



## Causes of Industrial Disputes in Textile Mills in Virudhunagar District

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### KEYWORDS :

#### Introduction

Industrial dispute means any dispute or difference between employers and employers, between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment or the terms of employment or with the conditions of labour of any person. It is evident from this explanation that an industrial dispute can be raised by a group or class of workers and or employers only. Individual disputes, other than discharge, dismissal, retrenchment or termination of services of individual workmen are more or less ignored. An individual dispute may become an industrial dispute if a body of workmen of the establishment make a common cause with an employee who is unfairly dealt with.

Manifestation of industrial disputes in the forms of strikes, lockouts, bandhs, gheraos, etc., has become common in the country affecting production processes and sometimes, even paralysing the social systems. Therefore, understanding of disputes and their underlying causes, their prevention, and settlement are important for the organisations, employees, as well as society.

Vasanthagopal. R. and K.V.Venugopalan. (2008) in their study reveal that wages and allowance as the main cause of disputes. They perceived 'bonuses, 'workload' and 'violation of agreement' as the other important causes in both these sector. Reasonable demands and units of workers were the most important reasons for the success of strikes in both the public and private sectors.

Zubin R. Mulla. (2008) the study reveals that, when wages increase, there is a tendency for more people to join the labour force. Hence, we can predict that, an increase in the wages will lead to an increase in the supply of labour.

#### Causes of Industrial Disputes

The causes of industrial disputes can be broadly classified into two categories: economic and non-economic causes. The economic causes will include issues relating to compensation like wages, bonus, allowances, and conditions for work, working hours, leave and holidays without pay, unjust layoffs and retrenchments. The non-economic factors will include victimization of workers, ill treatment by staff members, sympathetic strikes, political factors, indiscipline etc.

##### 1. Demand for Higher Wages

The employees want higher wages. The employer wants more profit by paying lower wages. This results in frustration among employees and they resort to agitation.

##### 2. Non-Implementation of Bonus Schemes

Bonus is a strong incentive for the employees. They want share in the profit in the form of bonus. However, the employers generally show deficit and do not pay bonus to the employees. This results in industrial dispute.

##### 3. Demand for Better Working Condition

The employees want better working conditions. If the employer does not accept their demand, they resort to agitation approach. The result is industrial disputes.

##### 4. Failure to Recognise Unions

The employers cannot tolerate trade unions as they feel that these un-

ions are threat to their profit. Therefore, they discourage union movement by the policy of divided and rule. However, the workers believe in collective bargaining and desire the recognition of unions by the employers.

##### 5. Demand for Proper Leave Rules

The employers want that leave rules and working hours should as laid down in factory act. No worker should be forced to work more than 48 hours or more in a week. However, generally employers ignore these rules, which results in industrial dispute.

##### 6. Over Time Payment

The employees demand over-time payment as prescribed in the factory act. Nevertheless, the employer either does not make any payment or makes under-payment. This causes frustration among employees and they resort to agitations.

##### 7. Political Interference

Political parties dominate most of the trade unions in India. Sometimes, political leaders use workers as tool for their selfish ends. They excite the workers to go on strike or adopt other agitation approach.

##### 8. Punishment to Workers

Sometimes, the employer adopts dictation policy and victimises the employees by suspending or dismissing them from services. In order to get the victimisation redressed the employees resort to agitation approach. This disturbs the industrial peace.

##### 9. Mass Retrenchment and Undue Promotions

One major cause of industrial dispute is the mass retrenchment and undue promotions of the employees. The employees start agitation to show their resentment against the callous attitude of the management.

##### 10. Insecurity of Service

In India, the employment opportunities are very tight. The employees want security of service. If the employer does not meet with their demand they adopt agitation approach.

##### 11. Wrong Policy or Decision

Sometimes, the policy or decision taken by the management is detrimental to the interests of employees. This causes frustration among the employees and they went to agitation approach in bid to put pressure on the management to withdraw the wrong decision.

