

# Role of Conciliation Mechanism in Shaping Industrial Relations Scenario: An Exploration

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*This study examines the conciliation mechanism's vital role within India's industrial relations framework. It attempts to assess the effectiveness of conciliation in reducing industrial disputes, especially strikes, lockouts, retrenchments, layoffs, and closures in the industrial sector over the last decade. The secondary data from the Government of India explains why conciliation plays a considerable part in the development of industrial harmony and economic stability. An old mechanism of solving industrial disputes in India is conciliation, founded on the basis that mutual gains would accrue through exchanging suggestions between employers and employees. This paper provides a background for conciliation in the larger industrial relations framework and emphasizes how it ensures labor peace and organizational stability.*

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## Introduction

Industrial relations provide a wide context through which the relationships between employers, employees, and the government can be understood in contemporary workplaces. Industrial relations describe the negotiation, cooperation, and conflict in creating work conditions or informing wider social and economic order (Suresh Sapkal, 2015; Patil, 1982). The nature of these relationships that keep industry in a state of equilibrium is very complex but inherently riddled with conflict. It would then logically result that whenever employees and employers enter a contract, it eventually leads to miscommunications and varying perceptions, and subsequently, conflicts arise. If unchecked, it might degenerate into an industrial dispute (Joseph, 2014). For that reason, wages and fringe benefits, including working conditions and perceptions of employees about protective and regulating mechanisms through

labor legislations under which they operate, and also the management of disputes promptly needs effective mechanisms.

**Conciliation is one of the most fundamental ways of preventing disputes from escalating into formal litigation.**

Industrial disputes are not limited to immediate employer-employee relations. The effects of an industrial dispute are far-reaching regarding the country's social and economic stability (Foley & Cronin, 2015; Saini, 1992). Strikes and lockouts can cause a breakdown in production, interruption in supply chains, and eventually affect the overall economy. Therefore, a strong dispute resolution mechanism is essential in protecting industrial productivity as well as the welfare of the society. Among the many ways of resolving disputes, conciliation is one of the most fundamental ways of preventing disputes from escalating into formal litigation. Conciliation attempts to create mutual understanding between disputing parties by involving a neutral third party to negotiate and amicably settle the issues without resorting to adversarial approaches (Pender et al., 2019; Khan, 1981).

The International Labor Organization (ILO) defines conciliation as, "a process whereby an independent third party assists the disputing parties to reach a mutually acceptable agreement to resolve their dispute." The definition prioritizes conciliation as a method of voluntary cooperation in pursuing mutual and consen-

sus-based dispute resolution, which helps to create a win-win scenario (Foley & Cronin, 2015). Here, a government-appointed conciliation officer, typically a neutral third party, undertakes dialogues, providing a structural framework leading to equitable negotiation. Such processes enable disputing parties to maintain their relationship and reach a settlement compatible with their interests and regulatory standards (Weinberg, 2020). Conciliation has thus become an essential component of India's industrial relations framework, providing a non-adversarial and cost-effective alternative to judicial proceedings.

This study discusses the role of conciliation in India's industrial relations regime, with a special focus on its effectiveness as a primary mechanism for resolving industrial disputes. This study would contribute to a greater insight into how conciliation might play a role in promoting industrial harmony and sustaining socio-economic stability in industries by exploring the conciliation process in India's labor field and its effects on resolving disputes (Jyoti & Sidhu, 2005). The study attempts to put forward some insights into the challenges and opportunities associated with conciliation through an analysis of secondary data, and reports from the Ministry of Labor and Employment as a critical tool in industrial relations.

### **Legal Framework**

The Industrial Disputes Act, 1947 is the major Act in India which is having provisions for investigation and settle-

ment of industrial disputes. It incorporates different mechanisms like work committees, conciliation, arbitration, and adjudication for the settlement of disputes. In this context, conciliation is one of the methods that are mostly used by appropriate governments to resolve disputes through interaction with the parties to dispute (Weinberg, 2020; Venugopalan, 2011). An independent third party intervenes in conciliation to encourage negotiations, and the independent third party aims to reach an amicable settlement with disputing parties.

