XL Technologies

Industrial Dispute Act 1947

Mohammad Kashif



Introduction

Industrial Dispute Act, 1947 Come into force on 1st April 1947 and extends to the whole of India. It enables just and equitable settlement of disputes by negotiations, conciliations, mediation, arbitration, adjudication.

It denounces strikes and lockouts. An Industrial Dispute refers to any sort of disagreement or conflict that arises between employer and employee due to difference of opinions on the terms of employment.

History

1.) Employer and workmen Dispute Act, 1860

Magistrate has power to settlement for wages dispute related to wages for Railways & Other Public workers Breach of Contract was deem Criminal Offence.

2.) Rule 81 of defense of India Rules, 1942

Certain emergency rules to

- To prohibited Strike & Lockout unless reasonable notice
 To refer dispute to Conciliation & Adjudication
 Employer follows their terms and condition to reduce the
- disputes

AGE 02

- •To Enforce decision of Adjudication
- Cannot strike between 14 days after giving the notice.
 No Strike during the pendency of conciliation & Adjudication

3.) Industrial Dispute Act 1947

•Added main provision of rules 81 in this act•Dispute means any dispute related work.

🕨 Objective

•Maintain harmony and good relation between employer and

employee

- Handle dispute, prevent illegal
 strikes, collective bargaining, relief
 to workmen
- •To provide just and equitable
 settlement of disputes by
 negotiation, conciliation,
 mediation, arbitration,
 adjudication.

03

Definition

PAGE 04

* Appropriate Government	*Collective Bargaining		Under the authority of the Central Government
* Arbitrator	❖ Lock-out & Strike		A dock Labour Board (the Dock Workers (Regulation of Employment) Act, 1948)
* Average Pay	✤ Retrenchment		Industrial Finance Corporation of India (Registered under the Companies Act, 1956)
✤Employee & Employer	✤Public Utility Service		 The Board of Trustee of Coal Mines PF & Miscellaneous A 1948 Indian Airlines, LIC , ESIC
*Industrial Dispute	Unfair Labour Practices		 The Central Warehousing Corporation established (the
*Code of Discipline	* Award		Warehousing Corporations Act, 1962) The Unit Trust of India established
*Tripartite Machinery	Average Pay		 The Food Corporation of India established Board of Management established for two or more
*Workers Participation	*Conciliation Officer		 contiguous States Regional Rural Bank established Export Credit and Guarantee Corporation Limited
*Adjudication	*Work Committee	R	 Industrial Reconstruction Bank of India Limited The National Housing Bank established (the National
	*Settlement		Housing Bank Act, 1987) Air Transport Service
			 Banking or Insurance Company Mine. Oil-Field, A Cantonment Board Major Port, Air India
			♦ Oil & Natural Gas

Appropriate Government

f India (Registered under			
nes PF & Miscellaneous Act			
arantee Corporation ration established (the			
62) ed			
stablished ed for two or more			
poration Limited			
of India Limited blished (the National			
oard	GE OS		
	BAG		

Award

Means an Interim or a final Determination of any Industrial Dispute

• Given by any Labour court, Industrial Tribunal or National Industrial Tribunal and Include an arbitration award.

Employer

Industry under Central or State Government (Authority or if no authority then Head of Department) Local authority (Chief Executive Officer)

Independent Person

A person shall be deemed to be "Independent" for the purpose of his appointment as the chairman or other member of a Board, Court or Tribunal, if he is unconnected with the industria dispute referred to such Board, Court or Tribuna or with any industry directly affected by such dispute;

Industry

- 1. Any business undertaking Trade, Manufacturing or calling of employers including any calling, service, employment, handicraft, or industrial occupation or avocation of worker.
- 2. Includes **municipality**, **educational inst.** runned by municipal co-operation.
- 3. Do not include hospital runned by govt.