##### 12. Bad Behaviour

The pre-requisite of industrial peace is the cordial relations between the employer and employees. If the behaviour of the management is bad towards the employees, good will disappears and dispute arises.

##### 13. Non-Redressal of Grievances

The employees place their grievances before the management repeatedly. If their genuine grievances are not removed or properly attended, it gives rise to frustration and ultimately a dispute.

##### 14. Miscellaneous

The miscellaneous factors include

- Inter/Intra Union Rivalry
- Charter of Demands

- Work Load
- Standing orders/rules/service conditions/safety measures
- Non-implementation of agreements and awards etc.

### Forms of Disputes

Industrial disputes make take the forms of strikes, go-slow tactics, token strikes, sympathetic strikes, pen-down strikes, hunger strikes, bandhs, gheraos and lockouts.

#### 1. Strikes

A strike is a stoppage of work initiated or supported by a trade union, when a group of employees act together as a last resort to bring pressure to bear on an employer to resolve a grievance or constrain him to accept such terms and conditions of service as the employees want to enjoy.

#### 2. Lockouts

If, however, an employer closes down his factory or place where his workers are employed, or if he refuses to continue in his employ a person or persons because he wants to force them to agree to his terms and conditions of service during the pendency of a dispute, the resulting situation is a lockout.

#### 3. Gherao

Gherao means encirclement of the manager to criminally intimidate him to accept the demands of the workers. It amounts to criminal conspiracy under section 120-A of the Indian Penal Code and is not saved by section 17 of the Trade Union Act on the grounds of its being a concerted activity.

### Prohibition of Strikes and Lockouts

Employees are prohibited from striking according to the section 22 of Industrial Disputes Act 1947. Employees, who are working in a public utility service, cannot go on a strike without giving a notice of strike within the six weeks before striking. They cannot go on strike either within fourteen days of providing the strike notice or before the expiry of the date of strike specified in any such notice. The same rule applies to the employers. Employers who are carrying on a public utility service cannot lockout any of their employees without giving them a prior notice within six weeks before the lock out or within the fourteen days of giving such a notice. Moreover, the notice of strike or lockout is to be given in a prescribed manner showing the number of persons involved in the strike/lockout.

The notice of strike or lockout is not necessary when there is already a strike or lockout going on in the company. However, a notice should be issued on the day on which the lockout is declared just to intimate the appropriate authorities about the lockout. The employer is supposed to report the number of notices of strikes received by him to the appropriate Government or the authority prescribed by the government within the five days of receiving such notices.

### Illegal Strikes and Lockouts

A strike or a lockout is illegal if it is declared in noncompliance with the section 22 (as defined above) of Industrial Disputes Act 1947, that is, if the notice period is not served or if the strike is held within the fourteen days of issuing the notice of strike. If a strike or lockout has already taken place and is being referred to a Board, the continuance of such a strike or lockout is not illegal provided it is in compliance with the provisions of act. Moreover, a lockout declared in consequence of an illegal strike or a strike declared in consequence of an illegal lockout shall not be deemed to be illegal.

### Penalty for Illegal Strikes and Lockouts

A workman who is involved in an illegal strike can be penalized with imprisonment for a term extendable to a month or with a fine or fifty rupees or both. In similar way, an employer who initiates and continues a lockout is punishable with imprisonment extendable to a month or with a fine of one thousand rupees or both. According to Section 25 of Industrial Disputes Act 1947, no person should provide any sort of financial aid to any illegal strike or lockout. Any person who knowingly provides such a help in support of any illegal strike or lockout is punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

### Statement of the Problem

To maintain good relations between employees and employers emphasis has been laid on good treatment of employees and to condone their minor faults. In the competitive world, survival of an organisation is found to be very difficult. It is realised by the players in the industrial relations, i.e., employers, employees and union leaders. The perception of activities among themselves differs and they blame each other. The workers feel that managements are exploiting them with less compensation. Management blames union leaders for spoiling the industrial peace in the organisation. Union leaders feel that lack of employee's participation of union activities because management representatives deal directly with the employees and solve their problems through Human Resource Development Experts. It is therefore essential that industrial unrest should be minimised to the maximum extent. It is for the management to follow an enlightened labour policy, which would minimise such areas of conflicts. But it should be accepted that even the best management cannot guarantee perfect industrial peace in an organisation because there should always remain certain areas of conflicts. Some such areas are wages, bonus, working conditions, human problems etc. While crossing this, the researcher, attempts to explore the attitudes of union leaders, the labour and management of the selected mills towards industrial relations problems.

