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Dominance of Labour and Capital: An Outlook of Industrial Relations

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Abstract: The Labour and Capital are necessary for the production of goods and services. To ensure healthy industrial relations and drastic growth of industry requires cooperation among labour and capital. The dominance of labour and capital arises when there is no cooperation between labour and capital. Labour means the workers who man the factories, mines and other establishments or services. The capital means owners of business enterprises who supply capital and own the final products. An attempt has been made using descriptive research to make the readers to under dominance of labour and capital that affects industrial relations through empirical data and industrial unrest in India. The scope of the study is limited to Manufacturing Automobile Industry.

Keywords: dominance of labour and capital; conflict of labour and capital; disputes among labour and capital; labour unrest in India; Outlook of industrial relations.

I. INTRODUCTION

The cooperation among labour and capital leads to harmonious industrial relations. When cooperation does not exist between these parties in an industry then arouse conflict. The reasons for such conflict may be retrenchment, lay-off, wage and allowance, indiscipline, violence, charter of demands, work load, service conditions, safety measures, non-implementation of agreements. Some of discontent labourers resorted to strikes, abuse and threatening of supervisors, homicides in shop floor etc., due to conflict with capital whereas capital resort to lockout, layoff, retrenchment and in disciplinary actions.

II. REVIEW OF LITERATURE

The dominance of labour and capital is often observed due to strike, unprecedented shop floor events, lockout, lay-off and retrenchment. This dominance can be viewed as industrial difference or conflict or disputes between labour and capital. The Industrial Disputes Act, 1947 defined strike and lockout¹ as:

Strike – Sec 2 (q) of the Act, “Strike” means a cessation of work by a body of persons employed in any industry acting in combination, or a concerted refusal, or a refusal, under a common understanding of any number of persons who are or have been so employed to continue to work or to accept employment;

Lockout – Sec 2(1) of the Act, “Lockout” means the [temporary closing of a place of employment], or the suspension of work, or the refusal by an employer to continue to employ any number of persons employed by him.

The following are the different forms of strikes² which labour resort to:

Economic strike: In this strike, labour stops their work to enforce their economic demands such as wages and bonus. Workers ask for increase in wages, allowances like travelling allowance, house rent allowance, dearness allowance, bonus and other facilities such as increase in privilege leave and casual leave.

Sit down strike: Usually workers do not absent themselves from their place of work when they are on strike. They keep control over production facilities. But do not work. It is also known as ‘pen down’ or ‘tool down’ strike.

Slow down strike: Employees remain on their jobs but do not stop work, but restrict the rate of output in an organized manner. They adopt go-slow tactics to put pressure on the employers.

Wild cat strikes: These strikes are conducted by workers or employees without the authority and consent of unions.

Sympathetic strike: When workers go on strikes in sympathy with workers of another unit or industry who are already on strike, it is a sympathetic strike. The members of other unions involve themselves in a strike to support or express their sympathy with the members of unions who are on strike in other undertakings.

Homicides on shop floor: Assault on supervisor, harassment on either worker or supervisors, injuring personnel in production sections, revenge on personnel for disciplinary action.

III. RESEARCH METHODOLOGY

A descriptive research method is used to explain the dominance of labour and capital. The domination is a conflict or difference among labour and capital. In the event of such conflict the action resorted by each party on the other can be viewed as prepotency because of such event there will be an effect on industrial relations. The research considers only automotive industry to make the readers to understand, remember and synthesise dominance of labour and capital. Conflict leads to industrial disputes, production lost, wage loss, assaults on supervisor and management personnel that leads to homicides on shop floor.

