

INDIAN LABOUR CONFERENCE

(17th Session - Madras - July, 1959)

Item No. 2 : Industrial Relations

SUPPLEMENTARY MEMORANDUM-V

Review of the Working of the  
Code of Discipline.

A brief account of the experience of the working of the Code of Discipline since June 1, 1958, when it became operative, is given below :

2. While the Central Evaluation and Implementation Machinery was set up early in 1958, State Governments took some time in setting up their Machinery. The first three State Implementation Committees were set up in June 1958 by Punjab, U.P. and West Bengal; while the last one was set up by Manipur in June 1959. Bombay has yet to set up this Committee, while in certain cases they are not yet fully representative. Local Committees have not been set up anywhere except in Rajasthan. It is likely, therefore that the impact of the Code in the State sphere has not yet been fully felt.

3. During the last one year, the Central Evaluation and Implementation Division received about 400 complaints under the Code. Of these, on 30% no action could be taken as they were either vague or parties, when requested to cite specific instances, did not do so. In 40% cases State Governments were requested to take necessary action as they were within their jurisdiction. The remaining cases were taken up with the parties concerned. About 60% of them have been settled, and rest are under investigation. But it is not the number of complaints received or settled that is important; the Code would seem to have served part of its purpose if the parties realise that there is an agency which will judge their actions. This awareness is no doubt widespread and from this point the Code has certainly been successful. The mere fact that any violation of the Code on the part of employers and workers is likely to be reported to the Central or State Implementation Machinery and that their action may be investigated, and if found guilty, they may be exposed to the pressure of public opinion, has had a restraining influence of the parties - but for which the number of breaches would have been far more than what occurred during the year under report. A few instances of the cases successfully handled by the E & I Division may be cited by way of illustration :

In one case, the workers burnt an effigy of the manager of a factory and resorted to violence; the Central Organisation when approached, condemned the action and expelled the workers from the union.

In a mine in Udipur, some workers resorted to violence; when this fact was brought to the notice of the Central Organisation, the action of the workers was condemned without any reservation.

In two cases unions complained that managements were not allowing them to collect subscription within the mill promises; when the decision of the Mainital Labour Conference on the subject was explained to the managements they allowed the facility.

A union in a tea estate complained of discrimination by the management in allowing it to hold meetings; when the provisions of the Code in this respect were brought to the notice of the management the necessary facility were accorded.

In another case, the management had not paid the dues of some dismissed workers; there was protracted litigation. As a result of efforts made by the Division the management agreed to pay the amount.

It was reported that the management of a mine, on being served by the union with a demand for bonus, was coercing the workers to accept bonus at a lower rate. They were compelling the workers to sign a memorandum of settlement to the effect that the bonus received by them was 'fair and just' and that they will not raise any claim for additional bonus. When it was pointed out to the management that this was against the spirit of the Code they withdrew the 'Memorandum of Settlement'.

In a recent case, some workers assaulted an Assistant Manager of mine; the Union promptly condemned the action.

In another case when the fact that some of its members were not implementing the provisions of an award was brought to the notice of an Association, it persuaded its members successfully to implement the award.

In a number of cases where disputes between parties were reported to the Division, mutual settlements were arrived at when the guilt of the parties under the Code was pointed out to them.

4. The Central Organisations of Employers and Workers have been persuaded to set up Screening Machinery with a view to avoiding unnecessary litigation. This machinery has been set up only recently and the result of its working will be visible only after some time. The more fact, however, that the Central Organisation have appreciated the desirability of avoiding litigation on unsubstantial grounds is an achievement of the Code. As a result of efforts made by the Central and State Implementation Machinery, out-of-court settlements have also been arrived at in 17 cases which were pending for long in courts; this is a new approach and ~~AFKZ~~ a small achievement in this direction is of great significance. A few studies of major strikes have also been carried out to determine the responsibility of the parties under the Code; these studies have been welcomed by all concerned.

L. G. P.

5. Experience of State Governments, though brief, also brings out the fact that the impact of the Code is being gradually felt and that the Code is treating the desired effect on the parties. The following observations of some of the State Governments, whose reports on the working of the Code in their sphere have so far been received, may be cited by way of illustration :-

"..... the number of sit-down strikes or threat of general strike and other coercive actions by workers has comparatively gone down in relation to the period prior to 1958 and the willingness on the part of workers and the employers to try to settle their problems as far as possible through mutual negotiations, etc., are more noticeable as a result of the Code. Both employers and unions have become very much Code conscious and this is a helpful development in the right direction "  
(Government of West Bengal)

"..... Whenever the Committee (State E&I Committee) brings round the parties together to a sense of responsibility for the proper observance of the Code, the case is dropped... with the passing of time the employers and employees are showing greater interest in the observance of the Code. As a result the cases of infringement of the Code are gradually tending to decrease, The overall picture is rather encouraging than what it was before the ratification of the Code."  
(Government of Bihar)

"..... One positive result is that the parties are conscious of the Code and although there may be some contraventions here and there it cannot be gainsaid that it has created a positive climate for industrial peace."  
[Delhi Administration]

"..... the Code has evoked some sense of responsibility among the employers and workers".  
[Government of Andhra Pradesh]

"..... the Code has made the employers and workers think in terms of peaceful settlements of their differences."  
[Government of Punjab]

6. The Central E&I Division has taken up the question of extension of the Code with a number of independent organisations. It has already met with a measure of success in this direction. The State Implementation Machinery have also been requested to take similar action in respect of independent units.

7. The following comments of some employers and of their organisations also support the view that the Code has been generally welcomed :-



-4-

"..... The Chamber is of the opinion that the principles and procedures envisaged in the Code would go a long way to maintain discipline in industry and it hereby extends its willing co-operation to accept the obligations laid down in the Code."  
(Nag Vidarbha Chamber of Commerce)

"..... We need hardly say that the general acceptance of broad principles involved in the Code of Discipline by important elements in our economic life like management, labour, etc. will go a long way in putting the industrial structure in the country on a sound footing. (Gujrate Beopari Mahamandal)

"..... We fully endorse the idea of following the proposed principles envisaged in the Code of Discipline. In fact, it is a most appropriate step and a well-timed one."  
[Central India Coalfields Ltd.]

"..... The Committee is pleased to express its willingness to adhere to the provisions of the Code and has directed its members to make every effort to implement the provisions of the Code in their entirety."  
[Employers' Association of Northern India]

"..... For an industry like the Travancore Rayons... acceptance and implicit adherence to the Code both by employer and employee can bring invaluable benefits to the industry." [Travancore Rayons Ltd.]

"..... Very much appreciate the principles underlying the Code which goes a long way to solve indiscipline in industry."  
[Elphinstone Spg. & Wvg. Co. Ltd.]

Some independent Workers' Organisations too have expressed appreciation of the Code.

8. There have also been a few adverse comments on the working of the Code. These are mostly based on either some misunderstanding or expecting too much from Code in the short time that it has been in operation. A number of complaints are generally exaggerated; they are addressed to the Central Evaluation and Implementation Division, no matter what their correct 'forum' may be. The parties expect that irrespective of the fact at what stage a complaint is or who is already seized of it, the E&I Machinery should interfere and enforce a decision and that this decision should always be in their favour. This last expectation is the touch-stone by which they judge the work of the Machinery or of the efficacy of the Code. If in any particular case satisfaction is not given to a party by meeting its point of view fully - howsoever unjustified it may be - it condemns the whole philosophy of the Code. It is interesting that most of the complaints against the working of the Code were not only sweeping generalisations but were found, on enquiry, to be unjustified. A few instances may be cited :-

- (1) The President of a leading Associated Chambers of Commerce remarked in his presidential address that "the Code has failed to achieve its purpose so far and that certain labour organisations had shown little evidence of their good-will in the matter." When requested to



clarify, he said that while making the remarks on the Code he had in view two major strikes, viz., strike in Calcutta Tronways and in "ISCO, Jamshedpur. In one of these cases, an enquiry had already been made and for the other decision to hold an enquiry under the Code had been taken. He, however, assured that nothing he said was intended to make things more difficult and in fact his intention was quite the reverse. He also pointed out that, "that does not mean that we would not like to see its (Code) implementation to the fullest possible extent because we very much hope it will succeed."

(2) The Chairman of an Employers' Association observed in his presidential address that "the Code did not materialise to make better management relations and strict the scope of industrial disputes to the minimum...." The Code has been honoured more in the breach than in the observance." When requested to cite specific instances in support of his remarks, he mentioned 11 cases where workers' unions were reported to have violated the Code. His remarks were mainly influenced by a resolution on the Code moved by the United Planters' Association of Southern India with reference to the strike in Kerala Plantations. An examination of these 11 cases showed that in two cases, enquiries under the Code had already been completed and in one, the decision to conduct a case study has been announced. In respect of the remaining 8 cases, which concerned State Governments, he was requested to report details of the cases to the concerned Implementation Machinery; nothing further has been heard from him.

(3) The President of a Central Workers' Organisation in his presidential address observed that "little has been done to achieve the objectives of expediting implementation of awards and agreements as decided at the Wainital Labour Conference ..... The Code might not be fully satisfactory because the claim that the representative union should be selected by secret ballot by the workers, had not been settled." When requested to cite specific cases in support of his views, he referred to the delay in implementing the decisions of the Indian Labour Conference regarding enhancement of the provident fund contribution and of the employers' contribution under the E.S.I. Act, setting up of State Implementation Machinery, etc. Appropriate action on all these points was already being taken; he was informed of the latest position.

9. Thus, whatever little criticism has so far been made about the working of the Code, it does not seem to be based on full appreciation of facts of the cases in view or of the view point of the other party. Recently, a few amendments to the Code have been suggested by some parties. These will be duly considered and, if found desirable or necessary, will be placed before the next meeting of the Indian Labour Conference for final decision.

10. The Code is a voluntary document. Its main object is to make employers and workers realise their rights and responsibilities towards each other so as to bring about lasting industrial peace. The gains or losses of the Code cannot be adequately assessed either by the number of complaints or by favourable or adverse remarks of individual parties. It is also not easy to assess precisely the most important contribution of the Code, viz. its restraining and moulding influence, the impact of which can be felt only after a few years. The Code has ushered in a new era in the realm of industrial relations. It symbolises a new policy of Government to build up an industrial democracy on voluntary basis and to preserve industrial peace with the help and co-operation of the parties. It is a policy which is in line with the main recommendation of the Second Plan, viz., to avoid adding to and complicating the existing labour legislation as far as possible and to develop voluntarily a mutual sense of responsibility and understanding between employers and workers. It is not claimed that the Code is a panacea for all industrial ills, that would be too much to expect of this modest measure accepted voluntarily by parties. But this much may be said that it was made a beginning in the right direction and it is the duty of all concerned to make the new policy a success.

\*KAPUR\*



SPEECH  
OF  
SHRI G. L. NANDA,  
Minister of Labour & Employment

At the 4th Meeting of the  
NATIONAL PRODUCTIVITY COUNCIL

30th September, 1959.

**Address by Shri G. L. Nanda, Union Minister of Labour &  
Employment to the Meeting of the N. P. C.**

I have been invited to say something about the code of Efficiency. Before I take this up, I may say a few words regarding certain matters which concern you as members of the National Productivity Council. Some time back I received the Agenda papers of this meeting along with some literature issued by the N.P.C. I have dutifully gone through much of it. May I share with you some thoughts which crossed my mind as I went along?

**I. N. P. C. Activities**

A. I may, first of all, congratulate the Council on the considerable progress made by its various organs in a variety of ways and, in so short a time. At this stage we can just form an opinion on the basis of the progress of efforts, of which there is a good deal of evidence in the reports issued by the N.P.C. It is too soon still to make an assessment of the value of the results obtained.

A. There is a vast variety and volume of things to be done. The energy and resources available for these purposes are, however, limited. It becomes important therefore to have frequent assessment of the relative value of different lines of activity. Those which are more fruitful should receive prior and greater attention. I asked myself for example whether more resources should be devoted to teams going out or to specialised work. It is a question of proportions and not whether there should be one or the other. I am personally for more of the latter. Incidentally, so far as the terms are considered, the persons chosen by the parties should have or must develop specialised interests. The idea is that there is plenty of opportunity for N.P.C. to apply the techniques of productivity to its own work.

B. The activities of the N.P.C. are of a varied character, reaching out in many directions. There is a very wide field for study and observation and a great deal of information has to be amassed. Our capacity for absorption, assimilation and action is, however, limited. In the allocation of resources, therefore, emphasis should be on activities which facilitate a quick application of the knowhow that is acquired. It is a question of arriving at a satisfactory balance.

C. The field is so vast and the tasks so enormous that all this activity cannot possibly be encompassed by the N.P.C. itself. It should concentrate its attention on a portion of the field, e.g., studies, surveys and the kind of activities which may broadly be described as Information. It is also responsible for stimulating interest and activity in the field, in many ways. Coordination of the work of many agencies and organisations everywhere, will naturally become the main task of the N.P.C. It will



have to draw on the special knowledge of the agencies, active in particular fields and it should assist them to the utmost extent possible. There can be a lot of give and take. I believe, N.P.C. is aware of the importance of this approach but much more has to be done in this direction. I am thinking of my own Department for example. The problems of labour, industrial peace, and employer-employee relations have a very intimate bearing on the progress of productivity. These are matters of daily concern to the Labour Ministry and Labour Departments in the States. They are in close and continuous touch with the Labour organizations in the country and the events and development in this sphere. The N.P.C. cannot function in isolation from or be indifferent to the broad currents of the labour movement. With the Ministry of Labour, at any rate, I believe the N.P.C. must establish a special relationship of collaboration. The N. P. C. must incessantly have a strong interest in the Productivity Centre and the various related activities of the Labour Ministry. But I am thinking of the wider extension of the functions of this Ministry with regard to joint consultation and especially the association of workers in the management, of which the most rudimentary beginning has recently been made. The personnel and the institutions created by the N.P.C. could be enlisted, in a very positive manner, for promoting this activity, thus leading to a saving of some of the resources which the Government might have had to spend on these Schemes.

The N.P.C. can also make a very full use of Works Committees and the Joint Management Councils in industrial establishments, for the furtherance of the interests of productivity. We have to remember that in this country we have no resources in personnel or material to waste in overlapping activity.

D. It may be considered unnecessary for me to strike a note of warning that the ideas and practices in vogue in other countries will in several cases not be capable of being transplanted to our soil without a great deal of modification. Apart from the differences regarding the stage of technical development in several areas of our industrial life, the whole economic and social background of the country may call for treatment on special lines.

I may mention one or two cases. The anatomy of industrial relations in our country differs basically from what our teams will encounter abroad, owing to a variety of circumstances. The structure and methods of Industrial Relations in India have been adapted progressively to our own need and conditions. Any observations made or lessons drawn from experience abroad without a very intimate understanding of what is happening here, may confuse and mislead. These considerations will have to be borne in mind when, at a suitable time, we decide to send out a team for industrial relations. Another very important feature of the economic situation in India which differentiates it from the countries to which we go for our know-how in the matter of productivity, is the extent of employment and under employment here. I shall not dwell on this aspect but it has to be constantly borne in mind in the layout of our programmes, that our investable resources are severely limited in relation to the number of persons for whom we have to find employment.

E. I wish particularly to invite the attention of the N. P. C. to the great urgency of finding some practical solutions for a question of tremend-

ous importance both for raising of productivity and for the maintenance of industrial peace in our country. It is being urged from all sides that the earnings of the workers ( as wages and bonus ) should, be linked with their contribution to production. This involves the formulation of suitable schemes of incentives. A scientific basis has to be discovered for translating into practice the universally accepted principle of equitable distribution of rewards of productivity effort. The most crucial element in the successful implementation of the idea of relating workers' rewards to productivity is however the elementary requirement of working out satisfactory methods for measuring productivity in relation to the major factors on which it depends.

These are some of the impressions and views which I have formed hurriedly and which are, therefore, necessarily of a tentative character.

## II. Code of Efficiency & Welfare

I shall now deal with the Code of Efficiency. The first thing that I have to say on the subject is to voice a complaint that I did not expect the kind of treatment — very summary treatment which was meted out to the draft of the Code at the hands of the N.P.C. Is it because there was a mistake on our part in not making it very clear to the Council as to what our object was in placing the document in the hands of the N.P.C.? It was not my intention to trouble this body so that it could convey to me that there was no present need for the Code of Efficiency. This was not the forum for a judgement of that kind. That might be left to the Indian Labour Conference. My intention was to seek the help of N.P.C. in producing a workable basis for the Code which might be accepted and applied at a suitable time and in a proper way. I took it as axiomatic that N.P.C. would welcome any move in this direction.

2. It is necessary to bear in mind that no surprise was sprung on anybody when the document was sent out. For months the way had been paved for it by mentioning the idea in a succession of tripartite meetings. I thought it had a favourable reaction. At any rate no objection was raised, so that while there might be conflicting views there could not be any opposition to the endeavour to evolve a Code.

3. It is wrong to assume that the representatives of employers and workers have in fact expressed themselves against the Code as such. I know them well. It is natural and proper that they should not swallow any innovation without looking at it very closely. After all it is they who have to undertake the new obligations which will arise for them and to implement them. The preliminary exchange of objections and doubts is all very essential for clearing the ground. There may be several stages of the process of clarification, and the final emergence of Code may take some time. I have no doubt in my mind that it is inevitable in the end, whatever the form or shape it may eventually assume. But I am also keen that it should not take a long time. Any delay will be a sign of complacency towards our needs and problems and must bring injury to the vital interests of the parties themselves and of the nation.



The idea of a Code of Efficiency came to me because I felt provoked by the constant complaints to which utterance was given by the leaders of industry at the meetings and conferences that the level of the Indian worker's efficiency was very low, and industry had to bear disproportionate burdens on account of the cost of wages and other labour charges. I thought that if these complaints meant anything and if they were curable we should specify them and pin them down and the representatives of the workers should be called upon to make their position clear in this respect. This had in any case to be done because on the side of the workers acute discontent was being expressed regarding the present scale of remuneration and demands were being made repeatedly for higher wages (even to the extent of a 25% rise) and other benefits. I have some understanding of the economic facts and forces and know fully well that their claims will only continue as irritants and may not be capable of realisation to any large extent unless productivity is raised and the production cost per unit is brought down. In the absence of progress on these lines some sections of labour may make gains for a while at the expense of the consumer or the level of opportunities for employment, but this will be wholly repugnant to our commonly accepted aims.

It was also obvious to me that when the workers are confronted with the demand for increased efficiency they would point towards certain impediments which according to them were created by the management. They would ask for improvements in several directions to enable them to make their best contribution. This would have reference to the working conditions amenities and even living conditions, specially housing. I came to the conclusion that if any real progress in the direction of efficiency is desired the question of the welfare and needs of workers has to be brought within the scope of the discussion, and should form part of an overall settlement. So the name of the code was enlarged to cover welfare also.

Now if the employers and the workers are not willing to go ahead with it for the time being, I cannot force them to do so. But then if they come back with their tales of woe I can only show them the same way because I know of no other.

It may be said that, after all, advance in this direction is not dependant on the acceptance of the Code and we can go ahead without it. Yes, even now some improvements are being made here and there and efficiency will rise in course of time. But this could be said of productivity also. It has been increasing and will move up even if there be no N. P. C. in the country. The question remains however in both cases whether the optimum results can be obtained without such special measures. If massive improvement rising cumulatively, is what we are after, then there can be no escape from such measures.

Suppose, forgetting all about the Code the parties sit down for the consideration of their problems and mutual claims, as they have to so often and if the discussions proceed on healthy and constructive lines, some positive conclusions should emerge. The outcome will be a kind of a Code; we may not call it so. The importance of making a Code lies in the fact that it proceeds systematically to define the obligations of the parties, to secure acceptance by their representatives, and to make provision for implementation and follow up. It must be realised that when these things are set down in this form the parties are brought face to face with realities. When the employer looks at the Code, he is quite happy at the clauses

which will give him efficiency: But he may be reluctant to pay the price which is embodied in the provisions on either side. The attitude of the labour may be similar. But this will not take us far. If employers are not to remain content with their slogans of Efficiency, they will have to face and discharge their responsibilities and if the workers ever can hope to obtain a high degree of welfare and adequate wages, it will only happen when they have done their part well in the struggle for higher levels of productivity.

The Code gives a certain firmness and reality to our talks about productivity. You may not come across Codes of Efficiency as such, in other countries which have advanced. In fact the ingredients of such a code have been built up there in the course of a long history of collective bargaining and collective agreements; indeed many collective agreements contain provisions which we have sought to generalise in the Code. There is a degree of organisation on both the sides which ensures a continuous two way flow, which makes for higher productivity. In our country we find ourselves under the compelling need to create new channels for such purposes.

Here a great deal of constructive work is to be done to bring about an awareness and understanding of the needs of the situation and mutual obligations. This applies both to the employees and employers. The broad ideas which are incorporated in the Code, in the first instance, will be propagated on a wide scale so that they enter into the consciousness of those who have to do their jobs on the spot. This helps to create a favourable climate for the introduction of concrete steps which must follow. I believe it is common ground amongst those whose business is to promote productivity that the outlook and attitude of the workers constitute the major determinant of the success of any scheme or programme for raising productivity. More important than any clause of the Code is the concept itself, the acceptance of which is bound to create a new psychological impact.

Of all the grounds urged for the postponement of consideration of the Code the one having the least weight or validity is that which is based on some notions about the Code of Discipline. I have had something to say about this Code at the last I. L. C. recently. It should provide the answers to those contentions and questions which had been raised. The Code was finally adopted in May last year. The Ad-hoc Committee of N. P. C. which considered the Draft of the Code of Efficiency met in the month of June this year. In a matter where lakhs of workers and hundreds of employers are concerned how much time would be needed for the new ideas and spirit to seep down to the level of the unit. Why should any one be in such haste to proclaim whether the Code has succeeded or not? Those who are inclined to make so light of the Code of Discipline—and I am not now referring to N.P.C.—forget that what is at stake is not a document of a few clauses, but a whole approach and avenue of peaceful progress of industry, the alternatives to which are only more legislation and more conflicts. If we are not satisfied with the measure of success achieved, the only remedy is to try again and try harder. In fact, however, the Code has yielded results, in a short period, which have exceeded my expectations. But



we should not expect too much of it. It is good enough if it becomes a source of a healthy influence on the parties.

