

Communication

Settlement Machinery in Public & Private Enterprises in Kerala

Venugopalan K.V.

Industrial relations play a crucial role in establishing and maintaining industrial democracy. But, modern industrialisation has created a yawning gulf between employers and workers because of the absence of worker's ownership over the means of production. The resultant industrial conflicts ultimately led to work stoppages in the shape of strikes and lockouts affecting both to the stock holders and stake-holders. An amicable and early settlement of industrial disputes is very necessary for the continuous development and smooth functioning of industrial activity. A fair and independent machinery for the peaceful settlement of industrial disputes is a pre-requisite for the establishment of good industrial relations, argues the author.

Venugopalan K.V. is Associate Professor, P.G. Department of Commerce & Research Centre, St.Peter's College, Kolenchery, Ernakulam, Kerala.
E-Mail: getvenugopalan@yahoo.com

Introduction

Modern industrialisation has created a yawning gulf between employers and workers because of the absence of worker's ownership over the means of production. This gap has led to industrial conflicts and disharmony which ultimately lead to work stoppages in the form of strikes and lockouts, resulting in many evil consequences affecting both the stockholders and stakeholders. An amicable and early settlement of industrial disputes is very necessary for the continuous development and smooth functioning of industrial activity. A fair and independent machinery for the peaceful settlement of industrial disputes is a pre-requisite for the establishment of good industrial relations. Dispute settlement machinery is a mechanism set up for the prevention and settlement of industrial disputes. It comprises preventive machinery for averting industrial disputes and settlement machinery for their earlier settlement. Whenever the preventive machinery fails, the industrial dispute settlement machinery should be tapped by the Government to settle disputes.

Methodology

This study is descriptive and analytical in nature. The secondary data for the study were collected from journals, books and from the labour department. The primary data were collected from employees in the public and private enterprises in Kerala based on a structured interview schedule. The universe of the study was limited to 4251 employees from the selected public and private enterprises (medium and large) in Kerala. Of these, 1393 employees were in the public sector and 2858 were in the private sector. For the intensive study 140 employees (10 per cent of 1393) were selected from the public enterprises and 286 (10 per cent of 2858) from the private enterprises through stratified random sampling method. For the purpose of analysis, weighted mean, percentages and chi-square test were applied. The chi-square test was used to study the divergence of actual and expected frequencies to find out the association among the respondents.

The study has been made to assess the performance of the dispute settlement machinery for the prevention and settlement of industrial disputes. The assessment has been made on the basis of some well defined variables, viz. industrial disputes handled and settled, industrial disputes settled by different settlement machinery, most likely form of dispute settlement machinery, method of dispute settlement machinery used, level of management involved in dispute settlement, level of satisfaction in the performance of dispute settlement machinery.

Industrial Disputes Handled & Settled in Kerala

The number of disputes handled and settled shows a decreasing trend during the period

The industrial disputes handled and the industrial disputes settled by the settlement machinery shows the performance of the settlement machinery. The

Table 1: Industrial Disputes Handled & Settled in Kerala

Year	Disputes handled (including pending)	Disputes settled (including pending)	Percentage
2000-01	6532	4291	65.69
2001-02	5597	3334	59.57
2002-03	6268	3879	61.89
2003-04	7323	4656	63.58
2004-05	6686	4028	60.25
2005-06	6063	3314	54.66
2006-07	6125	3221	52.59
2007-08	6386	3567	55.86
2008-09	5962	3192	53.54
2009-10	5122	2357	46.02
Period Average	6206	3584	57.75

Source: Office of the State Labour Commissioner, Government of Kerala.

number of disputes handled and settled in Kerala shows that on an average 57.75 per cent of the disputes were settled during the last 10 year period (Table 1). The number of disputes handled and settled shows a decreasing trend during the period. The number of disputes

handled and settled was high during the year 2003-04, whereas, the lowest in the year 2009-10.

Disposal of Industrial Disputes

In Kerala, Voluntary Negotiation, Conciliation, Withdrawn and Adjudication were used for the settlement of disputes. The Arbitration Board available for dispute settlement in Kerala has been abolished in the year 1987 by the Government of Kerala (Government of Kerala 1987-88). Table 2 shows the in-

dustrial disputes settled in Kerala during the period 2000-01 to 2009-10.

In Kerala, on an average, 38.56 per cent of the total disputes were settled by using conciliation. The other methods used in the order of their rank are withdrawn (31.02), voluntary negotiation (18.37), and adjudication (12.05). During the year 2000-01, 28.20 per cent of the disputes were settled by conciliation. But, this percentage has increased to 42.76 per cent during the year 2009-10. The share of conciliation was high in almost all the years under study as a method of dispute settlement.

