

TRADE UNION

# Trade Unions

- "Trade Union" means any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive conditions on the conduct of any trade or business
- 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.

# Objectives

- Representation
- **Negotiation**
- **Voice in decisions affecting workers**
- **Member services**
  - (a) Education and training**
  - (b) Legal assistance**
  - (c) Financial discounts**
  - (d) Welfare benefits**

# Functions of Trade unions

- **(i) Militant functions**
  - (a) To achieve higher wages and better working conditions
  - (b) To raise the status of workers as a part of industry
  - (c) To protect labors against victimization and injustice

## (ii) Fraternal functions

- 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

# Importance Of Trade Unions

- 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.

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## **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

# Trade Unionism In India

Indian trade union movement can be divided into three phases.

- \* The first phase (1850 to 1900)**
- \* The second phase (1900 to 1946)**
- \* The third phase (in 1947).**

***By 1949, four central trade union organizations were functioning in the country:***

- The All India Trade Union Congress,
- The Indian National Trade Union Congress,
- The Hindu Mazdoor Sangh, and
- The United Trade Union Congress

# Trade Union Act 25 March 1926

- The trade Unions Act, 1926 provides for registration of trade unions with a view to render lawful organisation of labour to enable collective bargaining. It also confers on a registered trade union certain protection and privileges.
- The Act extends to the whole of India and applies to all kinds of unions of workers and associations of employers, which aim at regularizing labor management relations. A Trade Union is a combination whether temporary or permanent, formed for regulating the relations not only between workmen and employers but also between workmen and workmen or between employers and employers.

# Trade unions in India

***The Indian workforce consists of 430 million workers, growing 2% annually. The Indian labor markets consist of three sectors:***

- The rural workers, who constitute about 60 per cent of the workforce.
- Organized sector, which employs 8 per cent of workforce, and
- The urban informal sector (which includes the growing software industry and other services, not included in the formal sector) which constitutes the rest 32 per cent of the workforce.

***At present there are twelve Central Trade Union Organizations in India:***

- All India Trade Union Congress (AITUC)
- Bharatiya Mazdoor Sangh (BMS)
- Centre of Indian Trade Unions (CITU)
- Hind Mazdoor Kisan Panchayat (HMKP)
- Hind Mazdoor Sabha (HMS)
- Indian Federation of Free Trade Unions (IFFTU)
- Indian National Trade Union Congress (INTUC)
- National Front of Indian Trade Unions (NFITU)
- National Labor Organization (NLO)
- Trade Unions Co-ordination Centre (TUCC)
- United Trade Union Congress (UTUC) and
- United Trade Union Congress - Lenin Sarani (UTUC - LS)

# Industrial Relation Policy

- Prior to 1991, the industrial relations system in India sought to control conflicts and disputes through excessive labor legislations.
- With the coming of globalization, the 40 year old policy of protectionism proved inadequate for Indian industry to remain competitive as the lack of flexibility posed a serious threat to manufacturers because they had to compete in the international market.

- With the advent of liberalization in 1992, the industrial relations policy began to change.
- Now, the policy was tilted towards employers. Employers opted for workforce reduction, introduced policies of voluntary retirement schemes and flexibility in workplace also increased. Thus, globalization brought major changes in [industrial relations](#) policy in India.

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*The changes are as follows:*

- **Collective bargaining in India has mostly been decentralized, but now in sectors where it was not so, are also facing pressures to follow decentralization.**
- **Some industries are cutting employment to a significant extent to cope with the domestic and foreign competition e.g. pharmaceuticals. On the other hand, in other industries where the demand for employment is increasing are experiencing employment growths.**
- **In the expansionary economy there is a clear shortage of managers and skilled labor.**
- **The number of local and enterprise level unions has increased and there is a significant reduction in the influence of the unions.**
- **Under pressure some unions and federations are putting up a united front e.g. banking.**
- **Another trend is that the employers have started to push for internal unions i.e. no outside affiliation.**
- **HR policies and forms of work are emerging that include, especially in multi-national companies, multi-skills, variable compensation, job rotation etc. These new policies are difficult to implement in place of old practices as the institutional set up still needs to be changed.**
- **HRM is seen as a key component of business strategy.**
- **Training and skill development is also receiving attention in a number of industries, especially banking and information technology.**