I am glad however that the Code of Discipline is being thought of in this context. The Code of Efficiency is a part of an integrated process of which the Code of Discipline, the scheme of workers participation, the programme of workers' education, are all vital and interdependent elements.

With regard to the phraseology and contents of the Code, let it be remembered that the present Code is just a rough draft to provide a basis for first discussion. Every word of it may be changed and any thing new may be put into it. I do not however attach importance to the criticism about the provisions being vague and general. The Code has to begin like this. At this stage it has just to provide a nucleus round which a body of understanding and practice may grow. The Code starts with a few broad features which may be enlarged. Concrete expression to these principles has to be given in course of time as has happened in the case of the Code of Discipline. There may be special modifications for different industries. Furthermore, as the ultimate stage, a Code of Efficiency, in detail may be worked out for each unit or plant.

I have to apologise for the length of my observations. I have written them under the compulsion of a strong sense of the importance of the subject.

---

The meeting of the Tripartite Committee  
to go into the functions of Works Committees  
(New Delhi, 30th November, 1959)

The Committee met in accordance with the decision of the 17th Session of the Indian Labour Conference held at Madras in July 1959 to examine the material on the subject of Works Committees and draw-up "guiding principles" relating to the composition and functioning of Works Committees. The following members were present:-

CENTRAL GOVERNMENT

Ministry of Labour and Employment

1. Shri P.M.Menon, I.C.S.,  
Secretary. . . . . Chairman
2. Shri B.N.Datar,  
Labour and Employment Adviser.
3. Shri Teja Singh Sahni,  
Deputy Secretary.
4. Dr. B.R. Seth,  
Deputy Secretary.
5. Shri S.P. Mukherjee, I.A.S.,  
Chief Labour Commissioner (Central).
6. Shri A.L.Handa,  
Under Secretary.
7. Shri S.B.Kale,  
Regional Labour Commissioner (Central).
8. Shri Nerdeo Singh,  
Research Officer.

Ministry of Works, Housing & Supply

9. Shri O.T.J. Zacharias,  
Officer on Special Duty (Labour).

Ministry of Commerce & Industry

10. Shri V. Natesan,  
Under Secretary. . . . .

Ministry of Defence.

11. Shri G.A. Ramrakhiani,  
Deputy Secretary.

Ministry of Food and Agriculture.

12. Shri J.G.Anand,  
Assistant Economic & Statistical Adviser,  
Directorate of Economics & Statistics.

STATE GOVERNMENTS

Bihar

13. Shri S.N.Pande, I.A.S.,  
Labour Commissioner.

Bombay

14. Shri D.G.Kale,  
Deputy Commissioner of Labour (Admn)  
Pramji Cowasji Institute Building, Dhobi Talao,  
Bombay.

Uttar Pradesh

15. Shri J. Prasad,  
Deputy Labour Commissioner,  
Uttar Pradesh, Kanpur.

West Bengal

16. Shri S.N.Chatterjee,  
Deputy Labour Commissioner,  
Calcutta.

EMPLOYERS

Employers' Federation of India, Bombay

17. Shri P.N.K. Pillai,  
Personnel Manager,  
Indian Aluminium Co., Ltd.,  
31 Chowringhee, Calcutta-16.
18. Dr. K.S. Basu,  
Director, Hindustan Lever Ltd.,  
Scindia House, Ballard Estate, Bombay-1

All-India Organisation of Industrial Employers, New Delhi

19. Shri S.K. Asthana,  
Labour Adviser,  
Engineering Association of India,  
India Exchange Place, Calcutta-1

All India Manufacturers' Organisation, Bombay

20. Shri K. Naoroji,  
Messrs Godrej & Boyce Mfg. Co (P) Ltd.,  
Lalbaug, Parel, Bombay-12

W O R K E R S

Indian National Trade Union Congress

21. Shri Ghanshyamlal Oza, Member Parliament,  
New Delhi.

All India Trade Union Congress

22. Shri Ram Sen,  
C/O West Bengal Committee of the  
All India Trade Union Congress,  
249, Bowbazar Street, Calcutta-12

Hind Mazdoor Sabha

23. Shri H.K. Sowani,  
General Secretary, Cotton Mill Mazdoor Sabha,  
39, Patel Terrace, Parel,  
Bombay-12



3

United Trade Unions Congress

24. Shri Sisir Roy,  
General Secretary,  
United Trades Union Congress,  
General Office,  
249, Bowbazar Street, (1st Floor)  
Calcutta-12

O T H E R S

Indian Institute of Personnel Management, Calcutta

25. Shri P. Ghosh,  
E.R. Manager,  
Standard Vaccum Oil Co.,  
New Delhi:

Observer

After discussion, the Committee came to the following main conclusions:

1. Functions of Works Committees

It was agreed that it was not practicable to draw up an exhaustive list of the functions of Works Committees. There should be some flexibility of approach for the system to work properly. Illustrative lists of items which the Works Committee should normally deal with and those which it should not normally deal with were drawn up and approved (List appended). It was agreed that the demarcation would not be rigid and the approved lists were flexible.

2. Units in which the Works Committee should be formed.

It was agreed that no change was called for in the existing statutory provisions in the Industrial Disputes Act limiting the number of workmen to 100 for the purpose of the formation of a Works Committee.

3. Composition of the Works Committee

It was agreed that no change in the existing provisions of the Industrial Disputes Act or Rules regarding the number of members of the Works Committee was necessary. As regards the number of representatives it was felt that at times the management found it difficult to produce equal number of representatives as that of workers. But as, however, this was permissible even under the existing rules, no change therein was recommended.

4. Composition of the Workers' side of the Works Committee.

- (i) It was considered that the workers' representatives on the Works Committee should be elected by the workers without ....

the constituencies being divided between workers who are members of a Union and those who are not members of a Union. The existing provisions regarding representation for different departments or sections should continue. As for election, the consensus of opinion was that ordinarily the employers should be responsible therefor but that where there is a dispute or an apprehended dispute or where either the employer or the workers make a specific request to the appropriate Government, a Conciliation Officer/Labour Officer deputed by that Government should supervise the election.

5. Chairmanship of Works Committee

5. It was agreed that the present provision in the Central Industrial Disputes Rules regarding the compulsory rotation of the office of the Chairman between employers and workers should be removed. At the same time it was felt that the workers' representatives should not be barred from holding that office, if suitable persons were available from their side. It was agreed that for the next three years, the Chairman should be from the management side, who should, as far as possible, be the head of the organisation of factory. It was also decided that the position should be reviewed after three years.

6. Periodicity of the meetings.

It was agreed that the present provision i.e. having a meeting at least once in a quarter needed no change. Meetings should be held more frequently if necessary.

7. Facilities to Works Committees' members.

It was agreed that the Secretary of the Works Committee should have the privilege of putting up notice regarding the work of the Works Committee on the notice board of the establishment.

8. General The question was raised whether works committees should be established in commercial establishments also and not in factories only. It was pointed out that according to the existing provisions in the Act, Commercial establishments might form the Works Committees whenever required.

A P P E N D I X

I. Illustrative list of items which Works Committees will normally deal with

1. Conditions of work such as ventilation, lighting, temperature and sanitation including latrines and urinals.
2. Amenities such as drinking water, canteens, dining rooms, creches, rest rooms, medical and health services.
3. Safety and accident prevention, occupational diseases and protective equipment.
4. Adjustment of festival and national holidays.
- X 5. Administration of welfare and fine funds.
- X 6. Educational and recreational activities such as libraries, reading rooms, cinema shows, sports, games, picnic parties, community welfare and celebrations.
- X 7. Promotion of thrift and savings.
8. Implementation and review of decisions arrived at meetings of Works Committees.

II. List of items which the Works Committees will not normally deal with.

1. Wages and allowances.
2. Bonus and profit sharing schemes.
3. Rationalisation and matters connected with the fixation of workload.
4. Matters connected with the fixation of standard labour force.
5. Programmes of Planning and development.
6. Matters connected with retrenchment and lay off.
7. Victinisation for trade union activities.
8. Provident Fund, gratuity schemes and other retiring benefits.
9. Quantum of leave and national and festival holidays.
10. Incentive schemes.
11. Housing and transport services.



- 6 -

In conclusion Voroshilov toasted to the health of the King, members of the Nepalese Government, to friendship and co-operation between the Soviet Union and Nepal.

\* \* \*

Today, the Soviet leaders were given a big civic reception by the residents of Lalitpur, the oldest town in the Kathmandu Valley situated close to the capital of Nepal.

Thousands of citizens came out into the streets decorated with Soviet and Nepalese flags. Special welcoming arches erected in the streets carried the slogans: "Long Live Our Friendship, Long Live Our Esteemed Guests!"

Mr. Ram Bahadur, the Mayor of Lalitpur, greeted the Soviet guests on behalf of the population of the town. E.A. Furtseva spoke in reply.

\* \* \*

K.E. Voroshilov and F.R. Kozlov today also visited here a vocational school. The pupils of the school which trains fitters, blacksmiths, shoemakers, weavers and workers of other trades heartily welcomed the distinguished guests.

After the guests made the round of the school, the school management and the pupils presented the Soviet guests with some gifts made by the school pupils.

#### Civic Reception in Kathmandu

KATHMANDU, 4.2.60. (PASS).--A civic reception in honour of Kliment Voroshilov, Frol Kozlov and Ekaterina Furtseva was held today in Tundikhel--the central square of Kathmandu where all mass meetings and ceremonies are traditionally held.

Tens of thousands of Kathmandu citizens gathered in the square to welcome the Soviet leaders. There were Ministers of the Nepalese Government, Parliament Members, heads of diplomatic missions accredited in Nepal, staff members of Soviet representations and offices and members of their families.

The people of Kathmandu loudly applauded the appearance on the festively decorated rostrum of Kliment Voroshilov, Frol Kozlov and Ekaterina Furtseva, as well as Prime Minister B.P. Koirala, Mayor of the city of Kathmandu, Prayag Racha, the Ambassador of the Soviet Union to Nepal, E.C. Zabrodin. Cheers rent the air: "Long Live the Friendship Between Nepal and the Soviet Union!", "Russi-Nepali, bhai-bhai!" The Mayor of the city read an address of welcome to the distinguished Soviet guests on behalf of the residents of the capital of Nepal. Speaking next, Prime Minister Koirala greeted the Soviet guests. Kliment Voroshilov spoke at the civic reception in Kathmandu.

Cable "AITUCONG"

Telephones 43771  
43414

T. U. LAW BUREAU:  
R.L. TRUST BUILDING,  
35, GIRGAON ROAD,  
BOMBAY 1 (INDIA)

अखिल भारतीय ट्रेड यूनियन काँग्रेस  
ALL-INDIA TRADE UNION CONGRESS

4, ASHOK ROAD,  
NEW DELHI.

President : S. S. MIRAJKAR.  
General Secretary : S. A. DANGE, M.P.

No.172/A/59  
November 18, 1959

Shri K.D.Hajela,  
Under Secretary to the Govt of India,  
Ministry of Labour & Employment,  
New Delhi.

Sub: Fifth Meeting of the Sub-Committee  
on Worker Participation in Management  
and Discipline in Industry.

Dear Sir,

Please refer to your letter No.E&P.25  
(13)/59 dated November 13, 1959, on the  
above subject.

Shri Indrajit Gupta, Secretary, AITUC, will  
represent our organisation at the Fifth Meeting  
of the Sub-Committee on Worker Participation  
in Management and Discipline in Industry.

The address of Shri Gupta is given below:

Shri Indrajit Gupta,  
Secretary, AITUC,  
249 Bowbazar Street,  
CALCUTTA 12.

Yours faithfully,

*K.G. Sriwastava*

(K.G. Sriwastava)  
Secretary

Copy to: Com. Indrajit

The meeting is to be  
held in Delhi  
on December , 1959.

14 NOV 1959

NO. LC -10(22)/59  
GOVERNMENT OF INDIA  
MINISTRY OF LABOUR & EMPLOYMENT  
-----

IMMEDIATE

From

Shri V.R. Antani,  
Deputy Secretary to the Government of India.

To

The Presidents of all Central  
Employers' and Workers' Organisations  
( except the Employers' Federation of India.)

Dated New Delhi, the 13th November, 1959.

SUBJECT:- Informal meetings with Employers' and Workers' represen-  
tatives - New Delhi - 17th and 18th November, 1959.

....

Sir,

In continuation of the Union Labour Minister's letter dated the 3rd November, 1959, I am directed to say that the informal meetings with the employers' and workers' representatives on the 17th and 18th Nov. '59, respectively, will be held in Room No. 138, 1st Floor, North Block, Central Secretariat, New Delhi, at 11 A.M.

Yours faithfully,

  
( V.R. Antani )  
Deputy Secretary.



(176)

No.E&P-23(9)/II/59/i  
GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT

NEW DELHI, the . . .

From

Shri K.D.Hajela,  
Under Secretary to the Government of India.

To

1. All Participating units.
2. All Central Organisations of Employers & Workers.
3. All State Governments.
4. All Employing Central Government Ministries concerned.

Subject: Second Seminar on Labour Management Cooperation -  
February 1960.

Sir,

I am directed to say that the second seminar on Labour Management Cooperation will now be held on the 10th and 11th February 1960 probably in Vigyan Bhavan, New Delhi instead of on the 5th and 6th February 1960 as previously intimated.

2. The Seminar will open at 3.00 P.M. on the 10th February, 1960.

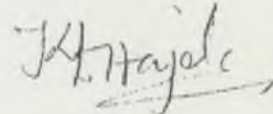
3. I am therefore to request you kindly to intimate the above to your representative(s) who will be attending the Seminar.

\* For  
Participating  
units only.

4.\* The undertakings are requested to place this invitation before their Joint Management Councils and secure a representative from the workers' side if not already done. It is also requested that representatives of the undertakings may please bring their latest information on the working of the Joint Management Councils to this Seminar.

5. A further communication will follow regarding the final venue of the meeting.

Yours faithfully,



(K.D.HAJELA)  
UNDER SECRETARY.

Copy together with a copy of the summary appraisal of the working of the Joint Management Councils in the various units based on the information so far available is forwarded to :

P.S. to L.M./P.S. to D.L.M./P.A. to Parl. Secretary/  
P.S. to Secretary/PA to JS(G)/PA to JS(E)/PA to DGE&E/  
P.A. to LEA/P.A. to Deputy Secretaries/P.A. to I.F.A./  
P.A. to A.E.A./P.A. to Under Secretaries/C.R.O./Welfare Officer  
P.I.O.  
L.C. Section

P.T.O.

Copy together with a summary appraisal also forwarded

0 :

- . The D.G.E.S.I, C., New Delhi.
- . The C.P.F.C., New Delhi.
- . The C.A.F., New Delhi.
- . The C.L.C., New Delhi.

Copy also forwarded to :

- (1) Shri V.K.R.Menon,  
Director,  
I.L.O., India Branch,  
Mandi House, New Delhi.
- (2) Shri H.D.Shourie, I.A.S.,  
Executive Director,  
National Productivity Council,  
38, Golf Links,  
New Delhi.

*K.D. Hajela*  
*19/1/60*

(K.D. HAJELA)  
UNDER SECRETARY.

KK  
9/1

21 JAN 1960

(178)

No. EWP-23(9)/II/59/1  
GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT

NEW DELHI, the

20 JAN 1960

From

Shri K.D. Hajela,  
Under Secretary to the Government of India.

To

1. All Participating units.
- ✓ 2. All Central Organisations of Employers & Workers.
3. All State Governments.
4. All Employing Central Government Ministries concerned.

Subject: Second Seminar on Labour Management Cooperation -  
February 1960.

Sir,

I am directed to say that the second seminar on Labour Management Cooperation will now be held on the 10th and 11th February 1960 probably in Vigyan Bhavan, New Delhi instead of on the 5th and 6th February 1960 as previously intimated.

2. The Seminar will open at 3.00 P.M. on the 10th February, 1960.

3. I am therefore to request you kindly to intimate the above to your representative(s) who will be attending the Seminar.

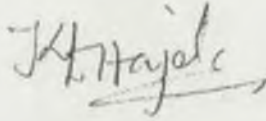
1\* For  
Participating  
units only.

4.\* The undertakings are requested to place this invitation before their Joint Management Councils and secure a representative from the workers' side if not already done. It is also requested that representatives of the undertakings may please bring their latest information on the working of the Joint Management Councils to this Seminar.

5. A further communication will follow regarding the final venue of the meeting.

Yours faithfully,

5. The President,  
All India Trade Union Congress,  
4, Ashoka Road,  
New Delhi.

  
(K.D. HAJELA)  
UNDER SECRETARY.

Copy together with a copy of the summary appraisal of the working of the Joint Management Councils in the various units based on the information so far available is forwarded to :

P.S. to I.M./P.S. to D.L.M./P.A. to Parl. Secretary/  
P.S. to Secretary/PA to JS(G)/PA to JS(E)/PA to DGE&E/  
P.A. to LEA/P.A. to Deputy Secretaries/P.A. to I.F.A./  
P.A. to A.E.A./P.A. to Under Secretaries/C.R.O./Welfare Officer  
P.I.O.  
L.C. Section

P.T.O.



Copy together with a summary appraisal also forwarded to :

1. The D.G.E.S.I.C., New Delhi.
2. The C.P.F.C., New Delhi.
3. The C.A.F., New Delhi.
4. The C.L.C., New Delhi.

Copy also forwarded to :

- (1) Shri V.K.R.Menon,  
Director,  
I.L.O., India Branch,  
Mandi House, New Delhi.
- (2) Shri H.D.Shourie, I.A.S.,  
Executive Director,  
National Productivity Council,  
38, Golf Links,  
New Delhi.

*K.D. Hajela*  
*19/1/60*  
(K.D.HAJELA)  
UNDER SECRETARY.

SKK  
19/1

22 JAN 1960

No.E&P-23(9)/II/59  
GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT

NEW DELHI, the

21 JAN 1958

From

Shri K.D.Hajela,  
Under Secretary to the Government of India.

To

Shri M.S.Krishnan,  
Joint Secretary,  
Karnatak Pradesh Trade Union Congress,  
50/A, A.S.Street,  
Bangalore-2.

Subject: Second Seminar on Labour Management Cooperation -  
February 1960.

Sir,

With reference to your letter dated the 11th  
January 1960, I am directed to say that it is regretted  
that it would not be possible to send you the advance for  
your travelling expenses to Delhi to attend the above  
seminar. The advance upto 75 per cent of the actual  
travelling expenses to and from the Station from which you  
will undertake the journey may however be paid to you on  
your arrival here for attending the seminar.

Yours faithfully,

Sd/-

(K.D.HAJELA)  
UNDER SECRETARY.

✓ Copy to the General Secretary, A.I.T.U.C.,  
4, Ashok Road, New Delhi, for information.

*K.D.Hajela*

(K.D.HAJELA)  
UNDER SECRETARY.

No.F&P.23(9)/II/59-II  
Government of India  
Ministry of Labour & Employment

175

From

Shri K.D.Hajala,  
Under Secretary to the Government of India.

To

Shri M.S.Krishnan,  
Karnatak Pradesh Trade Union Congress,  
50-A Arcot Srinivasachar Street,  
Bangalore-2.

New Delhi, the 5.6 JAN 1960

Subject:- Second Seminar on Labour Management  
Cooperation- February, 1960.

Sir,

I am directed to forward herewith a copy of the summary appraisal of the working of the Joint Management Councils as desired by the Secretary, A.I.T.U.C. vide their letter No.176/IM(D)/59, dated the 26th December, 1959.

Kindly acknowledge receipt.

Yours faithfully,

(K.D.Hajala)

Under Secretary to the Govt. of India.

Copy to the Secretary, All India Trade Union Congress,  
4, Ashoka Road, New Delhi for information.

S. Srinivasa  
for Under Secretary.



21 FEB 1960

176

No.E&P-23(9)/II/59  
GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT

From

Shri K.D.Hajela,  
Under Secretary to the Government of India.

To \*

5. The President,  
All India Trade Union Congress,  
4, Ashoka Road,  
New Delhi.

NEW DELHI, the

20 JAN 1960

Subject: Second Seminar on Labour Management  
Cooperation - February 1960.

Sir,

I am directed to refer to this Ministry's  
letter of even number dated the 20th January 1960 and  
to say that the Seminar which was to be held on the  
10th and 11th February 1960 has been postponed. The  
revised dates will be intimated later.

2. Please acknowledge receipt of this letter.

Yours faithfully,

(K.D.HAJELA)  
UNDER SECRETARY.

*Pl. send a note to  
K.D.Hajela with this  
copy of the letter. He is bringing  
the file to the office.*

Copy to :-

16 FEB 1960

176

IMMEDIATE

No.E&P-23(9)/II/60  
Government of India  
Ministry of Labour and Employment  
-----

From

Shri K.D.Hajela,  
Under Secretary to the Government of India:

To

5. The President,  
All India Trade Union Congress  
4, Ashoka Road,  
New Delhi.

New Delhi, the

17 FEB 1960

Subject: Second Seminar on Labour-Management Cooperation .  
March 1960.

Sir,

I am directed to refer to the correspondence resting with this Ministry's letter No.E&P-23(9)/II/59 dated the 29th January 1960 and to say that it has now been decided to hold the above Seminar in Commission Room 'H', Second Floor, Vigyan Bhavan, New Delhi on the 8th and the 9th March 1960. The Seminar will open at 3.00 P.M. on the 8th March 1960.

2. I am therefore to request you kindly to intimate the above to your representative (s) who will be attending the Seminar.

3. I am also to say that the Government of India will bear expenditure on travelling allowances by rail or by the shortest route and also daily allowance for attending the Seminar at the rates admissible under Central Government rules in respect of non-official delegates to the following categories :-

- (i) One representative each of employers and workers of the units in which the scheme of workers' Participation has been introduced;
- (ii) One representative each of all India Organisation of Employers and Workers; and
- (iii) Special invitees.

/more

If the All-India Organisations of Employers and Workers or the units wish to nominate/representatives than those indicated above such additional nominees or experts etc. may come as observers at their own expense or at the expense of their organisations. The Government of India will not bear any expenditure on T.A. and D.A. in respect of such additional persons.

Yours faithfully,

*K.D.Hajela*  
16/2/60

(K.D.HAJELA)

Under Secretary to the Government of India.