Table 3.1 No. of Industrial units, Workers affected and Mandays lost due to Strikes

2011 (P), 2012 (P), 2013 (P) -(Jan to Nov 2013)

Year	No. of units			No. of workers affected			Mandays lost		
	State Sphere	Central Sphere	Total	State Sphere	Central Sphere	Total	State Sphere	Central Sphere	Total
2011 (P)	141	42	183	180944	404329	585273	12878717	609641	13488358
2012 (P)	102	135	237	51967	968891	1020858	10371754	1319155	11690909
2013 (P)	64	70	134	182795	531881	714676	1679159	1030345	2709504
Total	307	247	554	415706	1905101	2320807	24929630	2959141	27888771

Sources: Indian Labour Bureau, Government of India, data is modified as per requirement

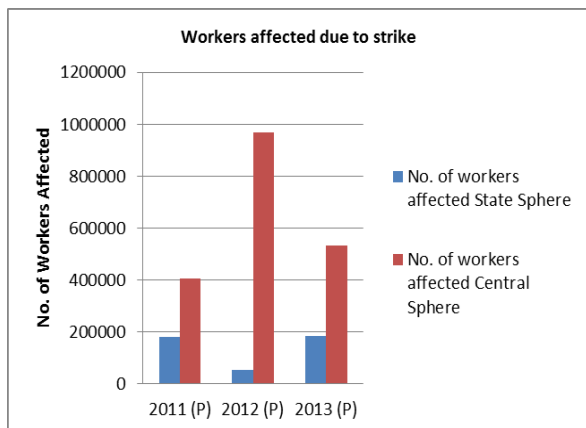


Fig. 3.1 No. of workers affected due to strike

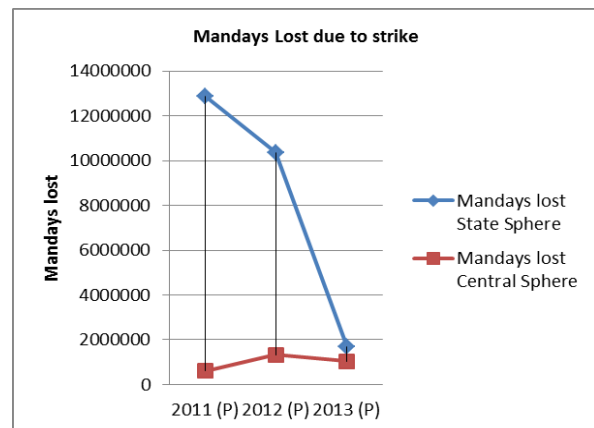


Fig.3.2 No. of Mandays lost due to strike

From the above Table 3.1 we can find the number of industrial units, workers affected and Mandays lost due to strike. The Fig. 3.1 shows central and state workers affected due to strike³. The data in table 3.1 is converted to percentage to synthesize the effect of strike on overall workers affected and Mandays lots. Due to conversion of data into percentage, there was an increase

of 18.79% workers affected due to strike in 2012 (43.99%) compared to 2011(25.22%) and during 2013(30.79%) overall workers affected due to strike substantially increased to 5.75% compared to 2011 (25.22%).

The Fig. 3.2 shows overall Mandays lost due to strike during 2013 was 9.72% and there is gradual decrease of 38.65% compared to 2011 (48.36%). The number of units affected both at central and state sphere close to 554 units. The highest numbers of units are 237 in 2012. There is an increase of 9.75% units affected in 2012(42.78%) compared to 2011 (33.03%) and there is a decrease of 18.59% compared to 2013 (24.19%).

Table 3.2 No. of Industrial units, Workers affected and Mandays lost due to Lockout

2011 (P), 2012 (P), 2013 (P) -(Jan to Nov 2013)

Year	No. of units			No. of workers affected			Mandays lost		
	State Sphere	Central Sphere	Total	State Sphere	Central Sphere	Total	State Sphere	Central Sphere	Total
2011 (P)	185	0	185	83834	0	83834	12878717	609641	13488358
2012 (P)	176	0	176	78452	0	78452	10371754	1319155	11690909
2013 (P)	15	0	15	4430	531881	536311	1679159	1030345	2709504
Total	376	0	376	166716	531881	698597	24929630	2959141	27888771

Sources: Indian Labour Bureau, Government of India, data is modified as per requirement