### Data source

In order to collect and gather primary data, was also collected through discussions and direct interviews with level employees. Primary data were collected using well prepared questionnaire. All five major textile firms or mills are taken for this study. Secondary data gathered from the published records of the firms in this industry used for this study.

### Objectives of the Study:

To analyse the various causes of industrial disputes, in the units selected for the study of virudhunagar district.

### Data analysis

Data gathered during the field work is analyzed through SPSS 11.5 version package. Statistical tools like average, mean, ANOVA, t-test, Chi-Square Test, Regression Fit, were used to test the genuine of the collected data to arrive standard conclusion

### Research sampling

The research process is an empirical study carried out by Random sampling method to select in five textile mills. The total population of workers is 7,051 (excluding administrative staff). The sample percentages taken for research are 10 percent i.e., 705 workers as sample. The respondents were selected on the basis of **Systematic sampling Method**.

### Limitations of the Study

The study was limited to textile firms in Virudunager district only. Only five textile firms were functioning and data collected from these areas cannot be the generalized conclusion of the fact. The lack of homogeneity in their structure, age, compositions, etc, may affect the results.

### Industrial Disputes in Virudhunagar District:

Virudhunagar is a traders' town. It has been involved in the marketing and distribution of commodities since British times and has a well-developed network for purchase of goods and commodities. Virudhunagar, Rajapalayam, Sattur, Watrap, Aruppukkottai and Kamudi are important centres for wholesale and retail trade. Cotton, groundnut, chillies and spices are the main agricultural goods of trade. Matches, crackers, cement and textiles are marketed both within and outside the State.

The establishment of textile mills, cement factories and a number of industries in the small and medium sectors coupled with the encouragement given by the State Government in the form of incentives and setting up of industrial centres has accelerated the rate of industrialisation in the District. Cotton is a major commercial crop of the District and the cotton industry therefore occupies an important place in the economy. Rajapalayam is the chief centre for textile mills and ginning factories. Surgical cotton and bandage cloth are manufactured here. Textile mills in the produce a variety of cotton yarn. While concerning about the research area, there are 37 textile mills in Virudhunagar

district. However, as a whole, the industrial disputes in Virudhunagar district, in terms of strikes and lockouts for the last 10 years are given in table 1.

**Table – 1  
Industrial Disputes in Virudhunagar District**

Year	Total Numbers of Disputes	Strikes	Lockouts	Percentage of Strikes	Percentage of Lockouts
2002	10	10	--	100	--
2003	18	14	4	78	22
2004	9	6	3	67	33
2005	12	7	5	58	42
2006	10	5	5	50	50
2007	11	5	6	45	55
2008	9	4	5	44	56
2009	10	3	7	30	70
2010	8	2	6	25	75
2011	10	2	8	20	80

**Source: Assistant Commissioner of Labour Office, Virudhunagar District**

From the reviewing the data in the table, it connotes, the percentage of strikes gradually decreasing year by year. In the year 2002, strikes percentage is 100 and in the next consequent years namely, 2003 to 2011 its percentage 78, 67, 58, 50, 45, 44, 30, 25, and 20 respectively.

As against the percentage of strikes, percentage of lockouts continuously increases year by year. In the year 2002, the percentage of lockout is completely nil. In the year 2003 to 2011, it will be gradually increasing. In the globalisation phenomenon too, the percentage of strikes are declining rapidly but the percentage of lockouts increasing continuously, however there exist an inverse relationship between the percentage of strikes and lockout.