D R A F T

CODE OF EFFICIENCY AND WELFARE

Recognising (a) that larger production and increased productivity are necessary for strengthening the economy and raising the standard of living of the people, (b) that employers, workers and Government should make a concerted effort towards increasing efficiency in industry and (c) that while Government has its responsibility in creating the proper atmosphere wherein industry can function efficiently the cooperation between labour and management at the plant level is the one single factor which governs the plant efficiency and workers welfare :

- I. Management and Union(s) agree
- (i) that they will strictly abide by the Code of Discipline and do all in their power to maintain a harmonious atmosphere wherein production can progress unimpeded;
  - (ii) that they will immediately review all cases pending before courts and withdraw as many of them as possible for mutual settlement;
  - (iii) that they will work out wherever possible suitable piece-rate or other incentive payment schemes which, while protecting the health and interests of the worker, will help to maximise production;
  - (iv) that where possible, they will set up Joint Production Committee either independently or as sub-committees of Joint Councils of Management;
  - (v) that they shall introduce, without avoidable delay a suggestion Scheme whereby suggestions made by workers to save wastage and improve output will be carefully considered and suitably rewarded; and
  - (vi) that they will avoid waste and inefficiency in production and will adopt and support latest productivity techniques.
- II. Management agree
- (i) that consistent with the interests of the undertaking/industry, they shall offer their employees reasonable wages and retirement benefits;
  - (ii) that they will frame suitable recruitment rules; provide independently or in association with managements of other undertakings suitable training facilities for workers, supervisors and middle management personnel including apprenticeship training facilities for potential recruits; and afford reasonable prospects of promotion to workers.



- (iii) that they shall provide (a) safe and healthy working conditions (b) reasonable welfare amenities and (c) wherever possible suitable housing;
  - (iv) that they shall maintain machinery and equipment in sound working condition and replace worn-out machinery and equipment at the earliest opportunity; and
  - (v) that they will take steps to engender in the workers a sense of belonging to the enterprise.
- III. Union(s) agree
- (i) that they shall not resort to activities which would involve loss or reduction of production;
  - (ii). that inter-union rivalry shall not be allowed to interfere with efficiency in production and that towards this end, they would strictly abide by the Inter-Union Code of Conduct;
  - (iii) that they shall do all in their power to induce workers to reduce absenteeism and labour turn-over;
  - (iv) that they shall initiate, wherever possible suitable steps for educating the workers in their rights and responsibilities in relation to production;
  - (v) that they would only make reasonable demands on industry, keeping in view the need to maintain competitive costs of production in the larger interests of the economy; and
  - (vi) that they would actively support schemes of rationalisation subject to the conditions agreed to at the 15th Session of the Indian Labour Conference and suggest methods whereby redundant labour can be redeployed for more efficient production.

## WORKING OF THE CODE OF DISCIPLINE

/also been  
encouraging  
The Central  
Evaluation &  
Implementa-  
tion Division  
has

The Code of Discipline, which was ratified at the 16th Session of the Indian Labour Conference held at Nainital in May 1958, has now been in operation for a little more than a year. Though it is yet too early to assess the educative influence of the Code, which is of far greater significance than its observance in letter, it appears from the various accounts received so far that the Code has undoubtedly met with a large measure of success. Many employers and workers' organisations have expressed in unmistakable terms their satisfaction about the working of the Code. State Governments too have variously reported that the Code has produced a sobering effect on the parties; it has created a favourable climate for industrial peace; it has had a deterrent effect; it has resulted in speeding up implementation of labour laws; it has provided a forum for dispassionate discussions of the difficulties of the parties; and so on. The experience of both the State Implementation Machineries and of the Central Evaluation and Implementation Division has been able to bring home to the parties concerned their responsibility for infringements of the Code on the parties concerned in about 60% of the reported violations on which action could be taken by it. In all these cases the parties and/or their Central Organisations were asked to set right the breaches, wherever possible, and to avoid them in future. In the State sphere also, the available information indicates that the State Implementation machineries have met with similar success in dealing with cases of breach of the Code. Considering the fact that the Code is a voluntary document, that the State Governments took time to set up the requisite machinery for implementation and that, by its very nature, the process is time-consuming; the performance of the Code so far is gratifying.

2. The following figures of industrial disputes, man days lost, etc. during 1958 and 1959 also support the fact that the restraining and moulding influence of the Code is having an impact on industrial relations :

<u>PERIOD</u>	<u>TOTAL NUMBER OF DISPUTES</u>	<u>NUMBER OF WORKERS INVOLVED.</u>	<u>MAN-DAYS LOST</u>
<u>1958</u>			
1. Jan. to June*	984	583,629	4,701,136
2. July to Dec.	961	466,471	3,096,343
<u>1959</u>			
Jan. to June	850	324,953	2,355,056

\* The Code of Discipline came into force from June 1958.

3. For avoiding litigation, as required under the Code, the Central Implementation and Evaluation Division has been able to persuade all Central Organisations of Employers and Workers to set up machineries to screen cases of industrial disputes before they are taken in appeal to High Courts or the Supreme Court. It has been reported that the setting up of these machineries has had a sobering effect on the parties and it is hoped that they will be able to minimise litigation on unsubstantial grounds. Attempts are also being made by the Implementation Machineries as well as

(176)  
No. E&P-23(14)/60

Government of India

Ministry of Labour and Employment

New Delhi, the 20 JUL 1960 July 1960.  
Asadh, 1882.

From

Shri K.D.Hajela,  
Under Secretary to the Government of India.

To

5. The President,  
All India Trade Union Congress,  
4, Ashoka Road,  
New Delhi.

Subject: Brochure on Second Seminar on Labour Management  
Cooperation held on the 8th and 9th March 1960 at  
New Delhi.

Sir,

I am directed to forward herewith ..... copy/copies  
of the Brochure on "Second Seminar on Labour Management  
Cooperation" held on the 8th and 9th March 1960 for your use.

Yours faithfully,

*K.D.Hajela*  
12/7/60

(K.D.Hajela)  
Under Secretary.



Winters Pastapuratin  
in Government

December 7, 1960

Dear Com.Krishnan,

The Committee on Labour Management Cooperation has now been constituted by the Union Labour Ministry. We have nominated you as our representative.

The other members of the Committee are: G.Ramanujam (INTUC), H.K.Sowani (HMS), Jatin Chakravarty (UTUC); N.Stanhouse (EFI), G.V.Puranik (AIMO) C.H.Desai (AIOIE), V.K.R.Menon (ILO), H.D.Shourie (NFC). The Union Labour Minister will be the Chairman, Deputy Labour Minister (E) and Labour Secretary will be members and B.N.Datar, member-secretary. The Committee may invite representatives of State Governments and Central Ministries when necessary.

The functions of the Committee will be to provide advice and guidance on all matters connected with the Scheme of Joint Management Councils. Besides, it will organise the work of collection, collation and dissemination of information on the working of the Joint Management Councils.

Information about the meetings, agenda, etc., will be communicated to you directly by the Union Labour Ministry.

With greetings,

Yours fraternally,

*vm*  
(K.G.Sriwastava)

M.S. Krishnan.  
Bangalore

## Labour-Management Co-operation

B N DATAR\*

SINCE the turn of the century, the industrial scene has gone through a complete change. The revolution in industry, however, extends not only to the technological aspects but also to the sphere of human relations. There was a time when the employer tended to treat the worker almost on par with the raw materials used in the industrial process. Today, however, significant changes have been recorded in the status of the worker. Labour is no longer considered a mere inanimate commodity but is given the rights and responsibilities of a human individual. The community now accepts the employer and the worker as partners in production. The credit for securing this change in attitude must be shared between the pioneering efforts of progressive employers and enlightened trade unionists, on the one hand, and the official policies of Government directed towards securing the well-being of the worker, on the other.

But in spite of these basic changes in the aspects of technology and human relations, the objectives of industry continue to be exactly the same. Industry is organised to produce the maximum output. Industrial unrest tends to affect this production. Thus it is evident that human problems have come to be woven into the overall process of production.

There are two recognised ways of

increasing production: one consists of investing more resources in production, the other of producing more from the same amount of resources. The latter has been described as the productivity method and it assumes special significance in the context of strictly limited resources.

It is a mistake to assume that the productivity method calls only for increased capital investment by the employer or greater efforts on the part of the worker. In effect, it aims at increasing efficiency through a number of ways, such as checking wastage, avoiding fatigue and monotony and, in the process, securing greater job satisfaction.

The need for increasing productivity cannot be overemphasized in the context of the highly competitive character of international markets. What is true of the international market is equally true in the case of the domestic market. An increase in productivity would make available to the consumer a larger number of better quality goods at lower prices. At the same time, this would result in increasing industrial employment and the worker would get the benefit of higher wages and better working and living conditions.

Thus, it will be seen that productivity can be secured through efficient organisation and use of existing resources and the application of improved techniques. But if these efforts are to succeed, it is vital that they receive the whole-hearted cooperation of all persons engaged in industry, including

\* Adviser, Ministry of Labour and Employment, and Chief, Labour and Employment Division, Planning Commission, Government of India.

the workers and their representative trade unions.

Offer of higher wages usually serves to encourage labour to greater efforts, but only up to a point. The urge to improve one's performance must essentially come from within and must take into account such factors as enthusiasm, initiative and a sense of loyalty. In fact, a productivity drive is primarily directed towards developing the willing cooperation of management and labour in a common enterprise.

But gaining the confidence of the worker is no easy task. This can only be done if the worker is given his rightful place in industry. Industry is a joint endeavour and the various parties who contribute to its functioning can be described as partners. The employer organises and plans. The worker contributes his labour and skill in the execution of these plans. The consumer is the unseen but ultimate partner in industry. The partnership principle can take many forms. In essence it is a sincere recognition of the rights and responsibilities of the concerned parties and it provides for the widest possible consultation between employers and workers and, in some cases, of consumers, as well. These principles have come to be generally accepted.

It has often been asked as to whether there is any real basis for labour-management cooperation. The answer is very definitely, yes. Both workers and employers are interested in securing greater production; they only differ in the matter of sharing the product. Both parties have increasingly begun to realise that they can only share as much as they produce. Therefore, it is in their own interest to increase the total size of the cake. As to the question of sharing, the interests of labour and management can never be expected to be completely identical. They can, however, develop certain healthy and

cooperative attitudes in arriving at a mutually acceptable solution. What is needed most of all from both parties is the willingness to cooperate in achieving mutual goals.

Most conflicts can be resolved if the employer and the worker can arrive at a basis for mutual understanding. It seems an anachronism for any progressive employer to continue to assert that the interests of the workers are safe in his hands. It would be more realistic to agree to the workers setting up their own unions and even to assisting these unions in securing a sound and representative basis. Similarly, in accepting the principle of seniority, management can ensure that the criteria of merit and efficiency are not totally ignored. In recent years, management and labour have displayed considerable ability in resolving the problems of un-employment that arise out of technological improvements in industry.

It is possible to list a number of goals of labour and management which seem incompatible but, in reality, serve mutual interests. For example, while the worker is eager to improve his status in industry, the management are keen on securing the economic interests of the industrial undertaking. It is necessary, however, for labour and management to accept the separate functions that they have to perform. It is the function of the trade union to secure the interests of the worker in terms of improvements in wages, hours of work, working and living conditions. For both these objectives, industrial peace is necessary; hence the need for labour-management cooperation.

Labour-management cooperation is not an entirely new concept. It has been initiated in a number of countries and implemented under different forms. These variations can be traced back to differences in economic, technical, so-



cial, historical and psychological conditions. In some countries, the basis for cooperation is completely voluntary; in other countries, the right of workers to participate in management has been established by law. In some industrial units, the worker has only the right to advise; in others, he participates in decision-making on certain items of work. The differences extend to the structure and composition of the machinery of labour-management cooperation, the range of subjects handled and the degree of participation. The underlying motive for cooperation, however, is the same, viz., to raise productivity for the benefit of all. The various efforts at cooperation have met with different degrees of success, depending upon a number of factors, including the prevailing climate of industrial relations.

Joint consultation cannot be considered a new concept in India. Mahatma Gandhi gave a new angle to the concept of partnership in industry. For him, employers and workers were members of the same family. He considered that the rich should treat their wealth as held in trust for the community. Extending the doctrine of trusteeship to industry, employers and workers are required to organize and run industry for the benefit of the community.

It was in the context of a socialist society and the urgency for fulfilling the development targets that the Planning Commission reiterated the need for securing greater association of workers in management. In this regard the Industrial Policy Resolution (April 1955) stated: "In a socialist democracy, labour is a partner in the common task of development and should participate in it with enthusiasm. Some laws governing industrial relations have been enacted and a broad common approach has developed with the growing recognition of the obligations of both management and labour. There should be joint consultation, and workers and

technicians should, wherever possible, be associated progressively in management."

Continuing this trend, Planning Commission in its report on the Second Five Year Plan recommended the setting up of Councils of Management in large industrial establishments with representatives of management, technicians and workers. Government also sent an expert group to make a first-hand study of European experience in this field. The Study Group recommended the setting up of Joint Councils, and, in accepting their recommendations, the Indian Labour Conference (July 1957) considered that the experiment should be initiated in 50 industrial units drawn on a voluntary basis from the public and private sectors.

Early in 1958, a tripartite seminar on labour-management co-operation was organized by Government. Among those attending the seminar were workers and employers drawn from units that had agreed to set up Joint Councils. The seminar chalked out the constitution and functions of Joint Management Councils and drafted a model labour-management agreement for setting up such Joint Councils. The model agreement provides that the Joint Councils should endeavour: (i) to improve the working and living conditions of employees; (ii) to improve productivity; (iii) to encourage suggestions from employees; (iv) to assist in the administration of laws and agreements; (v) to serve generally as an authentic channel of communication between management and employees; and (vi) to create in the employees a live sense of participation.

The Councils are to be vested with varying degrees of powers and responsibilities. Broadly speaking, they will be responsible for all subjects which exclusively affect the worker; they will be consulted by management on subjects such as the administration of

standing orders and the introduction of new production techniques and also will receive information on the organization and running of the undertaking and make suggestions for improvement.

Since the organization of the seminar, a number of units in the public and private sectors have set up machinery for joint consultation. While most of the units have followed the model suggested at the seminar, others have followed their own patterns. In some units, the statutory works committees have been reorganized and given the wider functions of the Joint Councils. In other units, the existing machinery for joint consultation has been made more broad based. In the private sector, the experiment is being tried out in units of the jute, textiles, tea, cement, iron and steel industries. The machinery employed is the Joint Council of Management working through sub-committees for subjects such as productivity, waste, stores consumption, welfare and safety. In other cases, instead of a single Joint Council there are separate Joint Committees for aspects such as job evaluation, standards and personnel relations.

All available experience with regard to the working of labour-management co-operation points to a significant conclusion. It is that workers' participation is best secured in terms of advisory functions rather than in decision-making. It is advisory functions that are proving popular and practical and which hold out prospects for the future. Participation in decision-making is still an idealistic concept which falls outside the realm of practical possibility. The reasons are not far to seek.

Participation in decision-making pre-supposes a certain minimum grasp of business economics, the ability and willingness to consider matters from the standpoint of the enterprise and to function as its representatives. Un-

fortunately, both these possibilities are ruled out by the nature of the present-day industrial community. Workers, though they do display a good deal of common sense and understanding, still lack the necessary knowledge for effective participation in managerial decisions.

For the unions, participation in management raises a delicate problem of dual loyalty. Trade unionism is built up essentially on securing the workers' interests. Unionists are none too keen to have their prestige and power whittled down by engaging in a co-operative endeavour with management, viz., allowing workers to sit on the Board of management of industrial establishment. For instance, in the United Kingdom, the Trades Union Congress is against accepting any direct responsibility in management and it is firmly against the workers being represented on the Management Board. In the nationalised industries, labour leaders have served on the Board of Management only in their individual capacity and not as representatives of the workers.

Industry represents an area of common endeavour wherein both employers and workers have distinct roles to perform. It would be wrong to assume that either party could arbitrarily undertake the functions of the other. In the ultimate analysis, management is the competent authority to decide on management issues; but this should not debar management from listening to the views of workers on various issues. In fact, for improving industrial efficiency, management must provide greater opportunities to workers for expressing their views on the numerous tasks facing the enterprise. Workers cannot make effective suggestions if they are kept in the dark about the various factors affecting the running of the undertaking. Regular supply of relevant information to workers thus becomes a vital element of joint consultation. It is only by encouraging free interchange



of information and ideas that it will be possible to overcome the distance which too often separates employers and workers. Joint consultation gives workers an opportunity to influence management decisions and itself amounts to indirect participation in decision-making. In other words, joint consultation should lay emphasis on advisory participation—except in matters where the workers can look after their own interests such as the administration of welfare schemes, canteens, transport facilities and safety measures.

No scheme of joint consultation can succeed if it overlooks the trade unions or encroaches upon their accepted functions. It is, therefore, necessary to establish a sound relationship between the Joint Councils and the trade unions, because lack of support and suspicion on the part of the unions would frustrate all efforts at building up a sound structure of joint consultation. Issues which would come under collective bargaining procedure should be kept out of the purview of Joint Councils. It is preferable that such a programme should be taken up only in those undertakings that have a single, well-established and strong trade union.

For joint consultation to be really effective in large firms, it must start at the primary level. Conditions must be created for consultative relationship between the primary working group and the foremen, chargehands etc. An important cause for break-downs in joint consultation can be traced back to the attitude of middle management. Their attitude towards joint consultation is often characterised by a feeling that in some way it would impair their authority. To overcome this resistance the top management must institute a system of managerial consultation. In India, priority must be given to preparing the ground and educating the workers and the employers about their rights and duties in joint consultation. The pro-

gramme of Workers' Education recently initiated by the Central Board of Workers' Education has been specially oriented towards educating workers and union officials for various labour-management activities, including participation. The unions have a major responsibility in supplementing the efforts of Government by expanding their own educational programmes for the benefit of their members. In the same manner, enlightened management can also help needy unions to expand their educational activities, without giving the workers any feeling of interference.

More important, perhaps, than management education is the subject of supervisory training and the development of a sound cadre of intermediate leadership. There is a direct and significant relationship between supervisory behaviour and workers' morale. The supervisor acts as the vital link between the top management and the work force. His selection and training are matters of considerable importance, because it is good supervision that can create in the minds of workers a sense of participation in the management of the undertaking. In selecting supervisors, it should be remembered that it is not always the most skilled worker in a group that makes the best foreman. For the supervisor, ability to handle men is as important as experience on the job. On selection, the supervisor must be kept well-informed about the policies of the undertaking through the organisation of conferences and the distribution of bulletins and manuals. Training programmes and conferences designed to develop better management skill in the supervisor should emphasise the handling of industrial relations problems and concentrate on improving human relations.

Education for participation is necessary at all levels in order to make joint consultation 'in-built', that is, it should become a matter of habit in management all along the line. In other words, not



only the workers, but also technicians, junior management and every group that matters has to be taken into confidence before decisions are reached. No decision that the workers consider vital should be reached without joint consultation, even if such consultation amounts, on occasion, to nothing more than an informal talk with the other party. Industrial consultation should be supported by supply of information about the firm and suggestion schemes. While these techniques have great value in large undertakings, they would have limited application in small units. At the same time, small units can afford facilities for more personal contacts as compared with the impersonal way in which matters are handled in larger units. Experience suggests that the feeling of belonging must start in the work-place and may, with advantage, extend upwards. The lowest levels are the most important, because it is here that the effect on the individual is felt the most and because it is on them that higher levels depend.

Sharing information or giving the worker the necessary details is an important aspect of joint consultation. However, since we have not yet reached the point in industrial democracy where everything, including the responsibility, the reward and the risk, is shared equally, it may not be possible for business information to be shared equally with the workers. Some information could leak out and be used by business competitors and, as such, management obviously cannot afford to share such Board Room secrets with the Shop Floor. At the same time, management have a definite responsibility to explain in some detail the reasons for policy decisions and the results that are being achieved. Normally, workers themselves do not appear to be interested in securing information beyond what immediately concerns them. It is doubtful as to how many employees are really keen on understanding, though it is popularly supposed that this is the case. It is only when

the workers feel that certain developments are taking place outside their knowledge that they get restive. The regular supply of relevant facts in a form that can be easily understood by the large mass of workers can help to build up mutual confidence. The information supplied should be factual in nature. Apart from verbal presentation of information in Joint Council meetings, information talks, bulletin boards, special booklets and other media should be utilised for sharing information with employees. Well-informed employees develop an interest in their undertaking and such interest leads to efficiency and increased productivity.

It is natural that workmen acquire greater knowledge and experience of working conditions, especially with regard to handling of materials and equipment in the factory. As a result of on-the-job experience, they can make practical suggestions which, if accepted, will not only raise workers' morale but also save many rupees for the company. Full advantage of this possibility should be taken by management by evolving a suitable Suggestion Scheme to stimulate and review all ideas for improving quality, saving time, conserving materials, care of tools and equipment, material salvage, better teamwork, better ways of doing a given job, better routing of rough and finished material, health and safety, better plant housekeeping, training and upgrading of staff and so on. A Joint Production Committee can focus attention on techniques of productivity improvement, such as methods study, work-measurement, production planning and control, quality control and job evaluation. The importance of the Joint Production Committee lies in the fact that through it, the active association of workers could be secured in the employment of productivity techniques. Whether it is job evaluation or quality control, union participation has the advantage of securing greater under-

standing and acceptance of the proposal. Job evaluation study should be carried out as a co-operative effort. There is often a tendency to create a halo of technicalities around such operation and then argue that workers will be unable to understand their significance. Actually a worker is quite capable of understanding these intricate techniques, especially if in the long run he will be affected. It is, therefore, best to associate him at some stage or other in all such technical studies.