Sections 4 and 5 of the Industrial Dispute Act, 1947 relate to conciliation. Section 4 deals with the conciliation officer, while Section 5 is related to the Board of Conciliation. Sections 11, 12, and 13 are related to the procedure, powers, and duties of conciliation officers and the conciliation board. According to Section 21 of the Indian Penal Code, all conciliation officials would be considered public servants and shall have the same powers as are vested in a Code of Civil Procedure, 1908 (5 of 1908), when trying a suit, in respect of the following matters, namely (a) enforcing the attendance of any person and examining him on oath; (b) compelling the production of documents and material objects; (c) issuing commissions for the examination of witnesses; (d) in respect of such other matters as may be prescribed.

In such cases where a settlement is reached through the efforts of the conciliation officer/board of conciliation, a settlement report must be submitted to the appropriate government along with a

memorandum of settlement signed by the parties concerned, and the settlement reached by the consensus of both parties will now be binding. If the conciliation officers fail to make the settlement, then he/she must file a failure report to the appropriate government showing why the conciliation failed. After an examination of this report, the government will decide to either allow the case to be submitted for adjudication or arbitration.

Conciliation in public utility services starts with immediate effect as soon as a strike or lockout notice is issued by one of the disputing parties. For non-public utility services, however, the conciliation officers can schedule such proceedings as convenient. In either of the processes, it follows the appropriate government's advice.

The conciliation officers whom the government designates obtain the right to settle with suggestions to help them resolve the deadlock faced by the disputing parties during conciliation (García et al., 2019; Ratnam, 2003). However, these proposals should not be considered acceptable by the disputing parties, and they would only settle in case the two parties agree upon the settlement. Here, mediation is the conciliator's role, which will hopefully result in a cooperative and constructive solution to the dispute. Any conciliated settlement can only be binding to the parties when they are agreed upon; otherwise, it becomes non-binding. This legal framework offers India an approach towards industrial disputes with structured flexibility in this sense (Roy & Dubey, 2022). The law aims to enable

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the employer, the employees, and themselves to arrive at a peaceful resolution for disputes fairly. Therefore, the objective of the study is to assess the role of the conciliation mechanism set up under the industrial relations regimes.

### **Methodology**

The present study is primarily based on the analysis of secondary data to assess the role and impact of conciliation on resolving labor disputes effectively and efficiently. The secondary data are collected from the Ministry of Labor and Employment (Annual Report from 2016-23), the Labor Bureau, and the Indian Labor Journal; and research papers on 'conciliation mechanism' published in reputed journals.

### **Industrial Relations Scenario in India**

As a labor-abundant and industrially developing country, India witnessed tremendous growth once the LPG (Liberalization, Privatization, and Globalization) policy came into effect in 1991 (Mehrotra, 2023). The industrialization scenario has become more complex concerning workforce diversity, where conflicts arise frequently and cannot be avoided. It is very important to distinguish between conflict and dispute. Conflict is broad and generalized to various workplaces,

while a dispute is specific, and its root is found in specific issues (Murty et al., 1986).

An effective industrial environment is achieved with cooperative and communicative relationships and interactions between and among management, employers, and employees (Roy & Dubey, 2022). Industrial disputes fall into two types: individual and collective. Individual disputes occur when an employee raises issues at a certain level against his/her respective employer concerning questions on termination or pay for work done. In contrast, collective issues mean issues that cut across all employees, including the question of wages, bonuses, and working conditions (Agarwal et al., 2020; Joseph, 2014).

