Group activity
2. On going process
3. Bipartite activity
4. Complementary process
5. Voluntary
6. Based on negotiations
7. Flexible in nature
8. Dynamic
9. Mutual interest
10. Democratic process
11. Builds and improves relationship

Objectives

1. Protection of Interest
2. Resolve problems
3. Prevent Conflicts
4. Better relations
5. Industrial peace
6. Improved productivity
7. Prevents arbitrary actions
8. Avoids third party intervention
9. Promotes industrial democracy

Forms or Types of Collective Bargaining



Process of Collective Bargaining

1. Problem Identification
2. Data collection
3. Selection of Negotiators
4. Bargaining
5. Agreement
6. Enforcement of agreement

Industrial Disputes and Settlements

Meaning

These are conflicts or unrest arising between workers and employers, workers and workers or between employers and employers.

To become an industrial dispute

① There must be a dispute between workers and workers or workers and employers and employers

- ② The dispute must affect large number of people
- ③ The parties involved should have direct interest
- ④ The dispute must be taken by trade union or by a substantial number of workers

Forms of Industrial disputes Pg 23-24

- | | | |
|--------------|--------------|------------|
| 1. Strikes | 2. Lock outs | 3. Gheraos |
| 4. Picketing | 5. Boycotts | 6. Goslow |

Types of Strikes

- | | |
|---------------------|-----------------------|
| 1. Economic Strike | 2. Sympathetic Strike |
| 3. General Strike | 4. Sit down Strike |
| 5. Slow down Strike | 6. Hunger Strike |
| 7. Wild cat strike | |

Causes for Industrial Disputes

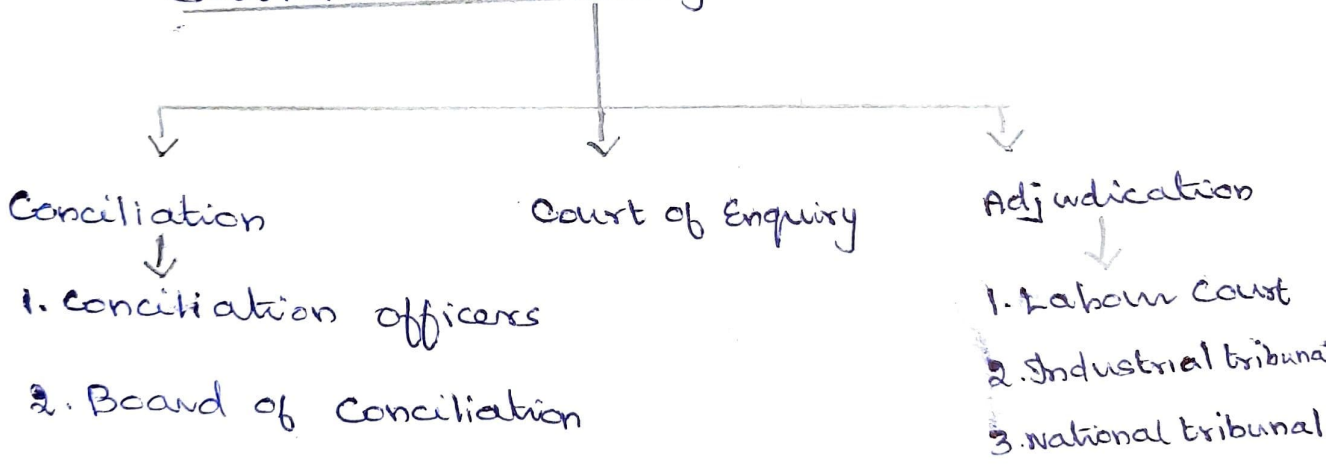
- ↓
- Economic Causes
1. Wages
 2. Bonus
 3. Dearness allowance
 4. Working condition
 5. Working hours
 6. Leave & holidays
 7. Bonus
 8. Provident fund
 9. Gratuity

- ↓
- Non-economic causes
1. Non recognition of trade union
 2. Harsh approach
 3. Automation
 4. Computerisation
 5. Poor Communication
 6. Withdrawal of benefits
 7. Political reasons

Machinery for settlement of disputes Pg 2/3. 6

1. Strong trade Union
2. Collective Bargaining
3. Joint consultation
 - ↳ Works Committee
 - ↳ Joint Management Council
4. Standing orders
5. Grievance procedure
6. Workers participation in management

Settlement machinery for Industrial Disputes



Recognition of Participation

It is an arrangement in which workers are involved in the decision making process.

Objectives of participation

1. To provide an opportunity to workers
2. To fully utilise employee capabilities
3. To satisfy the psychological needs of workers
4. To improve quality and productivity
5. To ensure mutual understanding
6. To encourage open and free communication
7. To encourage better discipline
8. To motivate workers for innovation
9. To maintain industrial peace
10. To improve loyalty and commitment
11. To create healthy atmosphere

Factors influencing workers participation

1. Competition
2. Focus on quality
3. Emergence of service sector
4. Trade union strength
5. Power of trade union
6. Management attitude
7. Labour regulation
8. Government
9. Communication system

Forms of Workers participation

1. Collective Bargaining
2. Works Committee
3. Joint Management Councils
4. Board Representation
5. Profit Sharing plans
6. ESOP's
7. Suggestion Schemes

Levels of participation

1. Informative participation
2. Consultative participation
3. Associative participation
4. Administrative participation
5. Decisive participation

Essentials for effective participation

1. Top management support.
2. Clarity in goals
3. Recognition of trade union
4. Available information
5. Fair treatment to employees
6. Adequate freedom
7. Frequent meetings
8. Better relations
9. Workers' training
10. Mutual Trust