Industrial Dispute

- - Workmen & Workmen
- **Connected with**
 - *****Employment
 - *Non-employment
 - *****Terms of The Employment
 - Condition of Employment

07

PAGE (

Settlement

- •A settlement arrived in the course of the conciliation process Includes written agreement
- Signed by both parties
- Copy to be sent to an officer authorized in this behalf by the appropriate govt and conciliation officer .

Workmen

- Any person employed in industry (Including Apprentice)
- To do Manual, Unskilled, Skilled, Technical, Operational, Clerical or Supervisory Work
- For hire or reward, whether the terms of employment be **expressed or implied**
- Includes any person dismissed, discharged or retrenched Does Not Include: Police, Army, Navy Force, Any Employees of Prison, Managerial or Administrative Capacity, in Supervisory Capacity earning more than Rs. 10000 monthly

Retrenchment

Do not applicable to

- 1. Voluntary Retirement of worker on reaching age of Superannuation.
- 2. Termination of the service, or Non-Renewal or Expiry of Contact
- 3. Termination due to continued ill health.

Retrenchment compensation is eligible for **15 days wages for every** completed years or part in excess of six months. (240 Day WD in Year) Retrenched workmen given preference for reemployment and given intimation to workman or union **10 days before filling up the vacancy**.

Strike

- A cessation of the work by a body of person employed in any industry acting in combination
- Or a concerted refusal, or a refusal under common understanding Of any number of persons who are or have been so employed to continue to work or to accept employment

Type of Strike

- Stay-in/Sit down/Pen down/ Tool Down strike Sitting on their seats but refuse to work and present in Office.
- 2. Go Slow Strike Do not completely stop work but slow down the speed to cause losses to the employer.
- **3.** Stay Away Strike Stay away from work place and organize rallies, demonstrations.
- 4. Token/Protest Strike Do not work for short period like hour or day
- 5. Work to rule Strike Work more than minimum requirement as mentioned in their contracts, working during intervals, weekends or extended hours which in turn lower down the productivity and efficiency of the organization
- 6. Hunger Strike Employees observe fast in order to attract attention of employer to their grievance.
- 7. Wild Cat or Lightning Strike Without the permission of Union, it is unofficial strike and responsibility of Union to stop such a strike.
- 8. Secondary Strikes Union Protest is not against the employer but third party that share a good relationship with the employer.
- Sympathetic Strike Not having any issue with their employer but they support to the employees who are sitting on strike for the some other case.

Individual is deemed to be in Industrial dispute

Employer Dismisses, Discharge, Retrenches or Terminates the individual
 A workman can go directly to Labour Court or
 Tribunal only after the expiry of 45 days from the date he has made an
 Application to Conciliation officer, if in the meantime issue is not resolved.
 Workmen should make an application within expiry of 3 years of
 Dismissal, Discharge, Retrenchment, Termination

Wages

All remuneration being expressed in terms of money, payable to workmen in respect of employment **Includes**:-

*DA

Value of house of accommodation

Supply of light, water, medical attendance, concessional rate of food grains or other amenity

Any Traveling Concession

Any Commission Payable on the promotion of sales or business or both

Do Not Includes:-

a)Any bonus b)Contribution to PF and Pension Fund c)Gratuity payable

Unfair Labour Practices

• Any unfair labour practices as prescribed in the Fifth schedule

 Some actions/practices carried out with bad faith and with purpose to harm other practices

Lay-off

• Failure, Refusal or Inability of an employer

- On account of shortage of coal, power or raw materials or the accumulation of Stock, Nature Calamity like Fire, Flood, Corona Virus
 It should be bona Fide (Good Faith) but not Mala Fide (Bad Faith).
- Any other reason to give employment to workmen whose name is borne on the muster roll of industrial development.
- ✤Workmen who has worked at least 1 years shell be eligible lay off at the rate of 50% of wages and Basic + DA for all days of lay off except weekly holiday.
- If the lay of more than 45 day it will provide only 45 days lay off.
 also lay off amount can be adjusted within Retrenchment compensation