Table 2: Disposal of Industrial Disputes Settled According to Type of Settlement in Kerala.

Year	Voluntary Negotiation	Conciliation	Withdrawn	Arbitration	Adjudication	Total
2000-01	791(18.43)	1210(28.20)	1834(42.74)	0	456 (10.63)	4291
2001-02	578 (17.34)	922(27.65)	1428(42.83)	0	406(12.18)	3334
2002-03	866(22.32)	1391(35.86)	1230(31.71)	0	392(10.11)	3879
2003-04	883(18.96)	1876 (40.30)	1376 (29.55)	0	521(11.19)	4656
2004-05	810(20.11)	1608(39.92)	1178(29.25)	0	432(10.72)	4028
2005-06	374 (11.28)	1124(33.92)	1290(38.93)	0	526 (15.87)	3314
2006-07	341(10.59)	1361(42.25)	1066(33.09)	0	453(14.07)	3221
2007-08	484(13.57)	1644(46.08)	795(22.30)	0	644(18.05)	3567
2008-09	831(26.03)	1675(52.47)	426(13.35)	0	260(8.15)	3192
2009-10	626(26.56)	1008(42.76)	497(21.09)	0	226(9.59)	2357
Period Average	658(18.37)	1382(38.56)	1112(31.02)	0	432(12.05)	3584

Source: Office of the State Labour Commissioner, Government of Kerala.

Note: Figures in brackets indicate the percentage of disputes settled

Most Likely Form of Dispute Settlement

The prompt and equitable settlement of labour disputes is an important basis for sound industrial relations. Conciliation, voluntary negotiation, arbitration, adjudication and withdrawn were the important dispute settlement methods generally used in Kerala for the settlement

of disputes. Table 3 shows that employees in both the sectors are having similar perception of the method of settlement of disputes. They all gave first rank to conciliation. Second, third and fourth ranks were given to voluntary negotiation, withdrawn, and adjudication respectively.

The above observations of the most likely form of dispute settlement are simi-

lar to those of Arya P.P (1989), Abdul (1995), Mathew George (1993) and Gani (1989), Kesar Singh Bhangoo Vasanthagopal R.(1998).

Table 3 Employees' Perception of the Most Likely Form of Dispute Settlement

Form of dispute settlement	Public sector		Private sector	
	Weighted Mean	Rank	Weighted mean	Rank
Conciliation	5.54	1	5.61	1
Voluntary negotiation	5.45	2	5.39	2
Arbitration	1.00	6	1.00	6
Adjudication	2.96	4	2.83	4
Withdrawn	3.83	3	3.98	3
Others	2.38	5	2.39	5

Source: Survey data.

Method of Dispute Settlement Usually Used

The absence of effective dispute settlement systems and procedures can result in widespread industrial conflict with adverse effect on worker employer relations. In Kerala, conciliation, voluntary negotiation, arbitration, adjudication, and withdrawn are generally used to settle industrial disputes. The perceptions of employees reveals that 'conciliation' and 'voluntary negotiation' were

the first two methods usually used by both the sectors for dispute settlement (Table 4). The other methods like adjudication and withdrawn were also be used for the settlement of disputes.

The perceptions of employees reveals that 'conciliation' and 'voluntary negotiation' were the first two methods usually used by both the sectors for dispute settlement.

Table 4: Employees' Perception of the Method of Dispute Settlement Usually Used

Form of dispute settlement	Public sector		Private sector	
	Weighted Mean	Rank	Weighted mean	Rank
Conciliation	5.81	1	5.66	1
Voluntary negotiation	5.13	2	5.30	2
Arbitration	2.50	5	2.50	5
Adjudication	4.07	3	4.00	3
Withdrawn	2.81	4	2.91	4
Others	-	-	-	-

Source: Survey data.

The above findings on the method of settlement used are similar to those of Mathew George (1993) and Kesar Singh Bhangoo (1995). The Kerala average during the decade 2000-01 to 2009-10 also shows conciliation as the mostly used method of dispute settlement. Withdrawn, voluntary negotiation and adjudication were the other methods respectively in the order of ranking.