It has been found that disputes often lead to industrial unrest, which may be either organized or disorganized. Organized unrest occurs when strikes and lockouts occur, a formal and structured expression of grievance. In contrast, disorganized unrest is less apparent and may be reflected in low morale, low productivity, and frustration among the workforce. This analysis will describe India's industrial relations landscape, showing the need for effective dispute-resolution mechanisms to prevent unrest and foster positive labor-management relations. The majority of industrial relations have specified instances that will make the employer or employee take actions that would disturb the regular industrial operations. Every term, such as strike, lockout, retrenchment, closure, and layoff, represents a different legal and

economic response to disputes or business constraints, and they hold significant implications for workers, management, and the broader economy. In India, these actions are governed under the Industrial Disputes Act, 1947, each action's definitions, conditions, and procedures ensure they operate in a regulated framework.

### **Mechanisms for Resolution**

In India, the Industrial Dispute Act, 1947 makes provisions for investigating and settling industrial disputes. Mechanisms for handling industrial disputes are stated in the following steps:

Step 1: Initially, the 'Works Committee' is there to address and deal with the day-to-day grievances that occur between employers and employees.

Step 2: When the issues are not resolved between employer and employees and the grievance takes the form of a dispute, the disputing parties can go for strikes or lockout by giving notice as per the provision of the Act: a notice of strike or lockout needs to be given before 6 weeks, and the notice is valid for 6 weeks only; strike or lockout can only be commenced after 14 days of the issue of the notice; and no strike or lockout is to be commenced during any conciliation or arbitration or adjudication proceedings, as it is illegal.

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Step 3: After receiving the notice, the appropriate government will appoint a conciliation officer and initiate the conciliation proceedings. Conciliation is mandatory for public utilities and is not for non-public utilities. The conciliation officer, with the help of disputing parties, will then try to settle the issue and help to reach a consensus-based settlement between the parties.

Step 4: If the conciliation fails, the appropriate government has two ways either to proceed with arbitration or adjudication proceedings.

Step 5: If the dispute is referred for arbitration process, then with the help of the arbitrator, the disputes are resolved, and an award is passed which is binding for both parties.

Step 6: If the dispute is referred for adjudication process (labor court, industrial tribunal and national tribunal), then the respective adjudication machinery will pass an award for resolving of the dispute.

Step 7: If any party is not satisfied with the award passed by an arbitrator / the adjudication machinery, then they may appeal before the High Court and the Supreme Court.

Industrial harmony is promoted through the offering of a systematic and enforceable framework for resolving disputes, as the Industrial Disputes Act, 1947 forms an important milestone in this process. Still, procedural delays and compliance problems need to be overcome to make the Act more relevant and effi-

cient for the changing industrial environment.

### Strike

A strike is an organized work stoppage by a group of employees, usually as a tool to protest or demand improvements in working conditions, wages, or their rights. Section 2(q) of the Industrial Disputes Act, 1947 defines a strike as “a cessation of work by a body of persons employed in any industry acting in combination or a concerned refusal, or a refusal under a common understanding, of any number of persons who are or have been so employed to continue to work or to accept employment.” Strikes can be of different types, such as sympathy strikes, go-slow, or work-to-rule actions, and are usually resorted to when negotiations or collective bargaining have failed. Strike, though a weapon with the workers to protest about their rights, results in significant economic losses for both workers and employers. The broad scenario on strike in India during January 2013 to September 2023 reveals a significant and consistent decline in the number of strikes across India. This includes 103 in 2013 and 30 in 2022; up to this report, only 24 strikes were reported between January and September 2023. An indication that the situation would continue in this trajectory will suggest improvements in industrial relations