Laid-off

Every workman who presents himself for work during normal working hours on any day and is not given employment by the employer within two hours of his so presenting himself shall be deemed to have been laid-off for that day within the meaning of this clause:

Provided that if the workman, instead of being given employment at the commencement of any shift for any day is asked to present himself for the purpose during the second half of the shift for the day and is given employment then, he shall be deemed to have been laid-off only for one-half of that day:

Provided further that if he is not given any such employment even after so presenting himself, he shall not be deemed to have been laidoff for the second half of the shift for the day and shall be entitled to full basic wages and dearness allowance for that part of the day

11

ш

PAG

Lock-out

- The Temporary closing of the place of employment
- * Suspension of work

Refusal by an employer to continue to employ any number of persons employed by them

Public Utility Service

- Any Railway or any transport for the Carriage of Passengers or Goods by air
- Any services in or in connection with working of Any Major Port or Dock
- Any section of an industrial establishment, on safety of the establishment
- Any Postal, Telegraph or Telephone service
- Any Industry which supplied power, light or water
- Any system of public conservancy and sanitation

Penalties for illegal Strikes and lockouts

workman – 1 Month, 50/- Or Both
Employer - 1 Month, 1000/- Or Both

Illegal Strike and Lockouts

1.) In Public Utility Service

Without Giving 14 days notice.
Commenced after 42 days of notice.
Prior to the date indicated in the notice.
During the pendency of proceeding.
During the period when a settlement or award is in operation on same matters.

2.) In Non Public Utility Service

In Breach of Contract.

During the pendency of Proceeding.
During settlement or award is in operation.
Both the strike and lockout will be illegal, if continued after government banning.
If not reported for attendance, no compensation.

13

PAGE

If layoff is due to strike or go slow by another section of the unit, no compensation.

Code of Discipline

It was introduced in the year 1958 and is applicable to both public and private sector enterprises.
This lay down the guidelines for worker/employees/workmen, unions and employers.
It aims to prevent dispute through negotiations without the interference of the outside agency.
There is no legal liability or punishment and it involves only moral sanctions.

It was based on the following principles

Prior and proper notice must be given before any strike or lockout.

All the parties must be consulted before the taking an action. A decision cannot be unilateral.

There should be no deliberate damage to the employer's Property.

Go slow tactic must be **avoided** and **act of violations intimidation** and **coercion** should not be resorted.

The Code is aimed at avoiding disrupting practice in the industry to stop work and maintain discipline in the industry.

It focuses on elimination all forms of in the industry in the industry and coercion and violencepromotes constructive cooperation between the involved parties.

Tripartite Machinery

It is consists of representative of the central and state governments, employers and workers.
 It was held after the 4th Labour Conference held in
 August 1942 that permanent tripartite collaboration machinery was set up
 and was known as Preliminary Labour Conference,
 which later came to be known as Indian Labour
 Conference (ILC)

These committees are advisory in nature and play a *significance role* in labour policy formulation. They help the aggrieved parties to mutually settle the disputes while fostering the spirit of cooperation and goodwill among them.

Some examples of such bodies are given below.

15

- **1.** The Indian Labour Conference (ILC)
- 2. The Standing Labour Committee (SLC)
- 3. The Committee on Conventions
- 4. The industrial Committee

The Workers Participation in Management

 As the name implies, Worker participation in management (WPM) focuses on involvement of workers by the management in the decision-making process.
 It helps to promote industrial democracy and is based on "Human Relations" approach to management.
 They can be involved in constructive, associative, administrative and decisive participation.

The form of workers participation can be though anyone of the following.