Level of Management Involved in Dispute Settlement

The level of management involved in dispute settlement depends on several

factors viz, type of dispute, nature of dispute, causes of dispute, number of employees involved etc. Most of the employees in the public sector (62.8 per cent) opined that middle level management was usually involved in dispute settlement (Table 5). Contrary to this, 53.6 per cent in the private sector viewed that top level management was usually involved in the settlement. However, very few in the public and private sectors viewed that lower level management were usually involved in dispute settlement. The chi-square test confirms a significant difference in the level of management involved in dispute settlement.

Table 5: Employees Opinion of the Level of Management Involved in Dispute Settlement

Levels of management	Public sector		Private sector	
	Number	Percentage	Number	Percentage
Top level	31	36.0	105	53.6
Middle level	54	62.8	90	45.9
Lower level	1	1.2	1	0.5
Total	86	100	196	100

Source: Survey data.
 $\chi^2=6.272$ with 1 df; significant at 5 % level.

Ability of the Management

The success of dispute settlement to a large extent depends upon the ability of management in handling industrial disputes. There was a difference in the perception of employees in the public and private sector about ability of the management in dispute settlement. 50 per cent in the public sector opined that the managements ability was moderate (Table 6). But a considerable majority in the private sector (71.9 per cent) viewed that the ability of their management was high or

very high. The chi-square test also establishes this observation.

50 per cent in the public sector opined that the managements ability was moderate

Level of Satisfaction

The success of dispute settlement machinery depends upon the cooperation of employees, trade union leaders, management and also the timely intervention

Table 6 Employees' Perception of Ability of the Management in Dispute Settlement

Reponses	Public sector		Private sector	
	Number	Percentage	Number	Percentage
Very high	1	1.2	37	18.8
High	32	37.2	104	53.1
Moderate	43	50.0	30	15.3
Low	10	11.6	24	12.3
No opinion	-	-	1	0.5
Total	86	100	196	100

Source: Survey data.

$\chi^2 = 38.696$ with 2 df; significant at 5% level.

of the Government. Success in the settlement results harmony in industry which ultimately leads to more production and productivity. Most of the management personnel in the public sector (65.1 per cent) and the private sector (58.7 per cent) were satisfied with the performance of the dispute settlement machin-

ery. But 16.3 per cent in the public sector and 15.8 per cent in the private sector were dissatisfied with the performance of the settlement machinery (Table 7). However, the chi-square test finds no significant difference in the performance of the settlement machinery among the employees.

Table 7 Level of Satisfaction in the Performance of Dispute Settlement Machinery as Perceived by Employees

Reponses	Public sector		Private sector	
	Number	Percentage	Number	Percentage
Highly satisfied	-	-	-	-
Satisfied	56	65.1	115	58.7
Neutral	16	18.6	49	25.0
Dissatisfied	14	16.3	31	15.8
Highly dissatisfied	-	-	1	0.5
Total	86	100	196	100

Source: Survey data.

$\chi^2 = 1.470$ with 2 df; not significant at 5% level.

Conclusions

1. Conciliation and voluntary negotiation were the most frequently used methods of disputes settlement in Kerala. Further, these two methods were the most likely forms of dispute settle-

ment perceived by employees in the public and private enterprises in Kerala.

2. In spite of some differences among the respondents most of them opined that top and middle level management were largely involved in the dispute

settlement. So also, the role of unions and management in dispute settlement was very significant.

3. In the case of public sector, 50% of the employees opined that the ability of the management in dispute settlement as moderate whereas majority (53.1%) of the employees in the private sector opined that the ability of the management in dispute settlement was high.
4. Most of the respondents in both the sectors were satisfied with the performance of the dispute settlement machinery.

References

Abdul Gani (1989), Labour Management Relations: A Study of Textile Industry in Jammu and Kashmir Since 1971, Ph.D Thesis, University of Kashmir, Srinagar, 1989.

Arya, P.P (1989), Labour Management Relations in Public Sector Undertakings, Deep and Deep Publications, New Delhi.

Bangoo, Kesar Singh (1995), Dynamics of Industrial Relations, Deep and Deep Publications, New Delhi.

Government of Kerala, Labour Department, Labour Statistics at a Glance Kerala, Thiruvananthapuram (various issues)

Government of Kerala (1987-88), Administrative Report, Department of Labour, Thiruvananthapuram.

Mathew George (1993), Impact of Trade Unionism on the Industrial Relations in the Textile Mills of Kerala, Ph.D Thesis, University of Kerala, Thiruvananthapuram

Vasanthagopal, R. (1998), Labour Management Relations in the Textile Industry in Kerala,' Ph.D Thesis, University of Kerala, Thiruvananthapuram.