# **Reasons for Joining Trade Unions**

- **Greater Bargaining Power**
- **Minimize Discrimination**
- **Sense of Security**
- **Sense of Participation**
- **Sense of Belongingness**
- **Platform for self expression**
- **Betterment of relationships**

# Causes of Industrial Disputes

The causes of industrial disputes can be broadly classified into two categories:

- economic causes

The economic causes will include issues relating to compensation like wages, bonus, allowances, and conditions for work, working hours, leave and holidays without pay, unjust layoffs and retrenchments.

- non-economic causes

The non economic factors will include victimization of workers, ill treatment by staff members, sympathetic strikes, political factors, indiscipline etc.

# **Analysis of Industrial Disputes**

- The number of industrial disputes in country has shown slow but steady fall over the past ten years. In 1998, the total number of disputes was 1097 which fell by more than half to 440 in 2006. It is being estimated that this trend will continue in 2007 as well.

# Strikes

- A strike is a very powerful weapon used by trade unions and other labor associations to get their demands accepted. It generally involves quitting of work by a group of workers for the purpose of bringing the pressure on their employer so that their demands get accepted. When workers collectively cease to work in a particular industry, they are said to be on strike.

According to Industrial Disputes Act 1947, a strike is “a cessation of work by a body of persons employed in an industry acting in combination; or a concerted refusal of any number of persons who are or have been so employed to continue to work or to accept employment; or a refusal under a common understanding of any number of such persons to continue to work or to accept employment”.

# Causes of strikes

- Strikes can occur because of the following reasons:
- Dissatisfaction with company policy
- Salary and incentive problems
- Increment not up to the mark
- Wrongful discharge or dismissal of workmen
- Withdrawal of any concession or privilege
- Hours of work and rest intervals
- Leaves with wages and holidays
- Bonus, profit sharing, Provident fund and gratuity
- Retrenchment of workmen and closure of establishment
- Dispute connected with minimum wages

# **TYPES OF STRIKE**

- **Economic Strike**
- **Sympathetic Strike**
- **General Strike**
- **Sit down Strike**
- **Slow Down Strike**
- **Sick-out (or sick-in )**
- **Wild cat strikes**

# Lockouts

- A lockout is a work stoppage in which an employer prevents employees from working. It is declared by employers to put pressure on their workers. This is different from a strike, in which employees refuse to work. Thus, a lockout is employers' weapon while a strike is raised on part of employees.

# PICKETING

- When workers are dissuaded from work by stationing certain men at the factory gates, such a step is known as picketing.
- Pickets are workers who are on strike that stand at the entrance to their workplace.
- It is basically a method of drawing public attention towards the fact that there is a dispute between the management and employees.

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The purpose of picketing is:

- to stop or persuade workers not to go to work
- to tell the public about the strike
- to persuade workers to take their union's side

# GHERAO

- Gherao in Hindi means to surround
- It denotes a collective action initiated by a group of workers under which members of the management are prohibited from leaving the industrial establishment premises by workers who block the exit gates by forming human barricades.
- The workers may gherao the members of the management by blocking their exits and forcing them to stay inside their cabins.

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- The main object of gherao is to inflict physical and mental torture to the person being gheraoed and hence this weapon disturbs the industrial peace to a great extent.

# Measures for Improving Industrial Relations

- **Workers' Participation in Management**
- **Mutual Accommodation**

The approach must be of mutual “give and take rather than “take or leave.” The management should be willing to co-operate rather than blackmail the workers.

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- **Sincere Implementation of Agreements**
- **Sound Personnel Policies**
- **Government's Role**
- **Progressive Outlook**