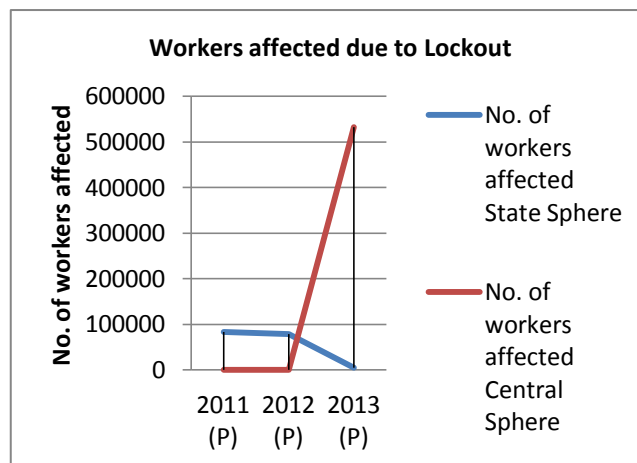


Fig. 3.3 No. of Workers affected due to Lockout

The Fig. 3.3 represents overall 76.80% of workers affected due to lockout in the year 2013. But workers affected are 10-12% in during 2011 and 2012. The Mandays lost due to lockout⁴ can be referred to the fig. 3.2. The following data helps us to synthesize on dominance of labour and capital.

Major industrial disputes from 2004 to 2010 are Wages and allowances, Indiscipline and violence and followed by others industrial disputes. The share of wages and allowance to total industrial disputes in 2004 is 23.9% (114) whereas indiscipline and violence is 39.2% (187). Another major disputes in 2005 are indiscipline and violence 41% (187), others 22.8% (104), wages and allowances 21.5% (98) to total disputes during 2005.

From 2005 – 2009 from table 3.3 major industrial disputes were happen on wages and allowances, indiscipline and others. Subsequently other industrial disputes were considered that leads to dominance of labour and capital and its effect on the industrial relations that can be analyzed in table 3.4. During 2005-2012 (P) the result of domination of labour and capital lead to Disputes - 3076; Manadays Lost - 151321000 ; and total number of workers involved are 11424651. The Fig.3.4 & 3.5 represents the dominance of labour and capital, Major disputes⁵ were happened in 2005 (456), 2006 (430), 2008 (421), 2010 (447). The workers involved in such disputes descending order from 2005 – 2007 and ascending order from 2008 – 2009 and then descending order from 2010 (P)-2012 (P).

Table 3.3 Industrial Disputes between 2004 to 2010

Industrial Disputes	2004	%	2005	%	2006	%	2007	%	2008	%	2009	%	2010	%
Wages and allowances	114	23.9	98	21.5	79	18.4	87	22.37	74	17.58	74	21.1	80	18.7
Bonus	16	3.35	16	3.51	13	3.02	9	2.31	15	3.56	17	4.84	13	3.03
Personnel	60	12.6	43	9.43	59	13.7	54	13.88	36	8.55	41	11.7	37	8.62
Retrenchment	1	0.21	2	0.44	3	0.7	1	0.26	0	0	1	0.28	4	0.93
Leave and hours of work/ shift working	2	0.42	0	0	3	0.7	0	0	3	0.71	1	0.28	1	0.23
Indiscipline & violence	187	39.2	187	41	149	34.7	137	35.22	114	27.08	109	31.1	110	25.6
others	73	15.3	104	22.8	116	27	97	24.94	172	40.86	107	30.5	184	42.9
Not known	24	5.03	6	1.32	8	1.86	4	1.03	7	1.66	1	0.28	0	0
Total Disputes	477	100	456	100	430	100	389	100	421	100	351	100	429	100

Sources: Indian Labour Bureau, Government of India, data is modified as per requirement.