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The conciliation process is central, marking India’s first and most readily available procedure to address industrial disputes (Ratnam, 2003). It’s non-adversarial as well as cooperative, allowing workers and employers to address their problems at the very first instance and be authorized to talk before a neutral third party, who might help in communicating and finally decide upon solutions acceptable to both parties (Foley & Cronin, 2015). Falling numbers of strikes indicate that the causes of disputes are being tackled at the level of conciliation, so there is less need for strikes to be used by workers to force their claims. Another reason could be that employees and employers know each other’s importance for the proper functioning of operations, and disputes between them will affect both as well as the industry so they try to create an environment of mutual trust, which helps settle any grievance before taking any action from either party. More so, from Table 1, this trend is also matched by a drastic drop in man-days lost because of strikes and lockouts from 1.2 million in 2013 to just above 0.3 million in 2022. It seems that when the strikes occur, they tend to be shorter and could reach fewer employees. This development is in the spirit of conciliation’s role in narrowing the scope of disputes and resolving key issues so that the scale and duration of strikes are as short as possible. Indeed, the impact of conciliation is not only shown in the reduced frequency of

**Table 1 Industrial Disputes (Strikes & Lockouts) (2013-2023)**

Year	Strikes	Lockouts	Total	Man-days Lost	Man-day lost per strike and lockout
2013	103	155	258	1,26,45,371	49013
2014	119	168	287	1,10,95,370	38660
2015	112	29	141	40,14,559	28472
2016	104	26	130	46,19,868	35537
2017	87	25	112	52,33,467	46727
2018	69	17	86	31,49,554	36623
2019 (P)	65	14	79	33,28,103	42128
2020(P)	43	8	51	25,72,393	50439
2021(P)	38	8	46	21,13,461	45945
2022(P)	30	5	35	6,10,511	17443
2023(P) (Jan-Sept)	29	1	30	3,39,169	11306

Source: Compiled by authors from the Annual Report of the Ministry of Labor and Employment, GoI, for the period 2013 – 2023 based on Industrial Disputes is based on returns received every month from the Labor Departments of the States/Union Territories and Regional Labor Commissioner(Central).

Note: (P) = Provisional and based on the returns/clarifications received in the Bureau till 30 October 2023.

strikes but also in the diminishing economic impact of labor actions.

The observed decrease in strikes underlines the fact that conciliation mechanisms need further strengthening so that more strikes may be prevented and resolved early. In the process of facilitating dialogue and providing workable solutions, conciliation officers can further reduce both the prevalence and the disrupting impact of strikes. The data supports this notion that investment in conciliation as a preferred dispute resolution method may improve industrial harmony, reduce losses in productivity, and lead to a more stable and constructive industrial relations environment in India.

### **Lockout**

The section 2 (I) of the Industrial Disputes Act, 1947 has defined lockout

as “the temporary closing of a place of employment, or suspension of work, or refusal by an employer to continue to employ any number of persons employed by him.” Usually, it takes place when an employer wishes to implement some terms of employment or counter demands put up by the workforce. It is generally resorted to with a view to a lockout and to prevent escalation of the controversy. Lockouts also entail economic and social costs, especially in industries where continuity of operations has to be maintained. In India, a limitation of lockouts with respect to essential services is imposed, which would be with the dominant intent of limiting the detriment of the impact on public interest.

From Table 1, the data indicated a sharp decrease in the number of lockouts year on year basis. In 2013, there

**Lockouts are generally more disruptive and cause greater losses in productive man-days.**

were 155 cases, but in 2022, only 5 were reported, with only 1 case within the first nine months of 2023. It may indicate improvement in employer-labor relations, a shift toward collaborative dispute resolution, or the effectiveness of conciliation in preventing disputes that may eventually result in reducing the number of lockouts. In reality, lockouts are generally more disruptive and cause greater losses in productive man-days; thus, the decline of lockouts is crucial for industrial stability. This has reflected that reducing the trend of lockouts also gradually decreases man-days lost because the conciliation mechanism is especially potent in diffusing tensions at critical points before they can lead to a lockout. The fact was that recent years revealed fewer lockouts means conciliation is helping to bridge gaps between employers and workers, thereby amicably resolving the conflict without employers needing to resort to work stoppages. With the active role of conciliation officers and the realization of the parties to the disputes, it is quite possible to prevent lockouts and reduction of man-days lost per incident in recent years. Since conciliation officers can provide an avenue for dialogue and feasible solutions, employers may resort to less use of lockouts and find that keeping operational continuity intact is worth more by settling through negotiation. This would be in the interests of India's industrial relations framework, as conciliation would

be considered one of how disputes could be settled without the economic and social cost of a lockout.