To examine how far the concept of labour management cooperation is feasible in practice, the Ministry of Labour & Employment have sponsored selective case studies. Two such studies—one in the Tata Iron & Steel Company at Jamshedpur and the other in Indian Aluminium Company at Belur Works—have been completed and these throw light on the possibilities and limitations of Joint Consultation. The Tata Study emphasises the point that if workers' confidence is to be gained, management's goodwill for the workers must be translated into concrete terms. At Jamshedpur, adequate wages and good working conditions are supplemented by the performance bonus, the incentive wage and the profit-sharing scheme of the Company which assure the worker a share in the benefits that result from joint endeavour. Other favourable factors listed in the Tata Study as conducive to labour-management cooperation are the existence of a strong union, the organisation of joint consultation at various levels and on a wide range of subjects and the development of a satisfactory information service. These bodies discuss matters such as production development, safety and welfare services. Effective consultation in these joint committees is made possible by the supply of information on various aspects of Company's working and administration. News and notes are discussed through a house magazine, a fortnightly supervisors' news letter, information

bulletins and special brochures. Of particular significance is the fact that in addition to its Balance sheet and Annual Report to the share-holders (copies of which can be obtained on request by any interested worker), the Company publishes the Chairman's Annual Report for the benefit of workers, presenting the salient features of the company's working in an easily understandable form and stripped of technicalities. This Report, besides reviewing the work during the year under question, also discusses the company's plans and prospects for the future and gives the workers a preview of the way things are developing. The Tata Study concludes by saying that the experiment in Jamshedpur is working to the advantage of both the parties.

In fact, quite recently, a full-fledged joint Council of Management has been set up at Jamshedpur, where so far labour-management co-operation had been undertaken mainly through independent joint committees. The other study about labour-management cooperation in the Indian Aluminium Company's works at Belur is equally striking for its analysis of the independent union in that company, a union which is not affiliated with any of the four leading all-India organisations of workers. The Belur Union covers only the employees of the works and its officers are drawn exclusively from the works. The union membership roll includes not only the workers, but also the clerical and supervisory staff, several of whom have risen from the ranks. The independence of the union and the inclusion of foremen among its members materially contributes to the success of joint consultation at Belur. Consultation is supported by facts which are themselves jointly ascertained and verified. Information sharing is practised both formally and informally. Official releases provide information on issues discussed in the many joint committees. On the production



side, the union receives a daily efficiency chart, containing rates of production, recovery and effective utilisation of man-power, supplemented by monthly and annual production data. The Joint Committees at Belur are advisory bodies which operate within well-defined areas without impinging on management's power of decision or the union's right to collective bargaining. On the other hand, union-management relations are closely dove-tailed into the system of the joint committees and effectively utilise the latter, while retaining their own independence of action. Judging from the report, labour management co-operation in Belur would appear to flow largely from the foresight of management and leadership of the union. What the Report has to say about the union is particularly instructive: "It has eagerly participated in running the whole apparatus of the collective bargaining system in force in the plant, and on occasions has gone to the extent of issuing a public call to its members to reinforce management goals, for example, whether for increased production, work of quality or discipline in the works. It has also shown great ability in understanding the requirements of informed participation in the decision-making process within the industry. The union has supported the training programmes introduced by management towards this end, and has availed itself fully of the opportunities offered in this regard. As a result the union officials interviewed are fully conscious of the validity as well as the limitations of the various scientific tools that are brought in as aids to management. They are thus adept at the use of the techniques to the point of challenging the figures, demanding a fresh study of exploring further or alternative implications in the data already presented."

In the light of past experience and future hopes, the position about advisory worker participation or joint consultation may be summed up as follows:

Most industrial workers today are placed in a situation which, humanly speaking, is oppressive and unsatisfying. This basic situation persists irrespective of whether the worker is in a private firm or a nationalised undertaking since it arises not so much out of the system of ownership, but out of the working and administrative structure of modern industry. It is this suppression of the workers' natural desire for self-expression and craving for recognition which gives rise to workers' resentment which, in turn, finds expression in aggressive collective bargaining. Collective bargaining thus becomes a primitive kind of social institution, where workers are treated as outsiders. It is "a means of protecting and strengthening the workers' collective interest in the process of bargaining about wages and working conditions—bargaining over against the employer. It attempts to get for the workers a larger slice of the production pie." Thus the bargaining table turns out to be a meeting place for antagonists who want to grab as much as possible, each for himself, at the expense of the other and, if one of them cannot grab enough to satisfy him, he resorts to the threat of direct action. Collective bargaining is thus based on sheer power and becomes economically expensive.

Labour Management co-operation, workers' participation in management, joint consultation—all these mean much the same thing and indicate a method of approach which, by recognising the real worth of the workers, will raise collective bargaining to a higher level and base it on facts and for the common good. Its main function is "to increase the size of the production pie. In practice, collective bargaining and joint consultation have often been merged and handled by the same body." In the new order of things, collective bargaining would include not merely wages, working conditions etc., but also intelligent co-operation between the bargaining



parties. Such co-operation cannot be secured if the workers' importance is not recognised and their talents are not utilized. Nor can co-operation be secured merely by statements that the worker must be given a sense of belonging or a feeling of participation. It is necessary to find out the means by which labour can be rewarded for any increase in productivity and to build up around this formula a working relationship between management and labour. Team spirit is also promoted by entrusting the workers with certain administrative and supervisory responsibilities in respect of welfare schemes, safety measures and the like which affect them directly. Delegation of a certain amount of responsibility to labour would also enliven the functioning of joint councils. Once the team-spirit is thus established, it will be found that labour's interest, like management's, lies only in increasing productivity. When the worker is made a player and not just a pawn in a game, he can enjoy this status and his contribution will result in increased productivity and all-round benefits. If an intelligent union leader and a forthright manager could be found, the way is opened up to a new and creative area of industrial relations—the area of joint consultation and mutual interests.

The current proposals for Joint Consultation and Councils of Management are only the culmination of a series of efforts made by Government to bring management and labour closer together, as often as possible, in conferences, committees and discussions across the table in order to develop a team-spirit in industry and to give collective bargaining a new meaning. In the Indian Labour Conference, there are also tri-partite industrial committees for selected industries. These committees and conferences, however, have their limitations. Beyond promoting agreement on broad lines of policy they cannot be expected to develop that

intimate understanding between management and labour so necessary for the smooth day-to-day running of industry. This is a matter entirely for management, workers and supervisors in industrial undertakings. In this country, experience with statutory works committees has not been very encouraging, possibly because the unions were not given sufficient scope and the functions allotted the committees were severely limited. Experience with Works Committees has shown that spontaneous enthusiasm of workers cannot be aroused by restricting the subjects for joint consultation to routine matters such as hygiene and welfare. These are basic requirements which it is obligatory on the employer to provide as part of the employment contract. Something more than this is required if the confidence of workers is to be inspired and their enthusiastic co-operation secured for improving standards of efficiency and raising productivity. That is why it is necessary for the worker to take a more active part in the administration of industrial enterprises.

In conclusion, a word of caution is necessary. If a section of management should think that joint consultation is an easy trick to destroy collective bargaining, they are completely mistaken. Joint consultation cannot be practised that way. On the other hand, management need not go to the other extreme and entertain false fears that workers' participation is a challenge to their managerial authority. This is clearly not the case. Under joint consultation, workers do not question the right of management to manage. They participate only to the extent necessary to ensure that management functions properly and effectively. And this is primarily for the good of the enterprise and for the good of all concerned. Beyond this, workers neither want to nor are they capable of sharing in real management functions. It is only when

their legitimate desire for self-expression is suppressed or is not satisfied that their indignation can take the shape of certain impossible demands on the industry. Such an unpleasant development can be avoided by providing reasonable opportunities for worker participation in management, thus en-

suring that the interests of both employers and workers are merged with the interests of the undertaking itself and of the community.

---

\* The author desires to acknowledge the assistance given to him by Sri I Z Soares, Sri S Natarajan and Srimati K Suri.

176

# Labour Participation In Management

## EXTENSION OF SCHEME URGED AT SEMINAR

"The Times of India" News Service

NEW DELHI, March 9.

THE unanimous view that the scheme of labour participation in management through joint management councils, in spite of its slow progress so far, has great potentialities for promoting industrial peace in the country and should, therefore, be extended to more units, was expressed by the seminar on labour-management co-operation which concluded its two-day session here today.

The seminar was attended by representatives of Central Ministries, State Governments, central organisations of workers and employers and of units where joint management councils have been established.

The Union Labour Minister, Mr. G. L. Nanda, who presided over the seminar, said that the deliberations made them feel confident that the scheme of labour participation in management had promise of moving forward and yielding good results. The scheme should no longer be regarded as being in a pilot stage; it should now be launched on a bigger scale. He believed that this would help solve many of the problems in the field of industrial relations.

The seminar was of the view that suitable machinery should be set up at the central and regional levels to ensure that the joint management councils functioned effectively and that the scheme was rapidly extended to more units.

### TRIPARTITE COMMITTEE

It was agreed that a tripartite committee should be constituted at the Centre to review from time to time the progress of the scheme of labour participation in management and to sort out difficulties in the functioning of joint councils. An officer should be appointed to secure information from units which had introduced the scheme and to disseminate such information to other units. There should be similar machinery at the State level.

The seminar felt that there was no need to resort to legislative action for implementing the scheme of labour participation in management. It was of the view that a scheme of this kind would succeed only if it was carried out on a voluntary basis.

### ASSESSMENT OF RESULTS

The seminar also laid down certain criteria for assessing the results of the scheme in units where it had been introduced. In this connection, stress was laid on introducing suitable machinery in other States to compare blocks of the committee was of the view that in other States compact blocks of the Jutebhadravari low-level canal, Pradesh in the Vempanam block on Pochampet farm, and another in Andhra Pradesh, 12 miles to the west of the same block, a 2,000-acre area in Bihar.



No.E&P-23(9)/II/60  
GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT

IMMEDIATE

NEW DELHI, the

From

Shri K.D.Hajela,  
Under Secretary to the Government of India.

To

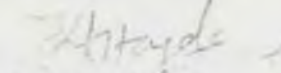
The President,  
All India Trade Union Congress,  
4, Ashoka Road, New Delhi.

Subject: Second Seminar on Labour Management Cooperation-  
March 1960.

Sir,

I am directed to forward herewith a list of experts who have been invited to attend the Seminar on Labour Management Cooperation to be held on 8th and 9th March 1960 in Commission Room H, 2nd Floor, Vigyan Bhavan, New Delhi.

Yours faithfully,

  
(K.D.HAJELA)  
UNDER SECRETARY.

Encl. 1.

- 4 MAR 1960

List of persons attending the Second Seminar  
on Labour Management Cooperation - New Delhi -  
8th and 9th March, 1960.

CENTRAL GOVERNMENT

Ministry of Labour and Employment

1. Shri G.L.Nanda,  
Minister for Labour, Employment and Planning.
2. Shri Abid Ali,  
Deputy Minister for Labour.
3. Shri L.N.Mishra,  
Parliamentary Secretary to the  
Minister for Labour, Employment & Planning.
4. Shri P.M.Menon, I.C.S.,  
Secretary.
5. Shri K.N.Subramanian, I.C.S.,  
Joint Secretary.
6. Shri R.L.Mehta, I.A.S.,  
Joint Secretary.
7. Shri S.A.Qadir, I.A.S.,  
Director General of  
Resettlement and Employment.
8. Shri B.N.Datar,  
Labour and Employment Adviser.
9. Shri V.R.Antani, I.A.S.,  
Deputy Secretary.
10. Shri Teja Singh Sahni,  
Deputy Secretary.
11. Dr. B.K.Bhattacharya, I.A.S.,  
Deputy Secretary.
12. Dr. B.R.Seth,  
Deputy Secretary.
13. Shri V.V.Anantkrishnan, I.A.S.,  
Internal Financial Adviser.
14. Dr. S.B.L.Nigam,  
Assistant Economic Adviser.
15. Shri A.L.Handa,  
Under Secretary.
16. Shri R.M.Doiphode,  
Under Secretary.
17. Shri A.P.Veeraraghavan,  
Under Secretary.
18. Shri P.D.Gaiha,  
Under Secretary.

20. Shri Balwant Singh,  
Under Secretary.
21. Shri S.L.Tulsi ani,  
Under Secretary.
22. Shri A.V.W. thal,  
Chief Research Officer
23. Shri S.P. Ray,  
Welfare Officer.
24. Shri Kumar Deo,  
Information Officer.
25. Col. V.M.Albuquerque,  
Director General,  
Employees' State Insurance Corporation.
26. Shri S.N.Mubayi,  
Central Provident Fund Commissioner.
27. Shri H.S.Mankiker,  
Chief Adviser Factories.
28. Shri S.I.Mukerjee, I.A.S.,  
Chief Labour Commissioner (Central)

Ministry of Works, Housing & Supply

29. Shro O.T.J.Zacharias,  
Officer on Special Duty.

Ministry of Commerce and Industry

30. Shri S.S.Jaigia,  
Managing Director,  
Hindustan Insecticides, Or his nominee.  
New Delhi.
31. Shri T.A.S.Balakrishnan,  
Deputy Secretary.

Ministry of Steel, Mines & Fuel.

32. Shri B.C.Mathur, I.A.S.,  
Deputy Secretary
33. Shri K.N.Rajagopalan,  
Depury Secretary,  
Natural Oil and Gas Commission.

STATE GOVERNMENTS

Kerala.

34. Shri A. Kunjukrishna Pillai, I.A.S.,  
State Labour Commissioner,  
Trivandru, (Kerala State)

Bihar

35. Shri K.K.Ambasht,  
Addl. Under Secretary,  
Labour Department,  
Patna.

Assam.

36. Shri H.P.Duara,  
Labour Commissioner.



Punjab

37. Shri  
Secretary to the Govt. of Punjab,  
Labour & Employment Department, Chandigarh.
38. Shri  
Labour Commissioner,  
Chandigarh.

Uttar Pradesh

39. Shri B.P.Arren, I.A.S.,  
Addl. Labour Commissioner,  
P.B.No. 220, Kanpur.

Bombay

40. Shri B.G.Kale,  
Commissioner of Labour,  
Bombay State, Bombay.

Andhra Pradesh

41. Shri M.K.Guruswamy, I.A.S.,  
Commissioner of Labour,  
Andhra Pradesh.

Madras

42. Shri T.N.Lakshminarayanan, I.A.S.,  
Commissioner of Labour,  
Madras State, Madras.

Rajasthan

43. Shri N.K.Joshi,  
Deputy Labour Commissioner,  
Jaipur.

Madhya Pradesh

44. Shri L.N.Shandilya, B.A., LL.B.,  
Assistant Labour Commissioner,  
Indore Division, Indore.

West Bengal.

45. Shri Qadar Nowaz,  
Deputy Labour Commissioner,  
New Secretariat Building,  
1, Hastings Street, Calcutta.
3. PUBLIC SECTOR UNDERTAKINGS  
EMPLOYERS' REPRESENTATIVES
46. Shri  
Controller of Printing and Stationery,  
Chandigarh.
47. Shri S.D.Bhasin,  
Works Manager,  
Hindustan Insecticides (P) Ltd.,  
New Delhi.
48. Shri K.D.Kakade,  
Assistant Manager,  
Gwalior Leather Tannery & Tent Factory

49. Shri T.L.Mahendra, I.A.S.

OR

Shri N.P.Bhatnagar, I.A.S.  
Deputy Director,  
Government Cement Factory, Churk.

50. Shri R.K.Singh,  
Engineer Manager,  
Government Precision Instruments Factory,  
Lucknow.

4(A) ALL INDIA EMPLOYERS' ORGANISATIONS

1. EMPLOYERS' FEDERATION OF INDIA

51. Shri N.M.Vakil,  
Joint Secretary,  
Employers' Federation of India,  
Army & Navy Building,  
148, Mahatma Gandhi Road, Bombay-1.

2. ALL INDIA MANUFACTURERS' ORGANISATION

52. Shri K. Maoroji,  
Messrs Godrej & Boyce Mfg. Co.(P) Ltd.,  
Parel, Bombay.

3. ALL INDIA ORGANISATION OF INDUSTRIAL EMPLOYERS.

53. Shri P. Chentsal Rao,  
All India Orgn. of Industrial Employers,  
Federation House,  
New Delhi.

4(B) PRIVATE SECTOR UNDERTAKINGS.  
EMPLOYERS' REPRESENTATIVES.

54. Shri G.S.Pillai,  
Personnel Manager,  
The Fertilizers & Chemicals Travancore (P) Ltd.,  
Udyogmandal P.O.Kerala.

55. Shri Ramalinga Iyer,  
Labour Law Officer,  
Simpson Group & Co.,  
202, Mount Road, Madras.

56. Shri A. Dass Gupta,  
Works Manager,  
Indian Aluminium Co. Ltd.,  
31, Chowringhee Road,  
Calcutta.

57. Shri K.N.Modi,  
Modi Spinning & Weaving Mills Co.Ltd.,  
Modinagar.

58. Shri M.L.Aggarwal,  
Factory Manager,  
Bally Jute Co. Ltd.,  
Bally District, Howrah.

59. Shri S. R. Zachariah,  
Chief Personnel Officer,

60. Shri A.B.Ghosh,  
Panitola Tea Estate, Assam,  
c/o  
Indian Tea Planters' Association,  
Royal Exchange,  
Calcutta.
61. Shri J.M.Lampit,  
Sonabheel Tea Estate c/o  
Indian Tea Planters' Association,  
Royal Exchange, Calcutta.
62. Shri M.A.Khan,  
Works Manager,  
Malleable Iron & Steel Castings (P) Ltd.,  
Lower Parel, Bombay-13.
63. Shri K.A.Desai,  
General Manager,  
Rajkumar Mills Ltd.,  
Indore.
64. Shri R.M.Pandey,  
Bombay Silk Mills Ltd.,  
Industrial Estate, Laulbagh,  
Bombay.
65. Shri R.P.Bilimoria,  
Tata Iron & Steel Co.Ltd.,  
Jamshedpur.
66. R.D.Mathur,  
Labour and Welfare Officer,  
Shri Digvijay Cement Co.Ltd.,  
Sikka via Jamnagar.
67. Shri C.H.Desai,  
General Manager,  
Shri Arvind Mills Ltd.,  
Maroda Road,  
P.B.No. 56,  
Ahmedabad.
68. Shri Kishanchand,  
Devidayal Cable Industries (P) Ltd.,  
Bombay-10.
69. Shri V.S.Sud, R.A.S.,  
General Manager,  
Shri Ganganagar Sugar Mills,  
Ganganagar (Rajasthan)
70. Shri D.S.Koranne,  
Manager,  
Hukanchand Mills Ltd.,  
INDORE..

4(C) EXPERTS.

71. Shri R.G.Gokhale,  
Labour Officer,  
Millowners' Association,  
Post Box No. 95, Bombay-1.
72. Shri N.S.Bhatt,  
Buckingham & Carnatic Mills,  
Perambur Barracks, Madras.



73- Dr. K.S.Basu,  
Hindustan Levers (P) Ltd.,  
Scindia House,  
Ballard Estate,  
Bombay-1.

74. Shri R.L.Moitra,  
Indian Jute Mills Association,  
Calcutta.

75. Dr. J.R.Bose,  
Indian Engineering Association,  
Foyal Exchange, CALCUTTA.

5(A) PUBLIC SECTOR UNDERTAKINGS.  
WORKERS' REPRESENTATIVES.

76. Shri K.C.Sreenivas,  
Assistant Transport Director,  
Office of the Director of Transport,  
Trivandrum.

77. Shri Mahan Singh,  
General Foreman,  
Punjab Government Press,  
Chandigarh.

78. Shri J.R.Narang,  
Hindustan Insecticides (P) Ltd.,  
New Delhi.

79. Shri Harnarayan,  
Mistry, Boot Section,  
Gwalior Leather Tannery & Tent Factory,  
Morar (Gwalior)

80. Shri  
Government Cement Factory,  
Churk,  
MIRZAPUR.

81. Shri  
Government Precision Instruments Factory,  
Lucknow.

5(B) ALL INDIA WORKERS' ORGANISATIONS

UNITED TRADE UNION CONGRESS.

82. Shri Ramanathan,  
General Secretary,  
Madras State, 11, Maclean Street,  
Madras-1.

ALL INDIA TRADE UNION CONGRESS.

83. Shri M.S.Krishnan,  
Secretary,  
Karnatak Pardesh Trade Union Congress,  
50-A, Arcot Srinivasachar Street,  
Bangalore.

INDIAN NATIONAL TRADE UNION CONGRESS.

84. Shri Motilal Jain,  
Secretary, I.N.T.U.C. M.P. Bhopal

Hind Mazdoor Sabha

85. Shri Bagaram Tulpule,  
Hind Mazdoor Sabha,  
Sardar Patel Road,  
Servants of India Society's Home,  
Bombay.

OR

Shri Deven Sen,  
President,  
Hind Mazdoor Sabha,  
All India Residents' Headquarters,  
35 B, Wellington Street,  
Calcutta-13.

5(C) PRIVATE SECTOR UNDERTAKINGS  
WORKERS' REPRESENTATIVES.

86. Shri S.C.S. Menon,  
President,  
Fertilizers & Chemicals Travancore Ltd.,  
Udyogmandal.
87. Shri K. Gurumurthi,  
President,  
Simpson Group & Co. Ltd.,  
202, Mount Road,  
Madras.
88. Shri A.K. Sinha,  
Indian Aluminium Co. Ltd.,  
31, Chowringhee Road, Calcutta-16,
89. Shri East Ram,  
Secretary,  
Modi Spinning & Wvg. Mills Co. Ltd.,  
Modinagar.
90. Shri Biren Ganguli,  
Kanknarrah Co. Ltd.,  
4, Clive Street,  
Calcutta.
91. Shri M.S. Bhorali,  
Panitola Tea Estate, Assam,  
c/o Indian Tea Planters' Association,  
Royal Exchange, Calcutta.
92. Shri Raghunath More,  
Malleable Iron & Steel Castings (P) Ltd.,  
Lower Parel,  
Bombay.
93. Shri Ramsinghbhai Verma, M.P.,  
President, M.P.I.N.T.U.C.,  
Rajkumar Mills Ltd.,  
INDORE.
94. Shri D.G. Pathak,  
Bombay Silk Mills Ltd..

- 96. Shri M.L.Sogani,  
Shri Di. vijay. Cement Co.Ltd.,  
Sikr. via Jamnagar.
- 97. Shri Ganpatibhai Vanrajibhai,  
Grey Folder,  
Arvind Mills Ltd.,  
Narod Road,  
Post Box No. 56,  
Ahmedabad.
- 98. Shri T.Mitra,  
Mahai Tea Estate,  
c/o  
Gopal Tea Co.,  
T.E.Mal, P.O.Jalpaiguri.
- 99. Shri Sasikant S.Gore,  
Devidayal Cable Industries (P) Ltd.,  
Bombay-10.
- 100. Shri Mathuralal Sharma,  
Hukanchand Mills Ltd.,  
INDORE.