- 1. Participation at Board Level.
- 2. Participation through Ownership
- 3. Participation through Complete Control
- 4. Participation through Staff and worker counsels
- 5. Participation through Counsels and Committees
- 6. Participation through Collective Bargaining
- 7. Participation through Job Enlargement and Enrichment
- 8. Participation through Suggestion Scheme
- 9. Participation through **Quality Circles**

16

ш

G

- 10. Participation through Empowered Teams
- 11. Participation through Total Quality Management
- 12. Participation through **Financial Participation**

Collective Bargaining

ILO convention no 154 defines Collective Bargaining as all negotiations which take place between an employer, a group of employers, or one or more employer's organization and one or more worker's organizations for

Determining working conditions and terms of employment; or
 Regulating relations between employers and workers and or
 their organizations

It is a joint decision making process as worker and employers both can arrive at an amicable solution to the problem.

It is a Bipartite Process where employee and employer jointly negotiate voluntarily without any third party intervention.

These are 5 types of Collective Bargaining

- 1. Distributive (Zero Sum) by Walton Mc Kersie (Win-Loss)
- 2. Integrative (Win Win)
- Productive (Negotiating around productivity and pay
- Composite (Related to employee Welfare & Job security not related to pay. Cover factor such as Working condition, Policies, Recruitment, Dissiliency process)
- 5. Concessionary (Union giving back during an economic decline whereby job security is more important to the union then higher wages.)

USA Federal Gov - President Roosevelt

National Labour Relation Act 1935 (Wagner Act) (punishment if employer deny to bargain)

*Labor Management Relation Act 1947 (Taft-Hartley Act) (punishment if employer or employee union deny to bargain and consider it unfair labour practice)

Authorities Under this Act

Works Committee

Set up to promote dialogue between employer and employee in order to have cordial relationship.

In industrial establishment employing 100 or more workmen on any day preceding 12 months.

Appropriate govt. by general or special order require the employer to constitute works committee

Works Committee should have equal number of employee and employer Representative.

Work committee are basically advisory in nature and donor supplement or supersede unions in collective bargaining, negotiations etc.

Work committee settles disputes, maintains relations

*****ID Act Amendment 1982 - Grievance Settlement Authority for 50 or more workmen.

ID Act Amendment 2010 - Grievance Redressal Committees for 20 or more workmen.

Whitley Commission (UK 1917) - Joint Industrial Councils, Districts councils, work committees.

They should focus on

- *Administrative Welfare and fine funds.
- Educational and recreational activities
- Safety and accident prevention.

Rooms, Medical and Health Services.

Occupational diseases and protective equipment.
 Condition of work such as ventilation, Lightening
 temperature and sanitation including latrines and urinals.
 Amenities such as Drinking Water, Canteen, Dining

Conciliation Officer

These are the mediating officer appointed by Appropriate Government to mediate and settle the dispute.

Appropriate govt. by notification in the official gazette can appoint conciliation officer. Charged with the duty of mediating in and promoting the settlement of industrial disputes. Has power to summon any person or witness. Conciliation Officer may be appointed for a specified area or for specified industries in a specified area or for one or more specified industries either permanently or for a limited period. If a settlement is arrived in the course of conciliation proceeding, he shall send a Report of settlement and memorandum signed by parties to Appropriate Govt. within 14 days from commencement of proceeding. If a settlement is not arrived after the closer of the investigation, he shall send (Report failure of settlement) a full **Report** and **Steps taken** by him **ascertaining** the full statement of such facts and circumstances and the reason on account of which, in his *opinion*, a settlement could not be arrived at. If Appropriate Gov. Satisfied, refer the case to Labour Court, Tribunal or National Tribunal.

Board of conciliation

Appropriate Govt. can constitute a Board of Conciliation for promoting the settlement of an industrial dispute.

A Board shall consist of a Chairman and two or four other members (equal number of employer and employee)

Chairman shall be an Independent Person.

If any party fails to make a recommendation within the prescribed time, the Appropriate Government shall appoint such persons as it thinks fit to represent of that party.

A Board, prescribed quorum, cannot work in absence of the Chairman or any of its members or any vacancy in its number. {3=>2, 5=>3}

If Board is able to arrive at a settlement, it shares the report with AG or if not then shares the report mentioning the cause of failure.

Board gets 2 months for the submission of its report.