Table 3.4 Results of Domination of Labour and Capital

Year	Disputes	Workers Involved	Mandays lost
2005	456	2913601	29665000
2006	430	1810348	20324000
2007	389	724574	27167000
2008	421	1579298	17433000
2009	345	1867204	17622000
2010(P)	447	1074502	22750000
2011(P)	390	751653	14306000
2012(P)	198	703471	2054000
Total	3076	11424651	151321000

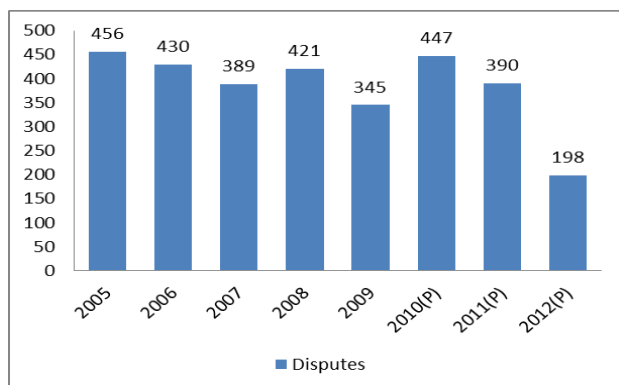


Fig. 3.4 shows Number of disputes due to conflict

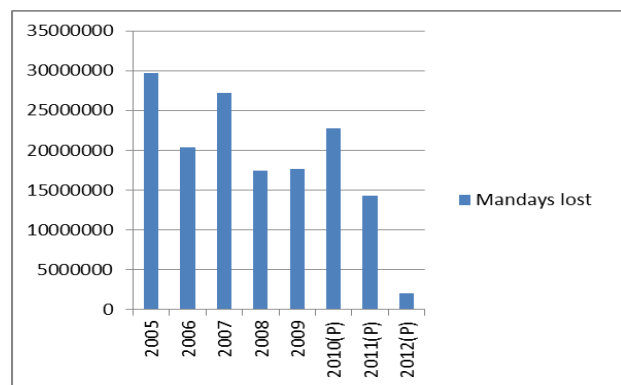


Fig. 3.5 shows Mandays lost due to disputes

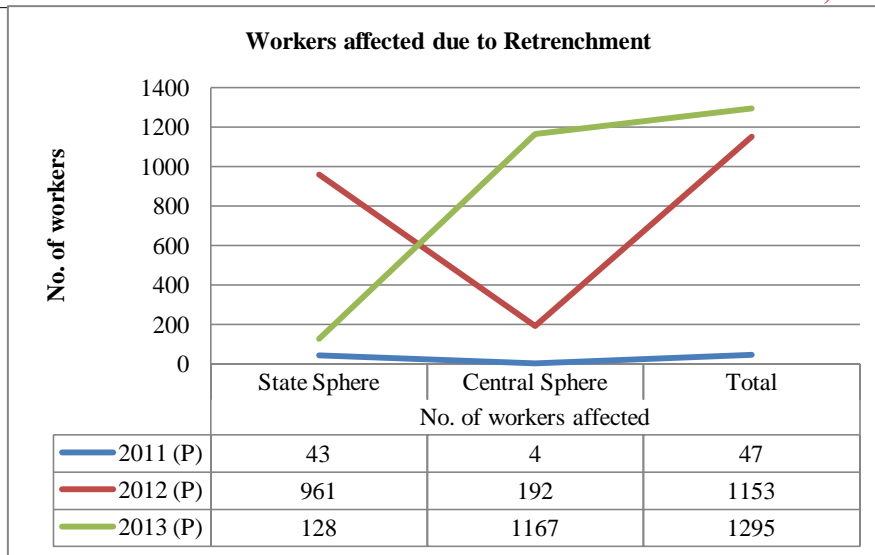


Fig. 3.6 Workers affected due to retrenchment

The above fig.3.6 shows the central and state sphere workers affected due to retrenchment. This is one form of tool available to the capital to dominate against the labour. There is an upward movement of workers affected in total retrenchment from 2011 (P) -2013 (P).