**Industrial Disputes in Virudhunagar District Pertaining to Sample Textile Mills**

In the year 2006 a strike was conducted by the Sri.Ayyanar Textile Mills Limited, in that 532 workers participated and about 4256 man-days lost in that strike. From the above analysis, it will be concluded that a sum of 9086 man-days were lost due to strikes in these three textile mills.

**Table – 2  
Strikes incurred in the Selected Textile Mills**

Name of the Textile Mills	Year	No. of Days	No. of Workers Involved	No. of Man Days Lost
Sri.Parameswari Textile Mills Limited	2003	19	250	4750
Sri.T.P.Textiles (P) Limited	2005	1	80	80
Sri.Ayyanar Textile Mills Limited	2006	8	532	4256
Total		28	762	9086

**Source: Primary Data**

**Classification of Strikes in Virudhunagar District Pertaining to Textile Mills**

Finally, the below table exhibits that all the textile mills in Virudhunagar District have some continuous problems in wages and bonus. In the selected textile mills, all the strikes incurred in the years, 2002 to 2006 are for revision of wages and one in one strike collectively for the revision of wages and bonus in the year 2003 in M/S.Sri.Parameswari Textile Mills Limited.

**Table – 3  
Classification of Causes of Strikes in Textile Mills in Virudhunagar District**

Year	Wages		Bonus		Others		Total
	Number	Percentage	Number	Percentage	Number	Percentage	
2002	3	33	2	22	4	45	9
2003	7	58	1	8	4	34	12
2004	6	100	--	--	--	--	6
2005	4	67	2	33	--	--	6
2006	4	50	4	50	--	--	8
2007	6	50	4	33	2	17	12
2008	8	67	2	17	2	16	12
2009	5	56	3	33	1	11	9
2010	4	50	2	25	2	25	8
2011	7	58	3	25	2	17	12
Total	54	--	23	--	17	--	94
%		57		25		18	100

**Source: Assistant Commissioner of Labour Office, Virudhunagar District**

**Major Cause of Industrial Disputes in the Selected Textile Mills**

In spite of the above detailed obtained from the Virudhunagar labour office, the researcher has obtained the views of the workers about the major causes of industrial disputes in the textile mills. The respondents are asked to answer a schedule in a five point scale i.e., strongly agree, agree, neutral, disagree, strongly disagree.

**Analysis  
Causes of Disputes due to Gender**

Based on the above references the causes of disputes such as wages and allowances, indiscipline, charter of demands, Standing orders / Rules / Conditions, Safety measures, Bonus, Leave, hours of work and shift, inter/intra union rivalry, retrenchment and layoff, subcontracting, workload and violence are compared with demographic variables or factors, to find out the genuine reasons for textiles mills disputes. Among the demographic variables gender plays an important role. Therefore, the gender is alone taken into account to find the significance between gender and disputes.

Ho: There is no significant difference between gender and disputes.

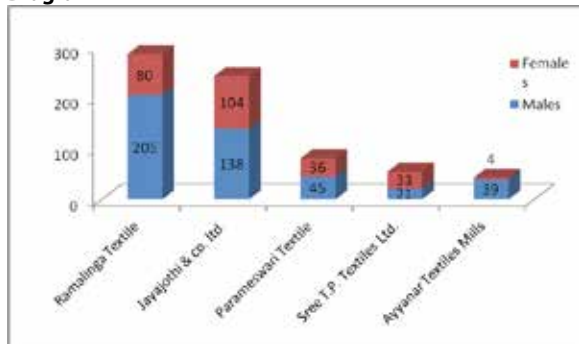
H1: There is significant difference between gender and disputes.

**T.Test Table**

Gender	Respondents	Mean value	std	df	F value	P value	Critical ratio	Sig.value .01 or .05
Male	448	64.2299	.64	1	.015	.020	.068	Significant
Female	257	62.2374						

The above table shows that male mean value (64.2299) is more than female mean value (62.2374) and both values are high. Male are more than the female involve cause of disputes. The details of the calculation were given in the above table. The critical Ratio (CR) is found to be 6.8 and it is significant at the 0.01 level. Hence this null hypothesis is rejected. Therefore it is said there is significant difference between gender and disputes in textile mills.