On the basis of report AG refers the case to Labor
 Court, Industrial Tribunal, and National Tribunal or for
 Voluntary Arbitration.

Court of Inquiry

 The Appropriate Government, constitute a Court of Inquiry, for inquiring into any matter connected with or relevant to an industrial dispute.
 A Court may consist of one independent person as

Chairman

Where a Court consists of two or more members, one of them shall be appointed as the Chairman.
A Court, having the prescribed quorum, cannot act the absence of the Chairman or any of its members or any vacancy in its number.
{2>1, 2-5=>2, 5+=>3}
Court has 6 months for submit its report.

Background

UK - Conciliation act 1896 & Industrial Courts act
 1919 - Minister to appoint court of Inquiry
 US - Taft-Hartley Act 1947 - President to Appoint
 Board of inquiry
 India - Industrial Dispute Act 1947 - Central & State
 Gov. to Constitute a court of Inquiry

21

Adjudication

This is the ultimate or last step for the dispute resolution. In case, the conciliation process fails, the government appoints a third party to resolve the matter.

Under this, the Matter may be referred to the Labour Courts, Industrial Tribunal & National Tribunal.

It is a three tire system for the resolution of Industrial Dispute.

Labour Court

Appropriate Govt. constitute one or more Labour Courts.
 for the adjudication of industrial disputes relating to any
 matter specified in the Second Schedule and performing such other functions as may be assigned to them under this act.
 A Labour Court shall consist of one person only to be appointed by the Appropriate Government.

Person is appointed as Presiding officer has following qualification.

a) Judge of High Court.

22

ш

G

- b) 3yrs experience of District Judge or Additional District Judge .
- c) Held any Judicial Office for 7 years.

d) Presiding officer of Labour Court constituted under act for 5 years .

e) Deputy Chief Labour Commissioner (central) or Joint Commissioner of State Labour department having 7 years exp of 3 years as conciliation officer.

f) Officer of Indian Legal Service in grade III for 3 years g) Chairman or any other member of Labour Appellate Tribunal for 2

g) Chairman or any other member of Labour Appellate years

Tribunals (State Level)

- The Appropriate Govt. constitute one or more Industrial Tribunals.
- For the adjudication of industrial disputes relating to any matter.
- whether specified in the Second Schedule or the Third Schedule
- ✤A Tribunal shall consist of one person only to be appointed as presiding officer.

He Has the following qualification.

a) Judge of High Court

- b) District Judge and Additional District Judge for not less than 3 yrs. .
- c) Deputy chief Labour Commissioner (central) or Joint Commissioner of State Labour Department having degree of law or experience of 7 years in Labour Department and 3 yrs experience as Conciliation Officer.

d) AG can appoint **2 persons** to **assessors to advise** the **Tribunal** in the proceeding before it.

Disqualification of Presiding officer

- He is not an independent person.
- He has attained the age of 65 years.

Case under Labour Court vs. Labour Tribunal

II Schedule (Labour Court)

- Property or legality of an order passed by an employer under the standing order
- Application and interpretation of standing order
- Discharge, dismissal of workmen,
- reinstatement of, or grant of relief of workmen wrongfully dismissed
- Withdrawal of any customary concession or privilege
- Illegality or strike or lockout
- All matters other than mentioned in III Schedule

III Schedule(Industrial Tribunal)

- Wages , period, mode of payment
- Compensatory and any other allowances
- Hours of work and rest intervals
- Leave with wages and holidays
- Bonus, profit sharing, PF, Gratuity
- Working shift, classification of grades
- Rules of discipline, rationalization
- Retrenchment of workmen , closure of establishment
- Other matters as prescribed

National Industrial Tribunals

 The Central Government, constitute one or more National Industrial Tribunals for the adjudication of industrial disputes
 Involve questions of national importance or are of such a nature that industrial establishments situated in more than one State are likely to be interested in, or affected by, such disputes.