### **Retrenchment**

Retrenchment is the discharge from employment resulting from causes other than disciplinary action; these are brought about by pressure from the economy, redundancy, or advancement through technology. Section 2(oo) of the Industrial Disputes Act, 1947 defines retrenchment as "the termination by the employer of the service of a workman for any reason whatsoever, otherwise than as a punishment inflicted by way of disciplinary action, but does not include (a) voluntary retirement of the workman; or (b) retirement of the workman on reaching the age of superannuation if the contract of employment between the employer and the workman concerned contains a stipulation in that behalf; or (bb) termination of the service of the workman as a result of the non-renewal of the contract of employment between the employer and the workman concerned on its expiry or of such contract being terminated under a stipulation in that behalf contained therein; or (c) termination of the service of a workman on the ground of continued ill-health." Retrenchment is one of the most crucial steps in making adjustments in employment and has been given to be carried forward by the employers with some procedure. It also mandates that if there are more than 100 employees in an organization, then there may also be approval from the appropriate government for such retrenchment. The key reason for such protection is that

retrenchment cannot be misused, and the employees who are affected are compensated rightly.

The data in Table 2 gives a trend in retrenchment numbers on a year-on-year basis. For example, the numbers of retrenchment cases were different; it was slightly higher in 2012 (22 cases) and recent years saw drastic reductions, to 2 during January – September 2023. The number of affected workers per retrenchment was, however, particularly very high in 2014 at 304, thereby indicating that some years witnessed sig-

nificantly higher retrenchment impacts on the workforce.

Employer-employee negotiations in the conciliation process may mitigate retrenchments. Conciliators can facilitate looking for other options for retrenchment, such as redeployment, flexible work arrangements, and even retirement schemes. Employers and employees can negotiate in the early stages through conciliation and reach a resolution to avoid retrenchment or reduce its requirements to retain the stability of employment and minimize labor displacement.

**Table 2 Details of Retrenchment (2012-2023)**

Year	Retrenchment	Total Workers affected	Workers affected per retrenchment
2012	22	1798	82
2013	14	533	38
2014	12	3645	304
2015	13	534	41
2016	4	86	22
2017	4	87	22
2018	9	116	13
2019(P)	7	316	45
2020(P)	15	645	43
2021(P)	7	12	2
2022(P)	12	1364	114
Jan-Sept(P) (2023)	2	12	6

Source: Same as in Table 1.

Note: (P) = Provisional and based on the returns/clarifications received in the Bureau till 30 October 2023.

**Layoff**

This can also be termed as being temporarily incapacitated by an employer to give employment to workers. In some cases, a worker cannot do his work due to exterior factors like raw materials deficiency, breakdown of some machinery, or economic downturn. Section 2(kkk) of the

Industrial Disputes Act, 1947 defines lay-off as “the failure, refusal or inability of an employer on account of shortage of coal, power or raw materials or the accumulation of stocks or the break-down of machinery or natural calamity or for any other connected reason to give employment to a workman whose name is borne on the muster rolls of his industrial establishment

and who has not been retrenched.” Lay-offs and retrenchment differ since the former is generally made for a temporary period where employees are expected to report to work once the circumstances change. The employees that have been affected by a layoff are afforded the benefits of the layoff under the Act, with some exceptions.

Table 3 shows the trend here, which depicts varied results from year to year. In 2013, the recorded 59 layoffs affected 7,226 workers. In 2022, there were just 20 layoffs, but its impact was felt by about 2,761 workers. However, within nine months in 2023, from January to September, only one layoff was declared, which affected the earnings of 513 workers.