5(D) EXPERTS

- 101. Shri Michael John, M.P.,  
President of the INTUC Bihar Branch,  
17, K.Road, Jamshedpur.
- 102. Shri Shantilal Shah,  
c/o Textile Labour Association,  
Gandhi Majoor Sivalaya.
- 103. Shri Srikanthan Nair,  
Kerala State Committee of  
United Trade Union Congress,  
Quillon.
- 104. Shri J.N.Mitra,  
22-B, Southern Avenue,  
Calcutta-26.
- 105. Shri N.N.Krishnan,  
General Secretary,  
Coimbatore District Mill Workers' Union,  
10/21, Ranga Kohar Road,  
Kettoor, Coimbatore.

OBSERVERS.

- 106. Shri S.P.Shivani, Employers'  
Hindustan Insecticides (P) Ltd.observer.  
New Delhi.
- 107. Shri C.N.Rakshit, and Workers'  
108. Shri Ramanuj Singh, observers.  
Indian Aluminium Co.Ltd.,  
31, Chowringhee Road,  
Calcutta.



109. Shri . . . . .  
110. Shri D. Parkash,  
111. Shri B.M.Sethi,  
All India Orgn. of Industrial  
Employers,  
New Delhi.
- Employers'  
observers.

SPECIAL INVITEES.

112. Shri V.K.R.Menon,  
Director,  
I.L.O., India Branch,  
Mandi House, New Delhi.
113. Shri H.D.Shourie, I.A.S.,  
Executive Director,  
National Productivity Council,  
38, Golf Links,  
New Delhi.
114. Shri J.A.Rizvi,  
Training Director,  
National Productivity Council,  
38, Golf Links, New Delhi.
115. Shri D.P.Mukherjee,  
President,  
Indian Institute of Personnel Management,  
Calcutta.
116. Shri S.L.Sahni,  
Labour and Welfare Officer,  
Swadeshi Mills Co.Ltd., Kurla, Bombay,  
Rep. of National Institute of Labour Management,  
Mafatlal Gaganbhai Textile Technical School,  
Parel, Bombay-12.

List of Special Invitees (Experts) to be invited to the Second Seminar on Labour Management Cooperation.

1. Shri R.G.Gokhale,  
Labour Officer,  
Milloowners' Association,  
Post Box No. 95, Bombay-1.
2. Shri H.S.Bhatt,  
Buckingham & Carnatic Mills,  
Perambur Barracks,  
Madras.
3. Dr. K.L.Pasu,  
Hindustan Levers (P) Ltd.,  
Scindia House, Ballard Estate, Bombay-1.
4. Shri R.N.Sen Gupta,  
Indian Jute Mills Association,  
Calcutta.
5. Dr. J.K.Bose,  
Indian Engineering Association,  
Calcutta.
6. Shri Michael John, M.P.,  
President of the I.N.T.U.C.,  
Bihar Branch,  
17, K.Road,  
Jamshedpur.
7. Shri Shantilal Shah,  
c/o Textile Labour Association,  
Gandhi Rajoor Sivalaya,  
Ahmedabad.
8. Shri Srikanthan Nair,  
Kerala State Committee of  
United Trade Union Congress,  
Quillon.
9. Shri J.I.Mitra,  
22-B, Southern Avenue,  
Calcutta-26.
10. Shri F.N.Krishnan,  
General Secretary,  
Coimbatore District Mill Workers' Union,  
10/21, Ranga Konar Road,  
Kottoor,  
Coimbatore.

Questions regarding labour management cooperation which have exercised public mind over the last year are listed below. It is suggested that in reporting their experience, employers and workers' representatives from participating units may try to attempt on such of these questions which they consider appropriate.

1. What indicators should we use in assessing the results of the scheme?
2. To what extent the incidence of labour disputes has decreased after the institution of the scheme?
3. Is there any need for a legislative basis for the Scheme?
4. Is it possible to operate the scheme in units where more than one union exists and all of them are keen on the scheme?
5. Has there been any improvement in production?
6. Should the administrative functions of Joint councils be expanded?
7. Should the area of consultation be widened?
8. What should be other modifications in the scheme to secure for it wider acceptance from employers and workers?



13

Workers' Participation in Management  
through Joint Councils

---

Workers Participation in Management is to be secured through Joint Councils of Management. The Scheme is voluntary at present and rightly so. No amount of legal compulsion can establish understanding and trust between labour and management; at the most it may establish only the semblance of it by setting up of compulsory committees but as the climate for their functioning will be absent they will be useless.

Joint Councils of Managements with of course larger functions are but only an extension of Joint Committees or Works Committees required to be set up under law. The idea underlying Joint Committees is the philosophy behind all consultation - that it opens up minds and establishes understanding between individuals. Misunderstandings and breaches of discipline and bad relations are mostly due to the accumulation of small grievances etc. due to non-existence of satisfactory channels of communication. Consultation is of invaluable help not only in the field of labour relations but also between all levels of management.

The uses of consultation, the preconditions, attitudes of parties, responsibilities and duties of each, the kinds of problems that are usually brought forward in Joint Committees of Management and Workers and limitations of the Committees as gleaned from some case studies conducted by a study team sponsored by the Ahmedabad Textile Industry's Research Association are given in the Appendix.

....

Observations for making a success of Joint Consultation and establishment of Labour Management Cooperation as gleaned from the Report by the Study Team on working of the Joint Committees sponsored by the Ahmedabad Textile Industry's Research Association, Ahmedabad.

The use of Consultation - Consultation is likely to make workers more sympathetic and cooperative with their management and less persistent and pre-occupied with their grievances. Prior consultation with workers especially in matters of change may make them relatively easy to be accepted by those concerned. In the absence of consultation quite contrary results from those expected may result.

Absence of consultation by the superior with subordinates is liable to be interpreted by the subordinates as the superiors unwillingness to entertain the grievances and the points of view of the subordinates.

Pre-Conditions for the establishment of Joint Committees of Consultation-

Good relations between Labour and Management should exist. There must be understanding and trust between them. Without understanding and trust legal compulsion even will not succeed in creating industrial peace and harmony. At the most the machinery for the consultation may be set up but there cannot be any real consultation or cooperation.

Attitudes demanded of Management for the success of Joint Consultation in establishing cooperation between them and workers-

Managements should believe that Joint Committees will help train the workers for Industrial democracy and will promote good relations. They must think that such committees will help them to know the workers' problems and that such committees are really useful. They must shed their hesitation and airs of superiority for meeting workers' representatives on the committee. A feeling of equality in discussions in such committees would bring the desired results.

Workers' attitudes:-

Workers must believe that such committees would give them opportunity of presenting their difficulties collectively in a friendly atmosphere and secure quicker attention. They must feel that they will be able to get more facilities as also get the necessary training to understand others and establish good relations with employers for their mutual benefit. They must believe that the Committee would be really useful.

Special Responsibility of Managements -

Management being composed of better educated and more enlightened persons should take the initiative for establishing mutual trust and understanding. They should while meeting workers' representatives in Joint Committees make the workers' representatives to shed their fears and misgivings and come out in free discussion and expression of their views etc. In difficult and critical situations tact should be used to avoid a crisis so that joint machinery does not break down by the generation of bad feelings and mistrust. Once things are precipitated reconciliation proves very difficult.

The decisions of Joint Committees must be promptly implemented by managements so that not only workers' representatives but also management representatives on the Council may get the feeling that they are doing something useful and that management has confidence in them. They will retain faith in the benefits of consultation and continuance of Joint Committees.

If management does not support its representatives by ~~honouring~~ undertakings they will try to save their faces by creating bad feelings and relations with workers' representatives; if they do not they have to betray their helplessness by paying only lip sympathy which is not in keeping with their honour.

If on the other hand any representative of management does something disturbing the spirit of Joint Committees, confidence must be restored by prompt action to remedy the situation.

Duty of Chairman of the meeting -

The manner in which the Chairman, especially when he is a representative of management, conducts the proceedings of the meetings has significant influence upon the morale of the members of the Committee.

He should encourage discussion on every problem presented and attempt to secure maximum participation. He should clarify points and summarise them at the end so that it satisfies all. He should take keen interest in the implementation of the decisions taken in the meetings, review the actions taken on the decisions and if there are delays inform the reasons for the same.

Problems that are usually brought forward in Joint Committees -

Workers' side - Welfare amenities and departmental difficulties.

Management side - Departmental heads often inform members regarding departmental changes necessary for improving production and reduction of damages.

Problem of theft and loitering.

Necessity of literacy classes.

Limitations:-

Neither management nor workers should expect too much from the Committees especially problems which are not confined to their unit but affecting the community etc. at large. If they meet with failure in solving such issues should they arise, neither party should accuse the other for breach of faith etc.



OBSERVATIONS OF THE STUDY GROUP OF THE  
BOMBAY MANAGEMENT ASSOCIATION.

-----

Early in 1959, the Bombay Management Association appointed a Study Group on Workers' Participation enabling free interchange of ideas and pooling of experience on the subject. The Group considered the two alternatives before it:-

- (i) study the subject de novo; and
- (ii) picking it up at the stage where the report of the Study Group on workers participation in management headed by Shri Vishnu Sahay had left it.

It decided in favour of the later alternative.. The reason for adoption of the latter course was that it could be in a position to suggest ways and means of supplementing the Vishnu Sahay Group report as also conclusions of the Labour Management Cooperation Seminar held on 31st January and 1st February 1958. The conclusions and recommendations of the Study Group of the Bombay Management Association are as follows :-

- (i) Given the right attitudes of cooperation and consideration for others' views, consultation is bound to lead to participation.
- (ii) The unit selected for participation should be one which has a reputation for efficient management and good industrial relations and a tradition of continuous consultation between all sections of employees and all sections of management.
- (iii) As a step towards encouraging consultation Government should establish Personnel Management Advisory Services in each region to work under the guidance of a tripartite body.
- (iv) The existence of a strong trade union should be considered as the condition precedent for the establishment of the management council. A union should be considered as a strong trade union if -
  - (a) it possesses a membership of not less than 50 per cent among the workers, and
  - (b) it is recognised by the employer.
- (v) The right kind of attitude and proper atmosphere cannot be created overnight but only by gradually building them up with the help of an educational campaign.
- (vi) Leading employers' organisations should organise conferences on the subject of participation. Managing Directors of selected firms should be invited to give lectures on the subject.
- (vii) Periodical meetings between top and middle management and between middle and lower

management should be held. It may be necessary to train quickly and effectively the departmental managers in the rudiments of conducting meetings. It may also be necessary to intensify TWI courses for moulding the attitudes of the junior level.

(viii) As many workers as possible should be trained under the Workers' Education Scheme of the Government of India.

(ix) Trade union leaders should be invited to speak on the subject of participation at special conferences convened for the purpose.

(x) Before the Joint management council is set up a worker participation week should be held, during which conferences, films and lectures should be arranged and literature distributed.

(xi) A pamphlet containing information regarding the constitution, function, nature and scope of the joint management council should be prepared jointly by the management and the trade union and circulated among all employees.

(xii) The workers' representatives on joint management council should be chosen by free elections only. However, they should co-opt one office-bearer of the union as a full-fledged member with voting rights.

(xiii) The total membership of the council should not be less than 6 or more than 12, equally divided between the representatives of workers and management.

(xiv) It should be for the management, at least in the initial stages, to bring up subjects for discussions. The council should meet during working hours and the members attending should be treated as on duty. There should be no provision for recall.

(xv) The worker members should function as representatives.

(xvi) There should be no legislative compulsion for setting up Management Councils.

(xvii) Some administrative responsibility, particularly relating to welfare should be given to the council. It will make for the council's popularity with the workers and inculcate a sense of responsibility among the members.

(xviii) The decisions of the council should be unanimous and if the council fails to agree the management may take such decision as it deems fit.

(xix) In the existing circumstances there is no particular advantage in alternate chairmanship between the two sides. The management should extend all secretarial help to the council free of charge. The

council should itself lay down the quorum but it should be stipulated that at least some representatives of both sides should be present before any business can be transacted.

- (xx) The decisions of the management council should be given wide publicity and the action taken by the management on the recommendation of the council should also be notified.
- (xxi) Joint evaluation committee composed of persons of sufficient status should be set up to assess the work of the council and make recommendations for improvement.



## SECTION I

### INAUGURAL ADDRESS BY SHRI GULZARILAL NANDA, UNION MINISTER FOR LABOUR AND EMPLOYMENT

We are meeting again in this Seminar on labour-management co-operation after two years. Most of you, I imagine, were also present at the first Seminar held in 1958. The intervening years have seen the setting up of 24 joint management councils. The participating units which have gathered here have varying degrees of experience in the functioning of these councils. It is Government's intention to pool this experience in order that future programme in the extension of this idea of co-operation will have the backing of the experience gained so far. This is particularly important when policies and programmes for the Third Plan in all sectors of our economy are under discussions.

2. As you know, the Second Plan recommended increased association of labour with management. It had observed that such a measure would help in (a) promoting increased productivity for the general benefit of the enterprise, its employees and the community, (b) giving employees a better understanding of their role in the working of the industry, and (c) satisfying workers' urge for self-expression. What was done since the publication of the Second Plan upto the setting up of joint management councils was to give a concrete shape to these ideas. Foreign experience, deliberations in the Indian Labour Conference, tripartite discussions in the sub-committee and in the first Seminar in 1958, all helped in concretising the basic idea of co-operation put forward in the Plan in the industrial relations field.

3. The Indian Labour Conference decided in 1957 that there should be no legislation for the setting up of Joint Councils. Nothing that has happened since requires a change in that basic decision. I would, however, ask the parties, i.e., not the units that have launched upon this experiment, but the representative all-India organisations of employers and workers, who are here, whether the progress we have achieved so far in terms of numbers, has been adequate, leaving for a moment the qualitative aspect of the Joint Councils which you will analyse in the Seminar. Even allowing for the fact

that advances in such a new and difficult field has to be necessarily slow in the earlier stages, I must say we cannot congratulate ourselves on the progress so far achieved.

4. Our experience of Joint Councils has been short; in some cases, it may be considered rudimentary,—and we have not therefore arrived at a stage when any kind of evaluation can be attempted. But the attempts that have been made so far must have their lessons and then listening to common difficulties and the manner in which they are overcome in one unit or other may become a source of help. This will help in laying our future programmes on a firmer footing. Where experience from other countries provides insufficient guidance for answers in specific situations, it is always possible to learn by the knowledge that may have been accumulated within the country and which may not be available in any published document. It was in this spirit that the Labour Ministry sought from the participating units information regarding the manner in which this scheme was operating. There was insufficient response to this request. Beyond assuring the Ministry in a negative way that no difficulties were encountered in working the Joint Councils, no positive information about achievements came to our notice; no specific difficulties were brought either to Government or perhaps even to the central organisations of employers and workers through whom such difficulties were to be resolved. We had constituted in the Ministry a panel of experts whose services could be availed of to iron out difficulties in the Councils. No requests were received for the services of the members of the Panel. To the extent this reflects the good working of the Councils, it is a matter of satisfaction. Whatever be the reason, the result has been that public interest has been growing in the experiment and, at the same time, information with Government is insufficient to satisfy public curiosity on the one hand and to have an effective follow-up on the other.

5. There is a growing interest in the subject of workers' participation. Questions relating to the scheme, drawn up for labour management co-operation are often raised in the Parliament. Certain sections have even demanded legislation. For the convenience of this Seminar, a short note on the kind of questions which are agitating public mind, has been circulated, but I need not refer to them in the course of my talk. I hope in offering their comments, employers' and workers' representatives from participating units will take into account these queries. One of the tasks entrusted to you here will be to examine the detailed working of the scheme in your unit and make sure that it satisfies certain minimum tests.

6. To help in your discussions, we have supplied to you in addition to the summary of experience of different participating units,

two short notes which bring together the experience of Study Teams, one set up by the Ahmedabad Textile Industry Research Association and the other by the Bombay Management Association. Both these studies emphasise that consultation helps the interests consulted to open up their minds and come out with practical suggestions that are mutually beneficial. It forges ties of understanding between individuals leading to better effort all round. At the same time, absence of consultation leads to stagnation of minds and allows abilities of a vast number of producers to remain dormant, and this is a national waste, introduces a sullenness in behaviour which ultimately may flare up into breaches of discipline and consequent loss in production.

7. While all this material and the specific questions posed to you will help you in bringing your thinking to some focus, I would like to place before you a few thoughts which occur to me as a result of my study in some European countries which I visited last year. The one dominant impression that I got was the variety of forms in which consultation is being practised abroad. But whatever the form which such consultation takes, the in-built character of consultation which has been referred to in the 1957 Study Team's report is the single important factor in their success.

8. Another aspect to note is the voluntary recognition which employers have given to workers' organisations. There is no attempt to by-pass trade unions through the establishment of joint consultative machinery. The functions of trade unions and the machinery set up for joint consultation get demarcated in an atmosphere of goodwill on both sides, and any restriction or expansion of these functions is the result of negotiation between the employer and the trade union. On many occasions, it is the lack of understanding of the functions of such a machinery which introduces strains in the working of the system. Any suggestions which will help removal of such strains would be welcome. As a step in this direction, in December last year, a Sub-Committee appointed by the Indian Labour Conference examined the functioning of statutory works committees and came to unanimous conclusions about the functions which should be entrusted to such works committees and others which should not be within their purview. I commend for your consideration the suggestions made by the Sub-Committee. They will have an important bearing on your work.

9. Another aspect to which I should make a reference is the need for education to persons who have to manage these councils. When I refer to education, what will probably come to the minds of this gathering is the education of workers. That is important of course, but equally important and much less emphasised is education of



management at all levels. As regards the former, we have a country-wide scheme of workers' education, i.e., for the rank and file of the workers. I have asked the Central Board of Workers' Education to give particular attention to introducing short-term programmes of education to which persons who are members from workers' side of either the joint management council or works committees, could be admitted. Attempts will be made to provide detailed instruction which will help workers understand the significance of the task they have to undertake as members of such joint bodies. For the latter, there are a number of institutions which are anxious to undertake training of various levels of management. Any scheme which is directed specifically to bring this aspect of work in these training programmes will receive sympathetic consideration at the hands of Government. Indeed, Government is hoping to sponsor a scheme of training middle management covering the whole field of human relations in industry.

10. Finally, there has to be some kind of an objective before this movement of joint councils. In a developing economy that objective is fairly obvious—viz. increase in productivity. We are almost in the last year of the Second Plan and on the threshold of the Third. Standards of living have to be improved. The rate of increase in national income has to be stepped up. And all this has to be achieved with the limited resources at our command. We cannot, therefore, shirk the responsibility that devolves on us for answering the yearnings of the common man for a better standard of life. A socialist economy will sustain itself only on the basis of increasing flow of goods and services at prices which are within the means of the population. This is never an easy task. The yardstick of the success of joint management council in the public mind, therefore, will be the extent to which it has fulfilled this function of increasing productivity in the unit where it is functioning.

11. I would, therefore, suggest that a positive goal which each council should set to itself is to decide in advance certain productivity increase every year and working towards achieving the same. There should be a review of the progress achieved at periodical intervals within the year. Such review should help in working out responsibilities for the next year. There are enough indications in the studies already undertaken by the I. L. O. and in Ministry of Labour that with intelligent organisation of work it is possible to increase productivity to the extent of anything between 30 per cent and 50 per cent without using additional resources. If we address ourselves to this modest goal in the course of next three years i.e. of securing productivity increases of that order, (yearly increase of 10 per cent to 15 per cent) something concrete will have been achieved. This,

of course, is a challenge but with co-operation all round it is not difficult to meet it. Participation in management will have no meaning unless every year some challenges of this kind are set as an objective and fulfilled, the results evaluated and higher goals aimed at. There are related questions in aiming at such goals—upkeep of machinery, improving working conditions, desire to share the fruits of higher productivity, etc.—but these should be tackled with the same measure of mutuality with which programmes for higher productivity are drawn up.

12. This is a positive side of the programme which I would like to set before the councils. There is another aspect which is in the nature of a caution. There is a tendency to get dissatisfied over inadequate implementation of certain agreements reached in the joint councils. In such cases one should always be in a position to put one's self in the capacity of the other side. A regular system of reporting to the joint council the acceptance of its recommendations will considerably stimulate its working. But what is more important is that in cases where the council's decisions are not acceptable either to the management or to the trade union, a full examination as to why it was difficult to implement the suggestion should be made available to the council and the council itself requested to reconsider its earlier decision. It is only when you develop your co-operation to this stage of mutual confidence that the country will have sufficient faith in the efficiency of this new system.

## SECTION II

### SUMMARY OF PROCEEDINGS

The proceedings of the Seminar were initiated by **Shri Gulzarilal Nanda**, Union Minister for Labour and Employment. In addition to the formal address circulated earlier to the Delegates (*vide* Section I) Shri Nanda made the following points. He felt that in the limited time available to the Seminar, attention would have to be focussed on the practical problems underlying labour-management co-operation. The decision to implement this programme had already been taken. It was no longer necessary, therefore, to discuss the theoretical aspects of workers' participation in management or the significance of such a programme in building up the national economy. In fact, some progress had been registered, though we were as yet far from achieving the goals. It did not seem necessary to define these goals in over precise terms. It would be enough to make sure that we were moving in the right direction.

#### **The content and extent of participation:**

2. It had been questioned, Shri Nanda said, as to whether workers' participation included certain management functions. At this stage, this seemed merely an idle controversy. The basis of effective joint consultation was participation, in the widest possible sense. There were certain "advisory" bodies whose recommendations carried considerable weight with those entrusted with executive authority. On the other hand, there were Executive Boards and Committees where decisions were taken, not by the entire Board, but by a few active individuals. The same held true in the case of workers' participation. There were a few workers who displayed a flair for participating in joint consultation. But it was essential that all workers felt a sense of participation, even though this may vary in degree. This feeling of participation must reach all the way down to the lowest worker. There were measures that could be taken to ensure the widest participation. At every stage, the workers must be kept informed as to the progress of discussions and their opinions secured at frequent intervals.