A National Tribunal shall consist of one person only to be appointed by the Central Government

Appointed as presiding officer has experience of Judge of High Court.

Two persons as assessors to advise the National Tribunal in the proceeding before it.

Notice of change

- The ID act 1947, Stipulates that No employer will affect any change in the conditions of service in respect of any matter specified in the Fourth Schedule of this act-
- Without giving notice to the workman who is going to be affected by such change Within 21 days of giving such notice.
- AG has the power to exempt any establishment form the provision of the act, if it is considered from this provision of the act if it is considered necessary in the public interest. (Sec 9B)

Grievance Settlement Authorities

- The employer in relation to every industrial establishment in which 50 or more workmen are employed or have been employed on any day in the preceding twelve months,
- shall provide a Grievance Settlement Authority for the settlement of industrial disputes connected with an individual workman employed in the establishment.

25

PAGE

Reference of disputes to Boards, Courts or Tribunals

The appropriate Government is of opinion that any industrial dispute exists or is apprehended, it may at any time], by order in writing-

Refer the dispute to a Board for promoting a settlement thereof
 Refer any matter appearing to be connected with or relevant to the dispute, to a Court for inquiry

Refer the dispute or any matter appearing to be connected with, or relevant to, the dispute, if it relates to any matter specified in the Second Schedule, to a Labour Court for adjudication
 Refer the dispute or any matter appearing to be connected with, or relevant to, the dispute, whether it relates to any matter specified in the Second Schedule or the Third Schedule, to a Tribunal for adjudication:

Voluntary reference of disputes to arbitration

Where any **industrial dispute exists** or is **apprehended** and the **employer and the workmen agree** to **refer the dispute to arbitration**, they may, at any time before the dispute has been referred under Section 10 to a Labour Court or Tribunal or National Tribunal,

by a written agreement, refer the dispute to arbitration and the reference shall be to such person or persons (including the presiding officer of a Labour Court or Tribunal or National Tribunal) as an arbitrator or arbitrators as may be specified in the arbitration agreement.

Protection of workman during Pendency of Proceeding

The Period from which the conciliation / adjudication/ arbitration proceedings commences and conclude under Sec 20 is called period of pendency.

During the proceedings of the dispute settlement in any form such as conciliation, adjudication, Arbitration etc, no employer has the right to alter the conditions of services.

**No employer* can dismiss, punish or exploit the workman without obtaining written permission of the authority concerned. The employee may take action against the misconductors in accordance with the standing orders or the terms of the contract applicable to him; if the matter is not concerned to the dispute under consideration. The action of dismissal of or discharge, but the employer must pay the workman wages for one month. There is a category of "Protected Workman" who is given protection in the all matters, whether connected with the dispute or otherwise. *A protected workman mean a workman in an establishment, who is an officer of a registered trade union connected with the establishment, according to the rules framed under this act. The Number of such protected workman is limited to one percent of the total workman employed in an establishment subject to minimum number of 5 and maximum number of 100. An aggrieved workman about the provision of this act can make a complaint in writing in form -1 direct to the labour court, Industrial Tribunal or National Tribunal, Before whom the dispute is pending. The concerned authority after it receives the complaint shall try to mediate and adjudicate upon it as if it was a dispute referred to or pending before it. The authority may pass necessary order or award to change condition of service for taking disciplinary action during the proceedings of settlement of industrial dispute.

Cognizance of offences

- No Court shall take cognizance of any offence punishable under this Act or of the abetment of any such offence, save on complaint made by or under the authority of the appropriate Government.
- No Court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the first class, shall try any offence punishable under this Act.