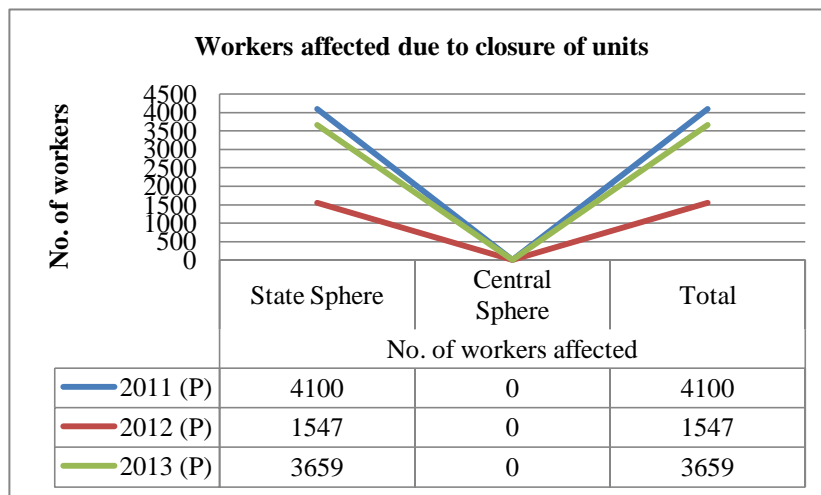


Fig. 3.7 Workers affected due to closure of units

The Fig. 3.7 depicts upward movement of workers affected due to closure of units from 2011(P)-2013(P). The retrenchment and closure is observed as a tool to the capital to dominate against the labour.

Industrial Unrest in India:

The dominance of labour and capital in India⁶ can be summarized in chronological order as:

Maruti Suzuki India Limited:

The three-month long conflict between labour and capital in Manesar plant, Haryana of Maruti Suzuki India Limited can be viewed dominance of labour and capital and its impact on industrial relations⁷. The workers were forced to join in Maruti Udyog Kamgar Union (MUKU) founded by Management rather than independent union Maruti Suzuki Workers Union (MSWU) in June 2011. The conflict is on trade union recognition, the labour resort to sit-in strike and capital resort to lockout. After a long period of struggle, the Maruti Suzuki Workers Union (MSWU) has been recognized by the Labour Department of the state of Haryana but Maruti Suzuki India Limited (MSIL) refused to negotiate in good faith. During 2012 the Management rejects all demands pertaining to wage hikes and the integration of contract workers as permanent workers. In July 2012, the

activities related to homicide were happened that lead to the death of one manager in Manesar Plant³. International commission on labour rights had released a report “Merchants of Menace: Repressing workers in India’s new industrial belt, Violations of workers’ and trade union rights at Maruti Suzuki India Ltd.” - incident contains the arrest of 147 workers, termination of 546 permanent and 1800 casual workers.

In yet another case, Bajaj Auto employees around 1500 including 600-odd contract and temporary workers, have stopped work went for 50 days strike at the Chakan plant, Pune since June 25 2013 demanding wage revision, better work conditions and stock options. The capital resorted to “learn-and-earn” trainees for full-time production during the strike. The Pune labour commissioner has issued a show-cause notice to Bajaj Auto for allegedly employing workers who are not licence holders and trainees at the production line in its Chakan plant, where existing employees have been on a strike since June 25, 2013. The Capital denies the demand to allot shares to the employees and agreed to discuss on other issues that union has raised. Due to the strike it said that production loss since June 25 has been around 30,000 units. The capital has a plan to shift 50 percent of production and plant capacity to Aurangabad and Pantnagar plants. Even though some workers were on strike and fewer were reported in plant. On August 13, 2013 union calls off strike out of 1500 employees at the plant, 940 reported to work.

Bajaj Auto

July 9 2013: The employees of Bajaj Auto wage revision, better working conditions and stock options

July 10 2013: Around 1,500 employees, including 600-odd contract and temporary workers, have stopped work at the Chakan plant since June 25, demanding wage revision, better work conditions and stock options.

On July 18 2013: Meanwhile, a company official said the production loss since June 25 has been around 30,000 units.