Conciliation helps to mitigate workers’ grievances during layoffs because it pressures management to hold discussions on stop-gap measures such as readjustment of pay, furlough, or reduced hours, which will help to avoid the need for layoff in the first place. In such cases, conciliators work on agreements to enable management and workers to preserve the relationships at work while at the same time providing the worker with security as well as assurance. The interplay may explain the continuous decline of layoffs over a period since more industries develop conciliatory approaches to the economic and operational challenges they will face.

**Table 3 Details of Lay-Offs (2012-2023)**

Year	Lay-off	Total Worker affected	Worker affected per lay-off
2012	8	1,767	221
2013	59	7,226	122
2014	21	2,515	120
2015	51	3,654	72
2016	29	3,991	138
2017	40	6,274	157
2018	31	6,561	212
2019(P)	44	6,538	149
2020(P)	40	6,376	159
2021(P)	28	4,978	178
2022(P)	20	2,761	138
Jan-Sept.(P) (2023)	1	513	513

Source: Same as in Table 1

Note: (P) = Provisional and based on the returns/clarifications received in the Bureau till 30 October 2023.

**Closure**

Closure involves the permanent closing of a business or part thereof because it is financially nonviable, lacks demand, or due to other forms of economic pres-

ures. Section 2(cc) of the Industrial Disputes Act, 1947 defined closure as “the permanent closing down of a place of employment or part thereof.” The units with more than 50 workers must give advance notice to the appropriate gov-

ernment at least sixty days before the date on which the intended closure is to become effective, stating clearly the reasons for the intended closure of the undertaking. Table 4 shows the status of closures during 2012 - 2023, there has been a huge decline in the number of closures in India. For example, it is a case where although the number of closures remained at 48 in the year 2012, in the year 2022, it had been lessened to only 4 and no closure during January-September 2023. Also, workers affected per closure vary, in the sense that the magnitude and the impact of the scale of each closure show great variations. For example, the maximum number of affected

workers per closure stands at 216 in the year 2016 as compared to 36 during the year 2022. This might mean that industrial relations are better, and there could be better resolution mechanisms that would avoid company shutdowns.

Conciliation officers play a great role in preventing issues that would lead to closures. Early intervention by a conciliator facilitates dialogue, and disputes between management and workers may be amicably resolved, avoiding the extreme step of closure. The data shows a trend such that conciliation, which is part of the dispute resolution framework regarding industries, might have played an important role in the falling numbers regarding closures since conciliators resolve the disputes and work out possibilities that may result in enterprises remaining operational while not hurting worker interests.

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**Table 4: Details of Closures (2012-2023)**

Year	Closure	Worker affected	Worker affected per closure
2012	48	1934	40
2013	95	4476	47
2014	34	4726	139
2015	23	1920	83
2016	28	6037	216
2017	22	2740	125
2018	12	2143	179
2019(P)	24	2726	114
2020(P)	23	2880	125
2021(P)	11	1618	147
2022(P)	4	143	36
Jan-Sept(P) (2023)	0	0	0

Source: Same as in Table 1

Note: (P) = Provisional and based on the returns/clarifications received in the Bureau till 30 October 2023.

### Conciliation Proceedings

The scenario of conciliation proceedings (Table 5) during the period 2016-2023 has shown mixed achievements and limitations in the context of industrial dispute management, which are economical in their implications. The number of disputes handled by conciliation officers has remained very high and has gradually increased over time from 13,032 disputes in 2017-18 to 14,002 in 2019-20. Such a volume reflects the strong demand for conciliation services in an economy in which industrial harmony is indispensable for supporting productivity and growth. For every dispute successfully resolved, the losses it would bring to the economy in the form of a strike or production stoppage and labor disruption can be avoided. The information on conciliation efforts has deterred hundreds of strikes from occurring annually. This reached a peak of 845 in 2016-17. However, that has subsequently decreased; by 2023, it was down to only 146. Preventing these strikes would not only favor workers but also protect firms against expensive disruptions and stabilize the economy.