Power to make rules

28

(5

The **Appropriate Government** may, subject to the condition of previous publication, **make rules** for the purpose of giving effect to the provisions of this Act

Power to amend Schedules

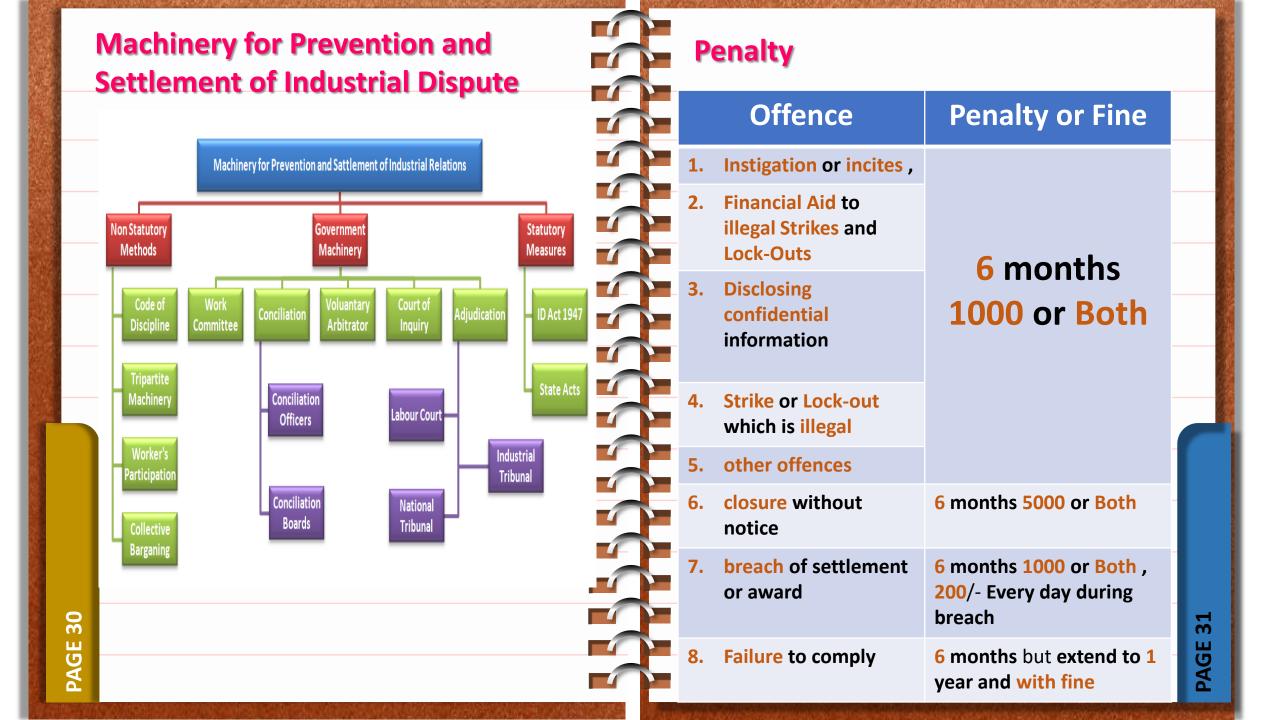
(1) The Appropriate Government may, if it is of opinion that it is expedient or necessary in the public interest so to do, by notification in the Official Gazette, add to the First Schedule any industry, and on any such notification being issued, the First Schedule shall be deemed to be amended accordingly.

(2) The **Central Government** may, by notification in the Official Gazette, add to or alter or amend the Second Schedule or the Third Schedule and on any such notification being issued, the Second Schedule or the Third Schedule, as the case may be, shall be deemed to be amended accordingly.

(3) Every such notification shall, as soon as possible after it is **issued**, be laid before the **Legislature of the State**, if the notification has been issued by a **State Government**, or before Parliament, if the **notification** has been **issued by the Central Government**.]

Recovery of money due from an Employer

Where any money is due to a workman from an employer under a settlement or an award. workman himself or any other person authorized by him in writing in this behalf, or, in the case of the death of the workman, his assignee or heirs may, make an application to the appropriate Government for the recovery of the money due to him, If Appropriate Government is satisfied , it shall issue a certificate for that amount to the **Collector to recover the same** Application shall be made within one year from the date on which the money became due.



THANK YOU