#### **The Joint Council *vis-a-vis* Trade Unions:**

3. In addition to the material circulated to the Delegates, Shri Nanda felt, it was necessary to examine the experience gained



during the experimental stage. When the experiment was started in some selected units, we drew upon experience in other countries and the lessons learnt from the first attempts made in the country. We had now to take stock of the progress achieved so far, the difficulties that had been encountered and the way in which they had been overcome. This Seminar would provide an opportunity for the pooling of ideas. However, certain basic pre-conditions were required for the success of this programme. The trade union movement did not seem to have displayed sufficient interest in the scheme. Lack of interest on their part might be due to the fact that they had too many problems on their hands or they had not fully appreciated the significance of the programme. But it might also be due to some lurking suspicion about the scheme. It was not intended to use joint consultation and workers' participation in management as a substitute for the trade unions. Instead, it was expected that with joint consultation, trade union would grow stronger, more responsible and more effective.

#### **The need to sustain enthusiasm:**

4. It was agreed, Shri Nanda continued, that in finalising the programme, it was necessary to keep in mind certain broader issues. But in addition to these broad objectives, it was necessary to provide more immediate goals which would serve to generate and sustain enthusiasm among the workers. It should be brought home to the worker that his contribution in raising efficiency and production standards would lead to a rise in his own standard of living and that of the community. But such a campaign to increase productivity must be linked with improvements in working conditions and welfare facilities. If the worker was to give his whole-hearted co-operation, attention would have to be given to providing him with suitable training facilities and welfare amenities, thus raising his general standard of efficiency. This implied a certain measure of preparation for participation. Management, in their turn, would have to give up the old idea of viewing productivity merely in terms of increased production and increased profits. It had been shown that significant increases in production could be secured through simple measures for minimising waste and improving the techniques and methods of production without involving any expensive capital investment. But if the enthusiasm of the worker was to be maintained, he must be assured that his suggestions had been given due consideration and, wherever possible, implemented.

In conclusion, Shri Nanda emphasised that the Joint Management Council ought not to be viewed in isolation, but with reference to other items in the framework of industrial relations, e.g., Works

Committees, trade unions, etc. It was evident that there were still a number of improvements that could be effected. Now that the representatives of both employers and workers had been brought together, it ought to be possible to get the benefit of their experience in the working of these Joint Management Councils.

**Some preliminary observations:**

5. Commenting upon the points raised by the Chairman in his opening statement, the workers' representatives wished to emphasise that they were solidly in favour of the Joint Councils and appreciated the initiative taken by the Government in the matter. They were aware that labour stood to gain from such a programme and could ascribe the existing doubts to ignorance of the detailed working of such Joint Councils. They also agreed with the Chairman that workers' participation should not be restricted to only a few workers but should be practised on the widest possible scale.

**The sharing of experience:**

6. *The Simpson Group of Industries, Madras*, drew attention to the problems they encountered in setting up a Joint Management Council. They started with the advantage of having only one trade union representing about 10,000 workers. A single Joint Council with about 30 members was found to be too unweildy and it was agreed to set up sub-councils for the 14 different industrial units that made up the group. This was found to be a considerable improvement in presenting the specialised problems of each unit.

As regards the items discussed by the Joint Council, they included methods of dealing with absenteeism and unpunctuality, steps to increase efficiency and production, and also measures for increasing the sales, disposal of old machinery and purchase of new machinery. It had also been decided that the Joint Council should be responsible for running the canteen and the medical centre.

The agenda of each meeting of the council was drawn up in advance and circulated to the members. Any other items could be brought up for discussion with the permission of the Chairman. The minutes of the meetings were also sent to the trade union, the employers' federation and the State Government. It was pointed out during the discussion that it would also be of value to devise an effective way of keeping the rank and file of workers informed as to the progress of discussions in the Council.

A special point that came up for discussion related to the nature and content of information to be provided by the management to the

Joint Council. It was stated that such a problem had arisen with regard to financial details on the working of the industrial unit and the selection of personnel for being sent abroad for further training. After some discussion, it was considered that the Council should not ask for such data that did not have a direct bearing on their functions. Thus, while it might be appropriate to consult the Council on the type of training that would be of the greatest utility to the factory, it would be best to leave the actual selection of trainees to management. As regards financial data, it would be sufficient to secure similar data as was provided to the share-holders. The important thing would be to avoid asking any embarrassing questions.

7. The representatives from the *Indian Aluminium Company Ltd., Belur*, pointed out that since the introduction of the Joint Council they had had an uninterrupted period of industrial peace. This was in welcome contrast to the earlier history of industrial strife. Five Joint Committees had been set up to deal with items such as job evaluation, standards, personnel, production and the canteen. It had not been found necessary to draw up too many formal agreements. The emphasis had been on informal discussion of mutual problems and only in certain cases, was it considered necessary to draw up any formal record of discussions. No restriction had been placed on the items that could be discussed by the Joint Committees. The Committees had been treated not as fighting grounds, but as places for resolving problems. All relevant facts and figures were made available to them.

Although the Joint Committee was essentially an advisory and consultative body, it had been the tradition that management should accept all recommendations that had received the unanimous approval of the Committee. The management representatives emphasised that though the interests of management did not necessarily clash with that of the workers, there were certain rights which had to be retained by management.

It was generally accepted, without reservation, that the principle of workers' participation should be increasingly implemented. A start could be made by entrusting the workers with the complete responsibility for items that concerned them directly, such as canteens, welfare centres, etc. Opinion was against entrusting the responsibility for welfare facilities in alternate years to labour and then to management. Welfare was to be the sole responsibility of the workers.

8 The experience of the *Bally Jute Company* indicated that the successful working of the Joint Management Council was based on



securing the co-operation of the two trade unions that existed in the enterprise. Special efforts had to be made to get representatives from both unions to work together on the Council.

9. *The Kankanarrah Jute Company* was also faced with the problem of setting up a Joint Management Council with a multiplicity of trade unions. This problem was explained to the unions, who agreed among themselves to form a single union, which was then recognised by the management as the representative union. Thereafter a Joint Management Council was set up. The working of the Joint Council had been kept on an informal basis without the use of written agreements. Production in the unit had been considerably increased through the introduction of a number of technological improvements. The workers had contributed towards increased productivity by making a number of suggestions, especially with regard to the effective utilization of materials. They had even made suggestions dealing with the subject of retrenchment.

It was especially mentioned that management representatives found it difficult to explain to the workers certain technical items, such as, the breakdown of costs of production. However, the removal of restrictions between labour and management and the provision of free access to top-level personnel had helped considerably in improving understanding.

This atmosphere of goodwill had, however, sometimes been disturbed by disgruntled individuals who had sought to give vent to their individual grievances by raising industrial disputes through non-representative trade unions. It was emphasised that Government could be of assistance in ensuring that only the representative union was permitted to present these issues.

One way of ensuring increases in production that could be considered was through providing for the relaxation of the provisions of the Factories Act, in those cases where both parties had agreed to working longer hours and increasing the spread-over.

10. In the *Panitola Tea Estate, Assam*, the Joint Council ran into the usual problem of demands on the part of workers' representatives for detailed financial information. These demands were gradually given up but at present the Council was hampered by a lack of interest on the part of workers.

At this stage of the discussion, it was emphasised that if the Councils were to be entrusted with the running of welfare programmes, it would be of help if they were told in advance as to

how much had been set apart in the budget for expenditure on that item. That would enable them to draw up their welfare programmes with a greater measure of realism.

11. Although the *Sonabheel Tea Estate* had little success with the Works Committee, they considered that they had achieved reasonable success with the Joint Council. Whatever information was required by the workers had been provided. The major reason for the limited success of the Joint Council was the general low standard of education among the tea garden workers. They felt, however, that in the next three to four years, this difficulty would lessen.

At the start the Joint Council received considerable assistance from the trade union. But as rival trade unions sprang up and inter-union quarrels started, this support declined.

A certain amount of assistance had been secured from Government but not enough, especially in terms of printed literature or the services of lecturers to explain the detailed working of the scheme. In this regard, the workers' education programme had a significant contribution to make. Printed literature had to be developed on the basis of experience of the working of Joint Councils and the consensus of opinion as expressed in seminars of this kind.

12. The Joint Councils in the *Rajkumar Mills* and *Hukamchand Mills, Indore*, extended to about 5,000 and 2,200 workers respectively. It had been functioning through a number of sub-committees all of which were working very well. Suggestion boxes had been kept at all important places in the mills and many suggestions were being received.

The Council met once a week but informal consultation took place everyday. All information required by the Council was provided. It dealt with matters such as discipline, retrenchment and dismissals.

The initial fear and hesitation of the workers had been removed by assuring them that there would be no dismissals or retrenchment except for gross mis-conduct. This step created confidence in them.

As a result of participation, the Code of Discipline had been implemented cent per cent. Bonus had been paid to workers in spite of tight financial position. Productivity and production had gone up considerably.

13. In the *Bombay Silk Mills*, the Joint Council, deals with production problems, quality control, etc. The Council was given all the information it required. There had been considerable improvement in the relations between management and workers.

14. Joint Consultation in the *Tata Iron and Steel Company, Jamshedpur*, could be traced as far back as 1919. The experiment did not succeed in the initial stages and was revived only in 1948. Since then a number of joint committees had been set up to deal with items such as job evaluation, specification of minimum qualifications, allotment of houses, etc. The basis of the scheme was the twenty-nine councils at the departmental level, the composition of each varying with the size of the department. In addition, there were sub-Joint Councils for the entire works and specialised committees to deal with welfare, canteens, suggestions, general safety, etc. There was also a Joint Town Council, and at the apex a Joint Council of Management.

In an organisation with as many as 40,000 workers, it was difficult to maintain the informal touch. It was necessary, therefore, to lay down precise terms of reference for each departmental council. It was agreed:

- (a) that the Councils were not to deal with matters relating to collective bargaining, wage fixation, etc.;
- (b) that one Council was not to encroach upon the field of another Council;
- (c) that it was not to cover any items that dealt with the relationship between the management and the shareholders; and
- (d) that it was not to deal with items of a confidential nature, such as the salaries of managers or the relationship between managers and workers or workers' attitudes towards supervisory staff.

As to the methods of working, each Council had its own Agenda Sub-Committee. Each member was allotted a specific area and secured suggestions from the shop floor for inclusion in the agenda. The task of sharing information was also the responsibility of this Sub-Committee, each member being allotted a specific area to work in. In addition, the minutes of the meetings were summarised in Hindi and English and displayed on a notice board.



On the basis of a suggestion received from the workers, the Joint Council reported each year to the department as to its activities and achievements and answered any questions that were put by the workers.

Language had proved to be a problem. Management representatives in the Council tended to switch over to English and this was resented by the workers. The solution had been sought through conducting Hindi classes for the supervisory staff.

The Joint Council dealing with grievances had been kept distinct from the Council dealing with production problems. It was felt that if a common council dealt with both aspects, there would be a tendency to divert attention from raising production to the settling of grievances.

The size of the Joint Council varied from two to ten representatives on either side, depending upon the size of the department. Some departments had as many as 2,000 workers. The ideal size of a Council could be set at between six to eight per side. The ideal period for conducting a meeting had been placed at two hours. There was only one large union that nominated its representatives to serve on the Joint Council. The Councils at the departmental and works level met regularly once a month. The overall Joint Management Council met once in three months. Attendance at these meetings was very regular. The discussion was quite free and even continued for a number of months on a particular item. A secretariat had been provided to keep track of the various items that appeared on the agenda and ensure that each item was ultimately disposed of. In cases where no agreement could be arrived at the matter was referred to the next higher council. It was very rarely that no settlement was secured during this process.

In the initial stages emphasis was laid on certain items such as welfare and safety. Maintaining this trend, it had been recently decided to arrange for classifying all workers by blood groups to cover any emergency that might require blood transfusions.

The Suggestion Box system had been functioning very effectively and a number of useful suggestions had been received and adopted. Substantial awards had been given for suggestions adopted.

The exclusion of items that fell correctly within the purview of collective bargaining and management-union relations had not been very strictly observed by the Joint Councils. All issues were

brought up for discussion, especially as it was difficult to separate them into watertight compartments. Wherever necessary, they were referred to the union or the management for disposal.

The workers' representatives are nominated by the representative union to serve on the Council. Although this did not involve direct elections, the nomination was made by a duly elected union executive. This system had been found to be the most practical, but there would be differences in individual undertakings.

15. The Joint Council in the *Digvijay Cement Company, Sikka*, was set up in December, 1958. They had held 14 meetings of the Council so far. There had been no quorum in two meetings but attendance was full in the others.

Several sub-committees of the Council had been set up for dealing with production, welfare, etc. Administration of welfare measures had been handed over to a sub-committee. All of them were working satisfactorily.

A separate Arbitration Board attended to the grievances of workers.

16. In the *Arvind Mills, Ahmedabad*, suggestions were secured through a sub-committee that went round the works and studied working conditions, welfare facilities, safety measures, etc. on the spot. It was of interest to note that out of 91 suggestions received, 50 referred to welfare facilities, 20 to working conditions and safety and the remaining 21 to improving methods of working.

The workers had been entrusted with the responsibility of running the hospital and the canteen and organising safety measures. A budget allotment was handed over to them for administration.

Full details were given by the management to the Council about the detailed preparation of the balance sheet, the sales campaign and changes in operations and plans for future expansion. The initiative seems to come from the side of management and the workers showed little enthusiasm and preparation. In asking for additional welfare facilities, they did not take into account the effect on the costs of production and generally expected that the increased burden would be met by management. It would have been helpful if the union representatives on the Council were not replaced frequently. If the workers were to participate more effectively in the working of the Council, periodic training programme conducted either by the union or the management was essential.

17. In the *Hahaipatha Tea Estate, Assam*, the Joint Council was set up on 16th May 1959 and had eight members—four members from the employers and four from the employees. The workers' representatives on the Council were nominated by the union.

The management supplied the Council with information on budget, profit and loss accounts, statements of manufacturing and selling costs, trading results and procedures for the purchase of some articles, etc.

The Council discussed questions about implementation of various schemes as also welfare matters.

Both the sides had shown zeal and enthusiasm and exhibited a spirit of whole-hearted participation.

18. The Joint Council in *Devidayal Cable Industries, Bombay* consisted of about six representatives from each side. They had held eight meetings thus far. The Council had various sub-committees like Suggestions Committee, Production Committee, Cleanliness Committee, etc. By putting into practice certain efficiency recommendations, production had increased by 20 per cent. Prizes were awarded for production achievements. Efficiency months had been organised as a drive towards increase in production.

To create a sense of pride in the workers for the undertaking four to five social functions were organised every year.

The good relations existing between workers and management were further strengthened and the Council was working very well.

19. In the *Sri Ganganagar Sugar Mills*, the setting up of the Joint Council was delayed as it was intended to watch the success of the scheme in other undertakings. It had recently been decided to go ahead with the Council. One of the reasons that contributed towards the delay was the cancellation of the registration of the recognised union because it had failed to submit the necessary returns to the Labour Department. This difficulty, however, was expected to be overcome. It was considered necessary to organise a training programme for both workers and supervisory staff in order to ensure effective participation.

20. The agreement for the setting up of a Joint Management Council in the *Fertilizers and Chemicals (Company) Travancore, Alwaye*, was on the lines of the Model Agreement. It functioned through three sub-committees. The recommendations of the committee dealing with welfare schemes had generally been accepted by



management including even those involving an expenditure of Rs. 1,000 or more.

The Council consisted of five representatives each of labour and management. Of the labour representatives, the union president and secretary were *ex-officio* members and the other three were elected by secret ballot. There was only one union in the undertaking and it represented all categories of staff, both workmen and supervisors. This union was not affiliated to any central trade union organization and it had resisted efforts at securing their affiliation. The workers were in favour of maintaining their non-political status and considered that independence was the main reason for strength and unity.

It was mentioned that the management did not give favourable consideration to the suggestions made by the workers with regard to production and the organising of an Efficiency Council. The Management seemed to be agreeable to providing all information but as yet were not prepared to implement all suggestions.

#### **Experience in the Public Sector:**

21. *The Hindustan Insecticides, New Delhi*, set up a Works Committee on a voluntary basis from the very start of the undertaking. This Committee was later reorganised and a Joint Management Council was set up with sub-committees to deal with the canteen, welfare, safety and production. The Council consisted of three representatives each drawn from labour and management. The workers' representatives were nominated by the recognised union and at present one of them was an outsider, whose presence had a sobering influence on the discussions.

As regards the procedure adopted by the Council, items for discussion were circulated to the members at least a week before the meeting. The minutes of the meeting were circulated and the progress of action taken on the various resolutions was regularly reviewed. Extracts from the minutes were marked to the persons concerned for necessary action.

A conscious effort had been made to keep the functions of the Joint Council distinct from that of the trade union. The workers no longer brought items such as wage and bonus issues before the Council. It had been decided to set up a separate Grievance Committee. The question was raised as to how the Joint Council and the Works Committee functioned side by side without confusion. In this instance, the members of both bodies were elected and thus it could be possible to have different persons serving in each committee:

An attempt had been made to resolve this problem by transferring the various functions of the Works Committee to sub-committees responsible to the Joint Council. The Works Committee, however, had not been dissolved.

It had been noticed that the workers tended to present welfare problems before the Joint Council, rather than to concern themselves with increasing production. It was necessary for them to realise that significant gains in welfare could only be achieved through increased productivity, especially as this was the first time they had to come to grips with management responsibilities.

The question of providing a built-in system of arbitration had yet to be finalised.

22. In the case of the *Nahan Foundry*, the necessary formalities had been completed and the Joint Council was expected to start functioning shortly. In the *Argada Colliery, Hazaribagh*, certain technical difficulties had been raised by the management to the setting up of the Council.

23. In *Kerala*, the Joint Council could not be started in the Travancore Rubber Factory because of differences between two rival unions. An attempt was being made to arrive at some agreement. There were six other concerns where the Council had been introduced. Three of the units were located at Calicut and included an oil factory, a dehydrogenated oil factory and a soap factory. The scheme had been running quite well in these units and a number of suggestions had been received from the workers. In the remaining three units (a plywood factory and two ceramic factories), however, the scheme had not progressed because of inter-union rivalry. It was suggested that the introduction of the Code of Discipline could help in securing the co-operation of the unions.

24. The machinery of joint management in the *Kerala State Transport* was based on 13 district staff councils. Each Council consisted of 11 members elected by secret ballot from among the workers, 3 officers nominated by the department and the District Administrative Head as the Chairman. In turn, each District Staff Council elected three representatives to serve on the Central Staff Council. The size of the Central Council was 45 members, including 5 gazetted officers and the Chairman.

The function of these staff councils were advisory. They dealt with items such as terms and conditions of employment, welfare, measures for raising efficiency, sports and cultural activities. The

grievances of individual workers were also examined. So far most of the resolutions put forward by the councils had been approved and implemented.

At present, there were two recognised unions; both unions were in favour of the Joint Council.

In this regard, attention was drawn to a recent productivity report prepared by an expert from the International Labour Organization that contained a number of valuable suggestions on how to raise productivity without an appreciable increase in the investment costs in the Transport Industry. The report was based on a study of the working of the Madras Transport Department.

25. In the case of the *Punjab Government Press, Chandigarh*, it was pointed out that the conduct of both workers and supervisory staff were governed by official rules and regulations. As such, the work of the Joint Council was primarily directed towards improving the relations between management and workers. Emphasis was placed on explaining to the workers their rights and duties. The canteen was being run smoothly by the workers. At the start, there was an impression that the Council would deal with an item like wages. It was gradually realised that this was not the immediate concern of the Council.

It was suggested that the management should consider taking action not merely on those recommendations that had received the unanimous approval of the Joint Council, but also those that had received the majority approval. It was not always possible to secure unanimous agreement on all items of discussion.

26. *The Gwalior Leather Tannery and Tent Factory* had set up a Joint Council, and they wished to draw attention to the need for setting up an effective machinery to ensure that resolutions passed by the Council were implemented.

27. The setting up of the Joint Council in *the Government Cement Factory, Churk (Uttar Pradesh)*, had been agreed upon, but had not been signed as the union president had gone abroad. A Works Council had been functioning in the undertaking for the last 1½ years with similar aims and objects as the proposed Joint Council. This Works Council had been set up at the instance of the State Government in public undertakings. The Council had set up a number of committees to look after a fully equipped hospital, a higher secondary school, a primary school, a montessori school, a canteen and a club



open to all workers and staff. The allotment of staff quarters was also made through a Committee. The Works Council had also unanimously passed a number of resolutions dealing with conditions of work and employment, leave rules, etc., all of which were implemented by management. A number of important suggestions had been made by the workers for increasing productivity. It had also been suggested that an incentive bonus scheme could be introduced and that would help to step up production.

28. The Joint Council in the *Government Precision Instruments Factory, Lucknow*, consisted of five representatives each from the workers and the management. It met once a month and had set up a number of committees to deal with items such as safety, sports, canteen, apprenticeship training, measures to improve attendance, etc. The Joint Council had also suggested that pay scales and rates of increment should be prescribed for daily-rated workers, even though the piece-rate system was in operation. This suggestion had been accepted and implemented. The Council also examined the question of welfare facilities and a welfare centre had since been set up and a welfare officer appointed under the Factories Act.

29. In the absence of representatives from the *Hindustan Machine Tools, Bangalore*, it was pointed out that the Joint Council had been functioning quite effectively for about ten months and had then run into difficulties. The entire question was being examined by the Minister for Labour, Mysore. The Council had come up with solutions to a number of problems. Thus, losses in running the canteen or in the working of the transport department had been wiped out or reduced. Similarly, the Council had discussed important items such as determination of shift hours and production standards.

30. The representative of the *Indian Engineering Associations* (Dr. J. K. Bose) stated that the members of the Association (90 in number) had entered into long-term agreements with trade unions. Each agreement had been worked out to suit the requirements of individual units. Although they did not have any Joint Councils, they had a number of Works Committees. The Committee did not discuss economic issues such as bonus, which had appropriately been left to the union. It had not been considered necessary to disturb the existing Works Committees as they had developed gradually over the years, nor had it been considered necessary to replace them with Joint Councils. It was suggested that the Association should draw up a list of industrial units in which these Works Committees were functioning effectively. It was also mentioned that inter-union rivalry was a serious bar to progress.

### Co-operation of the National Productivity Council:

31. On behalf of the *National Productivity Council*, it was stated that an assessment should be made of the achievements secured in the units selected for undertaking the experimental programme of Joint Council and that would be of value to give wide publicity to these achievements.