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However, a chronically high rate of outstanding cases consistently higher than 30% at any point indicates that the conciliatory mechanism is highly inadequately positioned to manage cases

promptly for the effective handling of such cases. Outstanding cases would translate to an ongoing backlog where the potential for delayed redress and keeping workers and their employers in lengthy suspense exists. Such a backlog therefore has economic implications due to potential losses in productivity whereby outstanding grievances may discourage good morale among workers and impact output levels, consequently burdening the economy. The spurt to 71% in the rate pending during the April-November 2020 period, attributable to the probable effect of the COVID-19 pandemic, indicates weakness in the system during such disturbances. This time lag in decision-making not only leads to stresses on labor relations but puts extra pressure on industries under the same distress of recession.

Also, the variations in disposing of disputes indicate possible inefficiency or resource deficit in the conciliation mechanism itself. For example, although 9,016 cases were disposed of in the year 2019-20, the number of disposed cases often went up and down after that, showing that the system perhaps may not be able to handle fluctuations in volume effectively. Increased investment in conciliation services, such as increasing manpower, giving proper training and efficiency in procedures, would help to address the backlog (Ratnam, 2003; Saini, 1992). In addition, enhanced conciliation mechanisms contribute positively to Indian economic objectives by providing an uninterrupted industrial environment so that more and more investments can be attracted and other labor-dispute costs,

**Table 5: Conciliation Proceedings (2016-2023)**

Head	2016-17	2017-18	2018-19	2019-20	APR-NOV 2020	JAN-DEC (2021)	JAN-DEC (2022)	JAN-DEC (2023)
Industrial disputes Handled	12,235	12,450	12,427	14,002	9,018	12,170	12,746	11,376
Industrial disputes disposed off	7,333	7,774	7,976	9,016	2,532	7,359	8,773	7,760
Strike averted	845	475	461	698	89	221	318	146
Pending disputes	4,057	4,201	3,990	4,288	6,397	4,590	3,655	3,470
Percentage of pending disputes	33%	34%	32%	31%	71%	38%	29%	31%

Source: Same as in Table I

as well as economic loss, are reduced. There is scope for implementing both mediation and conciliation through the option, which may reduce some types of burdens as well as costs and speed up dispute resolution in all possible economic ways. In summary, while conciliation has played an important role in the prevention and moderation of labor disputes, bettering its capabilities and productivity could result in huge potential economic benefits in support of a more stable and efficient industrial sector.

**Findings & Discussion**

- i) *Decreasing trends of industrial disputes:* The degree of occurrence of strikes and lockouts has declined to a great extent in the last ten years; strikes decreased from 103 in 2013 to 30 in 2022, and in the first nine months of 2023, 24 cases were reported. Lockouts also sharply decreased from 155 cases in 2013 to a mere 5 in 2022 and as low as one in the first nine months of 2023. The reason for this could be the creation of an environment of mutual trust and transparency between employees and employers, which helps in settling the issues before they take the form of any legal actions from either party because they also know the importance of each other for the proper functioning of the organization. This reduction also demonstrates the success of conciliation in preventing industrial disputes from reaching full-blown industrial actions.
- ii) *Role of conciliation in maintaining industrial harmony:* Conciliation has emerged as a cornerstone in India’s industrial dispute resolution framework as a preventive and collaborative effort (Noronha & D’Cruz, 2019). Through dialogue and

solutions that are mutually beneficial, conciliation has reduced work stoppages caused by strikes, lockouts, layoffs, retrenchment, and closure, which led to industrial growth and prosperity. Indeed, the success of conciliation is reflected in the fall in economic losses due to man-days lost, from 6.3 million in 2013 to less than 0.3 million in 2022.