Aug 13 2013: Around 1,500 employees, including 600-odd contract and temporary workers, have stopped work at the Chakan plant since June 25, demanding wage revision, better work conditions and stock options. On July 18, 2013, company official said the production loss since June 25 has been around 30,000 units. The management of Bajaj Auto and Union Leaders agreed on wages revision and better work conditions but not on stock options. Chakan union calls off strike after 50 days⁸.

April 4 2014: The Toyota Kirloskar Motor Ltd plants are located in the Bidadi industrial township, about 30 km from Bangalore, and have an installed capacity to produce about 310,000 units annually. "We were forced to declare lockout after production dropped to 70 percent from 95 percent during the first fortnight of March and due to unrest caused by a section of the workers, raising safety concerns of supervisors, managerial staff and plant machinery," "Our production has declined 50 percent to 350 cars from 700 cars a day, as the twin plants are operating in one shift with about 1,200 supervisors, technicians, apprentices and contract labourers," Of the 6,400 blue collar employees, 4,200 are members of the Toyota Kirloskar Motor Corporation Employees Union, while 2,200 are on contract.

Hero MotoCorp

September 10 2013: Hero MotoCorp has been suffered labour unrest at its Haridwar manufacturing facility since late last month⁹. The unrest seems to be spreading across its network as workers' union HMCWU at its Gurgaon plant has also threatened to go on a strike as a protest against the suspension of nine employees. The issue has come because of indiscipline and insubordination and the workers taking law into their own hands. The workers who were suspended by the management had reportedly assaulted supervisors in the shop floor of the manufacturing facility.

Toyota Kirloskar Motor Ltd

March 17 2014: "In the meantime, under the instigation of the union, certain sections of the employees have resorted to deliberate stoppages of the production line, abuse and threatening of supervisors thereby continuously disrupting business¹⁰. "All these unlawful activities have been detailed in the lock-out notice. With this background, the company is left with no other

option but to declare a lock-out of the premises to ensure the safety of its workers and management personnel," "The lockout was declared unilaterally though we have been negotiating with management on wage hike for this fiscal (year) for 10 months."

March 18 2014: The Management declared lockout over a failed wage deal with its employees union. The Management says, "We have stopped production in both plants as a precautionary measure to ensure safety of machinery, employees and management personnel." It was estimated a loss of production of about 2,000 vehicles due to go-slow tactics by a section of workers in factories. The union declares lockout as illegal as the management has not complied with lockout notice.

Blood on the shop floor- Recent Labour related homicide in India¹¹:

Sep 22, 2008: Graziano Transmission India's MD and CEO were killed by dismissed workers at its Greater Noida Plant.

Sep 21, 2009: The VP (HR) of Coimbatore-based Pricol Ltd was attacked by a group of terminated workers. He died the next day.

Nov 13, 2010: A senior official of Ghaziabad-based Allied Nippon was beaten to death by protesting employees after he allegedly brandished a weapon

Jan 27, 2012: Workers at Regency Ceramics' Yanam (Pondicherry) unit killed the company's president (operations) after their union leader died in a police charge.

IV. CONCLUSION

This paper has highlighted the dominance of labour and capital. The labour resorted to strikes, sympathetic strikes, homicide in production units over differences on wages and allowances, payment of bonus, charter demands & others and capital resort to lockout, retrenchment, layoff, terminations for indiscipline and violence in production units, personnel attack, closure of units. From the past 7 years the occurrence of shop floor homicide is frequently observed in automotive and other manufacturing units. The trade unions has to train the workers relating to indiscipline of workers and employees, even though capital has taken sufficient steps to ensure discipline in the industrial units yet they need to educate workers and employees to avoid losses. The government has to address this issue sooner and to modify the existing code of discipline to maintain healthy industrial relations in the industry. There should be cooperation among labour and capital to maintain healthy industrial relations. In the end dominance of one over the other causes industrial disputes that leads to huge loss on production, Mandays, slow in the industrial growth, low standard of living to workers as well as employees, loss in revenues, shift of consumers to competitors, maintaining liquidity position of the firm becomes crucial for short term and long term.

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