As pointed out by the Indian Engineering Association, there were a number of undertakings in which similar programmes for Joint Consultation were being conducted successfully. It would be necessary to secure data on these schemes and also publicise their working. It was agreed that while there was no need to insist on the Joint Consultation machinery sticking very rigidly to the Draft Model, there was a certain minimum content which would have to be retained. It was recently ascertained that a significantly large number of industrial units in the country had some sort of joint consultative machinery in operation. If it was the intention to extend this idea, one way of securing this was to prepare and distribute literature on the subject.

The National Productivity Council also had a programme to send out teams of interested persons to examine the working of the Joint Councils in selected areas and units, e.g., Indore, Ahmedabad, and Jamshedpur. It could also be possible to get persons from units in which the Joint Councils were functioning to visit other units and tell them precisely how this had been done.

In this regard, the 36 productivity centres set up by the National Productivity Council throughout the country could be used to spread the information about this programme.

### Evaluation and Publicity Programme:

32. It was agreed that the scheme had not been in operation sufficiently long to permit any detailed evaluation at this stage. The Seminar, however, was a significant step in that it served to present enough data on the working of the programme and to stimulate interest in its extension. The field offices of the Ministry of Labour and Employment, State Governments and the National Productivity Council as well as the services of independent organizations like the Indian Institute of Personnel Management and N.C. Corporation (P) Ltd. could be utilized to collect detailed information on the working of Joint Councils and their counterparts in various undertakings. On the basis of this information it should be possible to bring out publications that would serve as a guide for those who were called upon

to operate such Councils and to prepare audio-visual material describing the benefits of the scheme. A small Committee might be constituted for this purpose with an officer in the Ministry of Labour and Employment to assist it and suitable arrangement made in the Ministry for regular consultation with the State Governments, employers and workers.

#### **The basic ingredients.**

33. The Joint Council was not to be equated with the Works Committee, especially as the scope of the latter was relatively restricted. The Council was to be kept informed about the working of the industry and the individual unit. The workers, in particular, were to be assisted in arriving at a proper appreciation of the problems that confronted the industry. It was agreed that a sub-committee could help in listing those items of information which were essential for the joint management process, how best this information could be made available and also to list those items which should not be insisted upon.

The second essential item was that the Joint Council was to be made responsible for the management of certain items which concerned the workers directly, e.g. canteens and welfare centres.

The third item which required to be examined was that of consultation by the management with regard to matters of organization and administration. A number of such instances had already been described and the precise items of consultation could be finalised by the sub-committee.

#### **The Criteria for success**

34. The task of collecting information, it was felt, could be shared between the Ministry of Labour and Employment, the National Productivity Council, employers' and workers' organizations, State Governments and non-official organisations like the N.C. Corporation (P) Ltd., Indian Institute of Personnel Management, etc.

It was agreed that, on the basis of experience with the working of Joint Councils and the details presented in this Seminar, the Joint Councils of Management had created confidence in the utility of this experiment and steps were to be taken to extend this programme to units where conditions were favourable. It was also recommended that where the conditions were not favourable, steps should be taken to improve conditions. The workers' education programme could help in preparing them for participation in management and the curriculum would have to be suitably adapted. Trade Unions would have to co-operate in preparing workers for assuming additional



responsibilities. The managerial staff would also require a certain amount of preparation for participation and therefore, could be allowed to attend the training in this field that could be started by the Central Board for Workers' Education.

An attempt was made to list certain criteria that could be applied in determining the success of a Joint Management Council, viz.

- (i) industrial peace as evidenced by a reduction in the number of man-days lost through strikes and lock-outs;
- (ii) an increase in productivity accompanied by a reduction in wastage of raw materials, etc.
- (iii) improvement in the welfare facilities provided;
- (iv) development of machinery for the settlement of disputes within the undertaking itself without reference to any outside agency;
- (v) the type and number of suggestions received by the Council and the proportion of these suggestions that have been acted upon; and
- (vi) the number and frequency of meetings held and the attendance at such meetings.

It was agreed that the scheme could not and should not be extended on the basis of legislation, but through the consent of both parties. Attention was drawn to the difficulties experienced in units where there were more than one union. While it could be ideal, if there was only one strong recognised union represented on the Council, efforts should be made to get the different unions to arrive at some basis for co-operation. The Code of Discipline would be of help in resolving these problems.

A particular problem had been posed by individual units where the representatives of management on the Council had not been given sufficient powers and were forced to refer most decisions back to top-management at head-quarters. Proper delegations of authority would have enabled on-the-spot decisions to be taken rapidly and have improved the general atmosphere of discussions.

It was proposed to have a compact body at the national level to deal exclusively with problems connected with joint consultation, particularly those arising out of the working of the joint management councils. This should include representatives of the Central Organizations of Employers and Workers, a representative of the

National Productivity Council and two or three experts. The existing Sub-Committee of the Indian Labour Conference dealing with the subject might be suitably reconstituted for this purpose.

### Concluding remarks of the Chairman

35. Winding up the discussions, the Minister for Labour and Employment said that the Seminar had served to strengthen the faith in the essential soundness of the Joint Council scheme and to renew the confidence that was so essential for its successful working. The scheme had considerable potential for further progress and could make a significant contribution to the welfare of the workers, the employers and the industry. His earlier attitude to the Works Committees had been conditioned by a measure of diffidence and pessimism as to their actual contribution. However, a study of these committees had revealed that this pessimism was not warranted and that they had some achievements to their credit, though much remained to be done. Similarly the programme of workers' education was not to be lightly ignored. There was a vital spark in the idea of setting up Joint Management Councils and it was going to help in achieving the dual objectives of improving industry and the nation. But it was still necessary to put in considerable effort and some of the decisions taken at the Seminar would help to extend the scheme to new units and to make the scheme more successful. All those present gained something from the sharing of ideas and experience. It was only through co-operative endeavour that they could hope to place this programme on a firm basis. They should now proceed on the understanding that the experimental stage was over and that the programme should be launched on a wide scale. Shri Nanda was sure that the delegates would work towards the extension of the Joint Councils, each in his own sphere and according to his capacity. He emphasised that the Joint Management Councils held out the promise of a solution to the many problems that they had not been able to resolve so far, the settlement of the various ideological conflicts and the creation of a sense of national harmony and social equality.

---

### SECTION III

#### WORKERS' PARTICIPATION IN MANAGEMENT A RE-STATEMENT OF THE POSITION

1. Effective consultation leads to participation.
2. The main objectives of the scheme are:—
  - (a) establishment of cordial relations between management and workers and building up understanding and trust between them;
  - (b) substantial increase in productivity in the interest of management, workers and the nation;
  - (c) securing better welfare facilities etc. for workers; and
  - (d) training and education of workers to understand and share the responsibilities of management.
3. Though a written agreement between the management and workers to participate in management on the lines of the Model Agreement would be desirable and helpful, it is not absolutely necessary.
4. Though the existence of one strong union would considerably facilitate the introduction of the scheme, it could be set up also where the unions agree to co-operate with each other or the workers themselves come out with a concrete proposal for participating in the Scheme.
5. The Joint Councils machinery for participation may be considerably modified to fit the actual conditions of the unit and the industry. Where for example, the union is large as in the case of Tatas, the single Joint Council could be very unweildy. There, the division of functions widely on some rational basis helps. Where there are many units as in the Simpson Group of Industries one Joint Council for each unit proves useful. The set up of sub-committees of the Joint Council for welfare, canteen management, production, suggestions etc. composed of suitable persons considerably facilitate work and prove effective for achieving best results.
6. Management should share the benefits of increased production with their workers in the shape of better welfare amenities, introduction of schemes for incentive bonus etc.



7. Management should consult the Joint Council more and more on matters indicated in the Model Agreement and the unanimous decisions of the Joint Council should generally be accepted and promptly implemented. Should it not be possible to do so, the Council may be informed as soon as possible and the reasons explained.

8. Irrespective of what name the Joint Council for Participation is called by, it may be considered as a Joint Council sharing in management if it meets the following conditions:

- (a) it is entitled to receive information on the general working of the concern etc. as indicated in Clause 6 and is consulted by management on all or in all the matters referred to in Clause 5 of the Model Agreement;
- (b) management of canteens and administration of welfare measures and/or in all the other matters referred to in Clause 7 of the Model Agreement are entrusted to it.

A Committee would further examine the essential criteria of Joint Councils of Management.

9. The success or failure of the scheme in any unit should be determined by examination of the following:

- (a) Industrial peace (man-days lost).
- (b) Increase in productivity both before and after introduction of the scheme and waste reduction.
- (c) Elimination of outside intervention in disputes i.e. the number of matters settled mutually.
- (d) The amount of general activity undertaken by the Joint Council.
- (e) Concrete results achieved in the field of welfare.
- (f) The amount of administrative matters that have been handed over to the Joint Council.
- (g) The number of meetings already held by the Joint Council and the attendance.

10. Participation in management should not be handled by a few persons. The general mass of workers must in some way be participating in its work. For this purpose the interest of workers is to be maintained by publicising and explaining to them the results of the scheme. Inviting suggestions and awarding prizes for accepted

suggestions is one of the effective ways of creating a sense of participation and a sense of belonging amongst all the workers. All general information of the type mentioned in the Model Agreement should be supplied by management to the Council. This will facilitate working. In requesting for the supply of any specific information of more detailed nature the Joint Council should as far as possible relate the same to the matters under consideration or discussion so that inconvenience, suspicion or embarrassment is avoided. Information obtained should not be divulged outside.

11. As the Scheme has now crossed the pilot stage, it is necessary for wide acceptance of the same by the industry, to publicise and disseminate information, as well as evaluate and guide those who introduced the same. The Central Government would try to set up an effective machinery at the Central and State levels for this purpose. Until then the help and advice of the Panel of Experts at the Centre may be availed of.

12. Where conditions are favourable for the setting up of Joint Councils they must be set up soon and where the conditions are not suitable management and unions should try to create conditions for the introduction of the Scheme. For the creation of conditions favourable for the spread of the scheme it is proposed:

- (a) to include workers' participation in management in the curriculum of workers' education programme conducted by the Central Board for Workers' Education;
- (b) that special courses should be started under the auspices of the Central Board for Workers' Education admitting both employers as well as workers for imparting training in the field of workers' participation; and
- (c) that in addition to the theoretical training the unions themselves should take interest in the Scheme by studying the agenda and proceedings of the Joint Council and then briefing their representatives.

13. Trade Unions should take more interest and initiative to share in management.

14. Suitable literature on the subject should be made available.

15. Collective bargaining, wage and bonus matters, relations of management and shareholders and other similar management or union matters should be kept out of the scope of Joint Councils.

16. Units which have introduced the scheme or those which have decided to do so may periodically communicate their experience, etc. to the Ministry of Labour and Employment. It would be of special interest to know what concrete results the scheme has succeeded in bringing out especially in the direction of

- (a) determining of industrial relations; and
- (b) increase in productivity in quantitative and qualitative terms.



## SECTION IV

### SOME DOCUMENTS AND AGENDA PAPERS

#### 1. CONCLUSIONS/RECOMMENDATIONS OF THE 1ST SEMINAR ON LABOUR-MANAGEMENT CO-OPERATION, 1958.

The Seminar considered the various problems concerning the constitution, functions and administration of Joint Councils and its conclusions/recommendations on the various items were as follows:—

##### I. Size of the Joint Council

(1) The Joint Councils, to be effective and manageable, should consist of equal number of representatives of management and employees, not exceeding twelve in all. In the case of smaller undertakings, however, the membership should not be less than six.

(2) The quorum should be four, two on each side.

(3) Decisions should be taken unanimously.

##### II. Representation to Different Departments etc.

(1) As one of the essential criteria for the formation of Joint Councils is that the undertaking should have a well established and strong trade union functioning, the rule should be—

(a) where there is a representative union registered under a statute, that representative union should nominate the employees' representatives on the Council;

(b) where there is no law for the registration of unions as representative unions, but there is only one union well established, that union should nominate the employees' representatives on the Council;

(c) where there are more than one well established and effective union, the Joint Councils should be formed when the unions among themselves agree as to the manner in which representation should be given to the employees.

(2) There should be no bar to the members of the supervisory and technical staff being nominated as employees' representatives on the Council.

(3) Employees' representatives should be employees themselves; but, if the trade union so feels, it can appoint non-employee members to the extent of not more than 25 per cent of its quota. If the employers have no objection, the number of non-employee members may be raised to two.

(4) The Joint Council should be set up at the unit level. Where there are a number of departments in an undertaking, having separate identity of their own, the Joint Council may set up subsidiary Departmental Joint Committees to deal with the problems at the departmental level and also to secure proper and effective functioning of the Joint Council itself. Where there are a number of units under the same management in the same area having separate Joint Councils of their own, a Central Joint Council might also be established for the group of undertakings.

(5) The Ministry of Labour might request the Ministry of Finance to agree to the formation of Joint Councils in the Life Insurance Corporation of India; for this purpose, a Zone may be treated as a unit.

(6) The Ministry of Labour might request the Ministry of Communications to include not only the Posts and Telegraphs Workshops (as recommended by the Sub-Committee on Worker Participation in Management and Discipline in Industry), but also other units functioning under the P. & T. Department.

### III. Office Bearers of the Joint Council

(1) The question of procedure for appointing a chairman and a vice-chairman should be left to the Council itself.

(2) In case the Joint Council fails to come to an agreement on the above, the offices of Chairmanship and Vice-Chairmanship should be made rotating. Again, if for one term the Chairman is selected from the employers' side, the Vice-Chairman should be from the employees' side and vice versa.

(3) The term of office of a Chairman and a Vice-Chairman shall be one year and that of the Council shall be two years.

(4) There may be two Joint Secretaries, one from the employees' side and the other from the employers' side, both having equal status. They may be elected by the members of the Council from among themselves.

(5) The employers should provide such secretariat and other assistance as may be necessary for the smooth and efficient functioning of the Joint Councils. If the employees' representatives agree, the Labour Welfare Officer of the unit may be associated with the Joint Council for purposes of secretariat work, e.g., circulation of minutes, notes, etc.

#### IV. Constitution of Sub-Committees

- (1) It is desirable to appoint Sub-Committees.
- (2) For welfare activities etc., a standing Sub-Committee may be appointed.
- (3) For other specific points, ad-hoc Sub-Committees may be formed.
- (4) These Sub-Committees shall submit their reports to the Joint Council.
- (5) There should be a parity of employer-employee representation on the standing Sub-Committees. On the ad-hoc Sub-Committees, however, parity need not be insisted upon.
- (6) The Sub-Committees might also include in their membership, persons other than members of the Joint Council.
- (7) The Sub-Committees shall be working under the general supervision and guidance of the Joint Council. Reports made by the Sub-Committees will be considered by the Joint Council which will take the ultimate decision.
- (8) The agenda for the Joint Council meetings should be prepared and circulated in good time, so as to give sufficient publicity to it amongst the employees and invite points for discussion from them. The preparation of the agenda should be the primary responsibility of the Chairman who might make such arrangements as may be necessary for this purpose.

#### V. Schedule for the Meetings of the Joint Councils

The periodicity of the meetings of the Council is essentially a matter to be decided by agreement by the Council itself. The Council should, however, meet at least once a month.

#### VI. Minimum Qualifications pertaining to Education etc.

No qualifications should be laid down for membership of the Council. The parties are expected to nominate persons who have sufficient knowledge and understanding and who are in a position to deliver the goods.



## **VII. Liaison between the Joint Councils and the Ministry of Labour & Employment**

The Government of India should make a definite arrangement for liaison between the Joint Councils and the Ministry of Labour & Employment by designating a separate cell for the purpose and giving it all facility. Adequate arrangements should also be made to associate State Governments with the working of the Joint Councils in their respective areas.

## **VIII. Guidance from Panel of Experts**

Having regard to the fact that the experiment is initiated at a few places in the initial stage, an All-India Panel should be appointed composed of persons (a) who are nominated by organisations of employers and employees, (b) whom the organisations consider suitable for guiding Joint Councils and (c) who are willing to undertake this responsibility. The advice of the experts shall not be binding on the Joint Councils.

## **IX. Training Programmes in Units experimenting with Worker Participation in Management**

The representatives of both management and workers on the Joint Councils should continuously keep in mind their joint responsibilities and rights. Towards this end, it should be necessary to ensure that they acquire the requisite attitude and background. Education of a general nature, especially in the issues relating to the satisfactory working of an enterprise must be imparted. A programme for such education should be carried on through different agencies. The representatives of management should be persuaded to actively participate in professional management associations. The trade unions may undertake the education of the workers. The workers' education scheme which is to be launched shortly by the Government of India must devote special attention to this aspect of labour management relations. The Joint Councils at the unit level should also consider the possibility of organising the joint education of all members of the Council.

## **X. Dissemination of Information to Workers**

The Joint Council should have the right to receive information on the various subjects outlined under Clause 6 of the Model Agreement. All arrangements should be made for documentation and dissemination of information to members of the Joint Councils as early as practicable. The technical details in this connection should be worked out. On certain specific matters, information

should be given every quarter. The right to receive information also includes the right of discussion. The undertaking having a Joint Council shall also establish a library and a reading room.

### **XI. Informal Meetings**

All efforts should be made to increase informal contacts between the members of the Joint Council and top officials of both sides, namely, management and the trade union.

The Seminar also discussed other related issues. The conclusions thereon were as follows:—

#### **A. Joint Councils and Works Committees**

- (1) Since Joint Councils are working at the policy level, they can function separately without encroaching upon the functions of the Works Committees.
- (2) Where Works Committees are already working in units where Joint Councils are to be set up, the Works Committees shall continue.

#### **B. Responsibilities of the Council.**

- (1) The Joint Council shall exercise supervisory, advisory and administrative functions on matters concerning safety, welfare etc., as have been indicated in the Model Agreement, though the ultimate responsibility shall rest with the management.
- (2) The unanimous decisions of the Council should be implemented without any delay. If they are not implemented in time, reasons should be given for the delay.

#### **C. Draft Model Agreement regarding establishment of Councils of Management.**

The Seminar suggested the following amendments to the Draft Model Agreement regarding establishment of Councils of Management, approved by the Standing Labour Committee.

1. Under Clause 5, sub-clause (i), the word "general" may be introduced before "administration".
2. Sub-Clauses (ii) & (iii) of Clause 5 may be replaced by a new sub-clause (ii) to read "introduction of new methods of production and manufacture involving re-deployment of men and machinery".

3. Sub-clause (iv) of Clause 5 may be read a sub-clause (iii) of Clause 5.

4. Under Clause 6, the words "the right to receive information" may be substituted by the words "the right to receive information, discuss and give suggestions".

5. The phrase "administrative responsibility" under Clause 7 may be amended to read "responsibility".

6. Sub-clause (vi) of Clause 7 may be amended to read "any other matter as may be agreed to by the Joint Council".

The Draft Model Agreement incorporating the above suggestions is attached.

THE SEMINAR WAS CONVINCED THAT JOINT COUNCILS WILL THRIVE ONLY IN AN ATMOSPHERE OF MUTUAL CONFIDENCE AND GOODWILL. IT TOOK NOTE OF THE GRADUAL IMPROVEMENT IN THE ATTITUDE OF EMPLOYERS AND THE TRADE UNIONS TOWARDS EACH OTHER, BUT FELT THAT THERE WAS A NEED FOR CONTINUOUS EDUCATIVE WORK BOTH ON THE SIDE OF LABOUR AND MANAGEMENT.



2. DRAFT MODEL AGREEMENT REGARDING ESTABLISHMENT  
OF COUNCILS OF MANAGEMENT

*(as modified by the 1st Seminar)*

Agreement between

.....(Name of employer).....

and

.....(Name|Names of Trade Union|Unions).....

1. The Company and the Union appreciate that an increasing measure of association of employees with the management of the works would be desirable and would help (a) in promoting increased productivity for the general benefit of the enterprise, the employees and the country, (b) in giving employees a better understanding of their role and importance in the working of the industry and in the process of production and (c) in satisfying the urge for self-expression.

2. It is, therefore, agreed that a Council/Councils of Management consisting of representatives of the management and of the employees be set up.

3. The constitution of this Council/these Councils and the procedure to be followed by it/them would be as set out in the Annexure.

4. It would be the endeavour of the Council/Councils to improve the working and living conditions of the employees, (ii) to improve productivity, (iii) to encourage suggestions from the employees, (iv) to assist in the administration of laws and agreements, (v) to serve generally as an authentic channel of communication between the management and the employees and (vi) to create in the employees a live sense of participation.

5. The Council/Councils would be consulted by the management on matters like:—

- (i) general administration of Standing Orders and their amendment, when needed;
- (ii) introduction of new methods of production and manufacture involving re-deployment of men and machinery;
- (iii) closure, reduction in or cessation of operations.

6. The Council/Councils would also have the right to receive information, discuss and give suggestions on:—

- (i) general economic situation of the concern;
- (ii) the state of the market, production and sales programmes;
- (iii) organisation and general running of the undertaking;
- (iv) circumstances affecting the economic position of the undertaking;
- (v) methods of manufacture and work;
- (vi) the annual balance sheet and profit and loss statement and connected documents and explanation;
- (vii) long term plans for expansion, re-deployment etc., and
- (viii) such other matters as may be agreed to.

7. The Council/Councils would be entrusted with responsibility in respect of:—

- (i) administration of welfare measures;
- (ii) supervision of safety measures;
- (iii) operation of vocational training and apprenticeship schemes;
- (iv) preparation of schedules of working hours and breaks and of holidays;
- (v) payment of rewards for valuable suggestions received from the employees;
- (vi) any other matter as may be agreed to by the Joint Council.

8. All matters e.g., wages, bonus, etc. which are subjects for collective bargaining are excluded from the scope of the Council/Councils. Individual grievances are also excluded from its/their scope. In short, creation of new rights as between employers and workers should be outside the jurisdiction of the Joint Council.

### 3. SOME QUESTIONS REGARDING LABOUR-MANAGEMENT CO-OPERATION.

1. What indicators should we use in assessing the results of the scheme?

2. To what extent has the incidence of labour disputes decreased after the institution of the scheme?

3. Is there any need for a legislative basis for the scheme?

4. Is it possible to operate the scheme in units where more than one union exists and all of them are keen on the scheme?