- iii) *Impact on retrenchment, layoff, and closure rates:* Retrenchment, layoffs, and closures have also decreased significantly over the past few years. This means that retrenchment cases are decreasing from 22 recorded in 2012 to as low as 2 by September 2023. Similarly, closure cases decreased from 48 instances in 2012 down to 4 in 2022 and none in the first nine months of 2023. Conciliation works as a key pre-condition to prevent these practices and maintain balance in the industry as well as show substantial advancement in employment stability.
- iv) *Performance and challenges faced by conciliation officers:* The performance of conciliation officers has been so important that demand is always there for such mechanisms (Pender et al., 2019). The number of disputes dealt with has continuously risen year after year from 13,032 in 2017-18 to 14,002 in 2019-20. However, as many as 30% of them are pending at any given point, which is a constant challenge, reflecting inefficiency in the conciliation process. For instance, the period of COVID-19 reached 71% in backlog cases.

This proves that the system necessitated increasing resources, personnel, training, and procedural changes toward maintaining themselves efficiently.

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- v) *Economic implications:* Through inhibiting industrial actions and disturbances, conciliation has secured productivity and employment in the background of a generally stable economy. For instance, the number of strikes and lockouts registered a constant decline, which illustrates that the majority of involved companies and employees have transitioned towards conciliation with the intent of averting losses resulting from industrial disputes. Again, backlogged cases reflect on the attitude of the workforce and output while influencing the relations in the workplace at large.

### **Limitations & Future Research Directions**

This study is solely based on secondary data and, therefore, suffers from some limitations, which may reduce its depth and reliability. It is probable that primary data will yield more refined results and validate the research more thoroughly. Additionally, concentrating only on conciliation as a mode of settling industrial disputes places a constraint on it

since it does not account for the potential benefits, it is the right time to give due attention on other alternative dispute resolution (ADR) methods which may have significant contribution for prevention of disputes. Single-minded dependence on conciliation often falls short of delivering timely and effective settlements. In addition, the conciliation process suffers from resource constraints like training, knowledge, and the inadequacy of resources among conciliation officers that inhibit the effective resolution of disputes in industrial organizations. Although this study has emphasized on conciliation, it leaves scope for further studies so that primary data may be added to broaden the analysis and extend recommendations to bring more authenticity and reliability into industrial dispute resolution. This study could further expand the understanding by considering other ADR mechanisms like mediation, negotiation, grievance redressal, and Lok Adalats in resolving disputes at an early stage. Future studies that combine both primary and secondary data and compare various methods for ADR may open pathways into the development of innovative and holistic frameworks to bring smooth industrial relations through the proper handling of conflicts.

### **Conclusion**

This research work, therefore, sheds light on the essential role that the conciliation mechanism has played a significant role in the maintenance and development of healthy labor-management relations in India. It provides an organized and non-confrontational way of

resolving disputes and helps to sustain the employment relationship between employees and employers. The observed evidence shows that conciliation has actually turned out to be an even more effective method of resolving disputes, as reflected in the trends, which has indicated a general decline in strikes, lock-outs, retrenchments, layoffs, and closures. These declines will contribute to a more stable industrial environment, on which both economic growth and social stability will depend.

Conciliation mechanisms have proved efficient in preventing industrial disputes at the very outset before they actually become formal, adversarial procedures. The role of the conciliation officer has to be seen in the same light, but the increasing backlog of outstanding cases heralds the need for further systemic improvements. The investments in the conciliation process manpower, adequate training, and procedural efficiency further enhance its capacities to manage cases on the spot, thus sustaining the harmony of industries and preventing these losses.

The study reveals conciliation as an important mechanism harmonizing with India's socio-economic aims by providing industrial peace. Resource allocation and efficiency improvement in the conciliation process can further contribute towards reducing the number of industrial disputes and support the sustainable development of Indian industrial units. As a preferred method of dispute resolution, conciliation has the potential to bring about a future where industrial disputes are resolved constructively, equitably, and

efficiently for the welfare of both workers and employers.

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