5. Has there been any improvement in production?

6. Should the administrative functions of Joint Councils be expanded?

7. Should the area of consultation be widened?

8. What other modifications should be made in the scheme to secure for its wider acceptance from employers and workers?

9. What should be the role of the Central Government, State Governments, employers' and workers' organisations for extending workers' participation.



SECTION V

APPENDICES

APPENDIX I

A list of units in which the scheme has been introduced.

**Public Sector**

1. Hindustan Machine Tools (P) Ltd., Jallahalli P.O., Bangalore.
2. Kerala State Transport Department, Trivandrum.
3. The Punjab Government Press, Chandigarh.
4. The Hindustan Insecticides (P) Ltd., New Delhi.
5. Argada Colliery, P.O. Argada, District Hazaribagh.
6. Messrs. Gwalior Leather, Tannery & Tent Factory, Morar (Gwalior).
7. Shri Ganganagar Sugar Mills Ltd., Ganganagar (Rajasthan).

**Private Sector**

1. Messrs. Simpson Group & Co. Ltd., 202, Mount Road, Madras.
2. The Indian Aluminium Co. Ltd., 31, Chowringhee Road, Calcutta-16.
3. Messrs. Modi Spinning & Weaving Mills Co. Ltd., Modinagar (U.P.).
4. Messrs Bally Jute Co. Ltd., Bally, District Hoogly.
5. The Kanknarrah Co. Ltd., 4, Clive Row, Calcutta-1.
6. Panitola Tea Estate, C/o Indian Tea Planters' Association, Royal Exchange, Calcutta.
7. Sonabheel Tea Estate, C/o Indian Tea Planters' Association, Royal Exchange, Calcutta.
8. Messrs. Malleable Iron & Steel Castings (P) Ltd., Lower Parel, Bombay-13.

9. The Rajkumar Mills Ltd., Indore.
10. Bombay Silk Mills, Ltd., Industrial Estates, Laubag, Bombay.
11. Messrs. Tata Iron & Steel Co. Ltd., Jamshedpur.
12. Shri Digvijay Cement Co. Ltd., Sikka via Jamnagar, Saurashtra.
13. Shri Arvind Mills Ltd., Naroda Road, Post Box No. 56, Ahmedabad.
14. Hahaipathe Tea Estate, Dooars, West Bengal.
15. Messrs. Devidayal Cable Industries (P) Ltd., Bombay-10.
16. Hukum Chand Mills, Post Box No. 107, Indore.
17. The Fertilizers & Chemicals Travancore (P) Ltd., Udyogmandal P.O., Kerala.

## APPENDIX II

### A list of Participants in the Seminar

#### A. Central Government

<i>Ministry of Labour and Employment</i>	Shri G. L. Nanda, Minister. Shri Abid Ali, Deputy Minister. Shri P. M. Menon, I.C.S., Secretary. Shri B. N. Datar, Labour & Employment Adviser. Shri Teja Singh Sahni, Deputy Secretary. Dr. B. R. Seth, Deputy Secretary. Shri A. L. Handa, Under Secretary. Shri K. D. Hajela, Under Secretary. Shri S. N. Mubayi, Central Provident Fund Commissioner. Shri S. P. Mukerjee, I.A.S., Chief Labour Commissioner (Central).
<i>Ministry of Commerce and Industry</i>	Shri T. A. S. Balakrishnan, Deputy Secretary.
<i>Ministry of Works, Housing and Supply</i>	Shri O. T. J. Zacharias, Officer on Special Duty.
<i>Ministry of Steel, Mines and Fuel (Oil and Natural Gas Commission)</i>	Shri K. N. Rajagopalan Deputy Secretary.

#### B. State Governments

<i>Andhra Pradesh</i>	Shri P. Prabhakar Rao, I.A.S., Labour Commissioner, Hyderabad.
<i>Assam</i>	Shri H. P. Duara, Labour Commissioner, Shillong.
<i>Bihar</i>	Shri K. K. Ambasht, Additional Under Secretary; Labour Department, Patna.



<i>Bombay</i>	Shri D. G. Kale, Labour Commissioner, Bombay.
<i>Kerala</i>	Shri A. Kunjukrishna Pillai, I.A.S., Labour Commissioner, Trivandrum.
<i>Madhya Pradesh</i>	Shri L. N. Shandilya, Assistant Labour Commissioner, Indore.
<i>Madras</i>	Shri T. N. Lakshminarayanan, I.A.S., Labour Commissioner, Madras.
<i>Punjab</i>	Shri H. R. Singh, Labour Commissioner, Chandigarh.
<i>Rajasthan</i>	Shri N. K. Joshi, Deputy Labour Commissioner, Jaipur.
<i>Uttar Pradesh</i>	Shri S. P. Arren, I.A.S., Additional Labour Commissioner, Kanpur.  Shri H. K. Mehrotra, Deputy Secretary, Uttar Pradesh Government, Lucknow.
<i>W. &amp; Bengal</i>	Shri S. K. Banerji, Joint Secretary to the Government West Bengal, Labour Department, Calcutta.  Shri Qadar Nowaz, Deputy Labour Commissioner, West Bengal Government, Calcutta.

### C. Industrial Undertakings

#### C. 1. Public Sector :

<b>Punjab Government Press, Chandigarh.</b>	(a) Shri Tara Chand. (b) Shri Mahan Singh.
<b>Hindustan Insecticides (P) Limited, New Delhi.</b>	(a) Shri S. D. Bhasin. (b) Shri J. R. Narang.

Gwalior Leather, Tannery and Tent Factory, Gwalior.	(a) Shri K. D. Kakade. (b) Shri Harnarayan.
Government Cement Factory, Churk.	(a) Shri T. L. Mahendra I.A. S. (b) Shri S. M. Sharma.
Government Precision Instruments Factory, Lucknow.	(a) Shri R. K. Singh. (b) Shri Abdul Gafoor.
Shri Ganganagar Sugar Mills, Ganganagar.	(a) Shri V. S. Sud, R.A.S. (b) Shri S. P. Sethi.
Kerala State Transport Department, Trivandrum.	(a) .. (b) Shri K. C. Sreenivas.

C. 2. *Private Sector :*

The Fertilizers & Chemicals Travancore (P) Ltd., Kerala.	(a) Shri G. S. Pillai (b) Shri S. C. S. Menon.
Simpson Group & Co., Madras.	(a) Shri Ramalinga Iyer. (b) Shri K. Gurumurthi.
Indian Aluminium Co. Ltd., Calcutta.	(a) Shri A. Dass Gupta. (b) Shri A. K. Sinha.
Bally Jute Co. Ltd., Howrah.	(a) Shri M. L. Aggarwal. (b) ..
Kanknarrah Co. Ltd., Calcutta.	(a) Shri S. R. Zachariah. (b) Shri Biren Ganguli.
Panitola Tea Estate, Assam.	(a) Shri A. B. Ghosh. (b) Shri M. S. Bhorali.
Sonabheel Tea Estate, Assam.	(a) Shri J. M. Lampit. (b) ..
Hahaipatha Tea Estate, West Bengal.	(a) .. (b) Shri P. Mitra.
Malleable Iron & Steel Castings (P) Ltd., Bombay.	(a) .. (b) Shri Raghunath More.
Rajkumar Mills Ltd., Indore.	(a) Shri K. A. Desai. (b) Shri Ramsinghbai Verma, M.P.
Bombay Silk Mills Ltd., Bombay.	(a) Shri R. M. Pandey (b) Shri D. G. Pathak.
Tata Iron & Steel Co. Ltd., Jamshedpur.	(a) Shri R. P. Bilimoria. (b) Shri R. L. Verma.
Shri Digvijay Cement Co. Ltd., Sikka.	(a) Shri R. D. Mathur. (b) ..

Shri Arvind Mills Ltd., Ahmedabad.	(a) Shri C. H. Desai. (b) Shri Canpathibhai Vanrajibhai.
Devidayal Cable Industries (P) Ltd., Bombay.	(a) Shri Kishanchand. (b) Shri Sasikant S. Gore.
Hukamchand Mills Ltd., Indore.	(a) Shri D. S. Koranne. (b) ..

#### D. All India Employers' Organisations :

Employers' Federation of India.	Shri N. M. Vakil.
All India Manufacturers' Organisation.	Shri K. Naoroji.
All India Organisation of In- dustrial Employers.	Shri P. Ghentsal Rao.

#### E. All India Workers' Organisations:

Indian National Trade Union Congress.	Shri Motilal Jain
All Indian Trade Union Congress.	Shri M. S. Krishnan.
Hind Mazdoor Sabha	Shri Daven Sen.
United Trade Union Congress	Shri Ramanathan.

F. <i>Experts</i> . . . . .	Shri N. S. Bhatt, Buckingham & Carnatic Mills, Perambur Barracks, Madras.
	Shri J. N. Mitra, 22-B, Southern Avenue, Calcutta-26.
	Dr. J. K. Bose, Indian Engineering Association, Calcutta.
	Shri R. L. Moitra, Indian Jute Mills Association, Calcutta.

G <i>Special Invitees</i> . . . . .	Shri V. K. R. Menon, Director, I.L.O., India Branch, New Delhi.
-------------------------------------	--



Shri H. D. Shourie, I.A.S ,  
Executive Director,  
National Productivity Council,  
New Delhi.

Shri D. P. Mukherjee,  
President,  
Indian Institute of Personnel  
Management,  
Calcutta.

Shri S. L. Sahni,  
National Institute of Labour  
Management,  
Bombay-12.

II. *Observers* . . . . . *Employers.*

Shri S. P. Shivani  
Shri H. N. Singhania  
Shri D. Parkash  
Shri B. M. Sethi  
Shri G. D. Gcur  
Shri S. N. Goel.

*Workers'*

Shri C. N. Rakshit  
Shri Rmanuj Singh  
Shri M. K. Ghosh.

(a) Employers' Representatives

(b) Workers' Representatives.

### APPENDIX III

#### Summary Record of the meeting of the Tripartite Committee to go into the functions of Works Committees (November 1959)

The Committee met in accordance with the decision of the 17th Session of the Indian Labour Conference held at Madras in July 1959 to examine the material on the subject of Works Committees and draw-up "guiding principles" relating to the composition and functioning of Works Committees. The following members were present:—

#### CENTRAL GOVERNMENT

##### *Ministry of Labour and Employment*

1. Shri P. M. Menon, I.C.S., Secretary—*Chairman*.
2. Shri B. N. Datar, Labour and Employment Adviser.
3. Shri Teja Singh Sahni, Deputy Secretary.
4. Dr. B. R. Seth, Deputy Secretary.
5. Shri S. P. Mukherjee, I.A.S., Chief Labour Commissioner (Central).
6. Shri A. L. Handa, Under Secretary.
7. Shri S. B. Kale, Regional Labour Commissioner (Central).
8. Shri Nardeo Singh, Research Officer.

##### *Ministry of Works, Housing & Supply*

9. Shri O. T. J. Zacharias, Officer on Special Duty (Labour).

##### *Ministry of Commerce & Industry*

10. Shri V. Natesan, Under Secretary.

##### *Ministry of Defence*

11. Shri G. A. Ramrakhiani, Deputy Secretary.

##### *Ministry of Food and Agriculture*

12. Shri J. G. Anand, Assistant Economic & Statistical Adviser, Directorate of Economics & Statistics.

## STATE GOVERNMENTS

*Bihar*

13. Shri S. N. Pande, I.A.S., Labour Commissioner.

*Bombay*

14. Shri D. G. Kale, Deputy Commissioner of Labour (Admn.)  
Pramji Cowasji Institute Building, Dhobi Talao, Bombay.

*Uttar Pradesh*

15. Shri J. Prasad, Deputy Labour Commissioner, **Uttar Pradesh**,  
Kanpur.

*West Bengal*

16. Shri S. N. Chatterjee, Deputy Labour Commissioner, **Calcutta**.

## EMPLOYERS

*Employers' Federation of India, Bombay*

17. Shri P. N. K. Pillai, Personnel Manager, Indian Aluminium  
Co., Ltd., 31, Chowringhee, Calcutta-16.

18. Dr. K. S. Basu, Director, Hindustan Lever Ltd., Scindia House,  
Ballard Estate, Bombay-1.

*All-India Organisation of Industrial Employers, New Delhi*

19. Shri S. K. Asthana, Labour Adviser, Engineering Association  
of India, India Exchange Place, Calcutta-1.

*All India Manufacturers' Organisation, Bombay*

20. Shri K. Naoroji Messrs. Godrej & Boyce Mfg. Co. (P) Ltd.,  
Lalbaug, Parel, Bombay-12.

## WORKERS

*Indian National Trade Union Congress*

21. Shri Ghanshyamlal Oza, Member Parliament, New Delhi.

*All India Trade Union Congress*

22. Shri Ram Sen, C/o West Bengal Committee of the All India  
Trade Union Congress, 249, Bowbazar Street, Calcutta-12.



*Hind Mazdoor Sabha*

23. Shri H. K. Sowani, General Secretary, Cotton Mill Mazdoor Sabha, 39, Patel Terrace, Parel, Bombay-12.

*United Trade Unions Congress*

24. Shri Sisir Roy, General Secretary, United Trade Union Congress, General Office, 249, Bowbazar Street, (1st Floor) Calcutta-12.

## OTHERS

*Indian Institute of Personnel Management, Calcutta:*

25. Shri P. Ghosh, E. R. Manager, Standard Vacuum Oil Co., New Delhi—*Observer*.

After discussion, the Committee came to the following main conclusions:

1. *Functions of Works Committees.*—It was agreed that it was not practicable to draw up an exhaustive list of the functions of Works Committees. There should be some flexibility of approach for the system to work properly. Illustrative lists of items which a Works Committee should normally deal with and those which it should not normally deal with were drawn up and approved. (List appended). It was agreed that the demarcation would not be rigid and the approved lists were flexible.

2. *Units in which Works Committees should be formed.*—It was agreed that no change was called for in the existing statutory provisions in the Industrial Disputes Act limiting the number of workmen to 100 for the purpose of the formation of a Works Committee.

3. *Composition of Works Committees.*—It was agreed that no change in the existing provisions of the Industrial Disputes Act or Rules regarding the number of members of the Works Committee was necessary. As regards the number of representatives it was felt that at times the management found it difficult to produce equal number of representatives as that of workers. But as, however, this was permissible even under the existing rules, no change therein was recommended.

4. *Composition of the Workers' side of the Works Committees—*

(i) It was considered that the workers' representatives on the Works Committee should be elected by the workers without the constituencies being divided between workers who are members of a

4. Adjustment of festival and national holidays.
5. Administration of welfare and fine funds.
6. Educational and recreational activities such as libraries, reading rooms, cinema shows, sports, games, picnic parties, community welfare and celebrations.
7. Promotion of thrift and savings.
8. Implementation and review of decisions arrived at meetings of Works Committees.

II. *List of items which the Works Committees will not normally deal with.*

1. Wages and allowances.
2. Bonus and profit sharing schemes.
3. Rationalisation and matters connected with the fixation of workload.
4. Matters connected with the fixation of standard labour force.
5. Programmes of planning and development.
6. Matters connected with retrenchment and lay-off.
7. Victimisation for trade union activities.
8. Provident Fund, gratuity schemes and other retiring benefits.
9. Quantum of leave and national and festival holidays.
10. Incentive schemes.
11. Housing and transport services.

## APPENDIX IV

### Extracts from the Report of the Study Team on the working of Joint Committees sponsored by the Ahmedabad Textile Industry's Research Association.

*The use of Consultation.*—Consultation is likely to make workers more sympathetic and co-operative with their management and less persistent and pre-occupied with their grievances. Prior consultation with workers especially in matters of change may make them relatively easy to be accepted by those concerned. In the absence of the consultation quite contrary results from those expected may result.

Absence of consultation by the superior with subordinates is liable to be interpreted by the subordinates as the superior's unwillingness to entertain the grievances and the points of view of the subordinates.

*Pre-Conditions for the establishment of Joint Committees of Consultation.*—Good relations between Labour and Management should exist. There must be understanding and trust between them. Without understanding and trust even legal compulsion will not succeed in creating industrial peace and harmony. At the most the machinery for the consultation may be set up but there cannot be any real consultation or co-operation.

*Attitudes demanded of Management for the success of Joint Consultation in establishing co-operation between them and workers.*—Management should believe that Joint Committees will help train the workers for Industrial Democracy and will promote good relations. They must think that such committees will help to know the workers' problems and that such committees are really useful. They must shed their hesitation and airs of superiority for meeting workers' representatives on the committee. A feeling of equality in discussions in such committees would bring the desired results.

*Workers' attitude.*—Workers must believe that such committees would give them opportunity of presenting their difficulties collectively in a friendly atmosphere and secure quicker attention. They



must feel that they will be able to get more facilities as also get the necessary training to understand others and establish good relations with employers for their mutual benefit. They must believe that the Committee would be really useful.

*Special Responsibility of Managements.*—Management being composed of better educated and more enlightened persons should take the initiative for establishing mutual trust and understanding. They should while meeting workers' representatives in Joint Committees, make the workers' representatives shed their fears and misgivings and come out in free discussion and expression of their views etc. In difficult and critical situations tact should be used to avoid a crisis so that joint machinery does not break down by the generation of bad feelings and mistrust. Once things are precipitated reconciliation proves very difficult.

The decision of Joint Committees must be promptly implemented by managements so that not only workers' representatives but also management representatives on the Council may get the feeling that they are doing something useful and that management has confidence in them. They will retain faith in the benefits of consultation and continuance of Joint Committees.

If management does not support its representatives by honouring undertakings they will try to save their faces by creating bad feeling and relations with workers' representatives; if they do not, they have to betray their helplessness by paying only lip sympathy which is not in keeping with their honour.

If on the other hand, any representative of management does something disturbing the spirit of Joint Committees, confidence must be restored by prompt action to remedy the situation.

*Duty of the Chairman of the meeting.*—The manner in which the Chairman, especially when he is a representative of management, conducts the proceedings of the meeting has significant influence upon the morale of the members of the Committee.

He should encourage discussion on every problem presented and attempt to secure maximum participation. He should clarify points and summarise them at the end so that it satisfies all. He should take keen interest in the implementation of the decisions taken in the meeting, review the actions taken on the decisions and if there are delays inform the reasons for the same.

*Problems that are usually brought forward in Joint Committees.—*

Workers' side—Welfare amenities and departmental difficulties.

Management side—Departmental heads often inform members regarding departmental changes necessary for improving production and reduction of damages.

Problem of theft and loitering.

Necessity of literacy classes.

*Limitations.—*Neither management nor workers should expect too much from the Committees especially problems which are not confined to their unit but affecting the community etc. at large. If they meet with failure in solving such issues should they arise, neither party should accuse the other for breach of faith etc.

## APPENDIX V

### Observations of the Study Group on Workers' Participation in Management appointed by the Bombay Management Association

Early in 1959, the Bombay Management Association appointed a Study Group on Workers' Participation enabling free interchange of ideas and pooling of experience on the subject. The Group considered the two alternatives before it:—

- (i) study the subject *de novo*; and
- (ii) picking it up at the stage where the report of the Study Group on Workers Participation in Management headed by Shri Vishnu Sahay had left it.

It decided in favour of the latter alternative. The reason for adoption of the latter course was that it could be in a position to suggest ways and means of supplementing the Vishnu Sahay Group report as also conclusions of the Labour-Management Co-operation Seminar held on 31st January and 1st February 1958. The conclusions and recommendations of the Study Group of the Bombay Management Association are as follows:—

- (i) Given the right attitudes of co-operation and consideration for others' views, consultation is bound to lead to participation.
- (ii) The unit selected for participation should be one which has a reputation for efficient management and good industrial relations and a tradition of continuous consultation between all sections of employees and all sections of management.
- (iii) As a step towards encouraging consultation Government should establish Personnel Management Advisory Services in each region to work under the guidance of a tripartite body.
- (iv) The existence of a strong trade union should be considered as the condition precedent for the establishment of the management council. A union should be considered as a strong trade union if—
  - (a) it possesses a membership of not less than 50 per cent among the workers, and



- (b) it is recognised by the employer.
- (v) The right kind of attitude and proper atmosphere cannot be created overnight but only by gradually building them up with the help of an educational campaign.
- (vi) Leading employers' organisations should organise conferences on the subject of participation. Managing Directors of selected firms should be invited to give lectures on the subject.
- (vii) Periodical meetings between top and middle management and between middle and lower management should be held. It may be necessary to train quickly and effectively the departmental managers in the rudiments of conducting meetings. It may also be necessary to intensify TWI courses for moulding the attitudes of the junior level.
- (viii) As many workers as possible should be trained under the Workers' Education Scheme of the Government of India.
- (ix) Trade union leaders should be invited to speak on the subject of participation at special conferences convened for the purpose.
- (x) Before the Joint Management Council is set up a workers participation week should be held, during which conferences, films and lectures should be arranged and literature distributed.
- (xi) A pamphlet containing information regarding the constitution, function, nature and scope of the Joint management council should be prepared jointly by the management and the trade union and circulated among all employees.
- (xii) The workers' representatives on joint management council should be chosen by free elections only. However, they should co-opt one office-bearer of the union as a full-fledged member with voting rights.
- (xiii) The total membership of the council should not be less than 6 or more than 12, equally divided between the representatives of workers and management.
- (xiv) It should be for the management, at least in the initial stages, to bring up subjects for discussions. The council should meet during working hours and the members

attending should be treated as on duty. There should be no provision for recall.

- (xv) The worker members should function as representatives.
- (xvi) There should be no legislative compulsion for setting up Management Councils.
- (xvii) Some administrative responsibility, particularly relating to welfare should be given to the council. It will make for the council's popularity with the workers and inculcate a sense of responsibility among the members.
- (xviii) The decisions of the council should be unanimous and if the council fails to agree the management may take such decision as it deems fit.
- (xix) In the existing circumstances there is no particular advantage in alternative chairmanship between the two sides. The management should extend all secretarial help to the council free of charge. The council should itself lay down the quorum but it should be stipulated that at least some representatives of both sides should be present before any business can be transacted.
- (xx) The decisions of the management council should be given wide publicity and the action taken by the management on the recommendation of the council should also be notified.
- (xxi) Joint evaluation committee composed of persons of sufficient status should be set up to assess the work of the council and make recommendations for improvement.