**Diagram**



**Relationship between demographic variables and Causes of disputes due to Wages and Allowances**

All demographic variables are the reasons for the textile mills disputes. The causes of disputes arise due to demographic factors or demographic factors leads to create disputes in the working places. The following analyses are studied to find out the relationship between demographic variables and cause of disputes due to wages and allowances. Because wages and allowances in the prime and basic factor for all disputes.

The multiple regression analysis is applied on the Predictors: like Age (in years), Gender, Years of Experience, Educational Qualifications, Monthly Income, Occupation, Nature of Duty, as well as the unique dependent variable, causes of dispute due to wages and allowances.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.224 <sup>a</sup>	.050	.040	1.042	1.684

**Table**

From the above table it is found that these seven demographic factors create 22.4 % of variance on the DESIRABLE factor 'cause of disputes due to wages and allowance. The adjusted R-square value 4 % and Durbin Watson value 1.684 are statistically significant to check the regression fit.

Hypothesis: Ho: Causes of disputes do not have direct relationship with demographic factors due to wages and allowances.

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	39.839	7	5.691	5.238	.000
	Residual	757.310	698	1.087		
	Total	797.149	705			

It is found from the above table, that the F-value 5.238 is statistically significant at 5% (0.05) level. Hence, the null is rejected. Causes of disputes have direct relationship with demographic factors due to wages and allowances. To conclude that the significant influence of seven demographic factors on the unique dependent variable, cause of disputes due to wages and allowance.

The regression fit explain the individual influence of these independent variables in the following table Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	4.219	.346		12.211	.000
	Gender	.384	.088	.094	12.351	.000
	Age (in years)	.050	.061	.041	.828	.408
	Years of Experience	-.162	.108	-.077	-1.502	.134
	Educational Qualifications	.062	.103	.028	.603	.547
	Occupation	-.002	.005	-.023	-.492	.623
	Monthly Income	-.012	.105	-.005	-.113	.910
	Nature of Duty	-.340	.098	-.135	-3.455	.001

From the above table it is found that the t-values of the seven demographic factor are useful, to identify their significant influence, individually. It is found that among the seven demographic factor, cause of disputes based on wages and allowance of gender create significant impact (t= 12.351) on interference for Dispute Based on Wages and Allowance. Therefore, it can be concluded that the cause of disputes based on wages and allowance of gender. Nature of Duty, Years of Experience, Educational Qualifications, Monthly Income, Occupation, and Age (in years), do not induce desirable cause of disputes.

**Table**  
**Cross tabulation on demographic variables and Causes of dispute arises due to wages and allowances**

Causes of disputes	Individual development in the following aspects				Strongly Agree	Total
	Strongly Disagree	Disagree	Neutral	Agree		
Wages and Allowances	6	81	65	173	380	705
	0.9%	11.5%	9.2%	24.5%	53.90%	100%
Indiscipline	252	132	8	48	265	705
	35.75%	18.72%	1.14%	6.81%	37.58%	100%
Charter of Demands	3	102	117	209	274	705
	0.5%	14%	16.5%	30%	39%	100%
Standing orders / Rules / Conditions	55	111	3	277	259	705
	7.80%	15.75%	0.42%	39.29%	36.74%	100%
Safety Measures	17	125	2	306	255	705
	2.41%	17.73%	0.28%	43.40%	36.17%	100%
Bonus	2	22	175	291	215	705
	0.28%	3.12%	24.82%	41.28%	30.5%	100%
Leave, Hours of work and shift	97	274	8	250	76	705
	13.75%	38.86%	1.14%	35.46%	10.78%	100%
Inter / Intra union rivalry	212	170	20	77	226	705
	30.07%	24.11%	2.84%	10.92%	32.06%	100%
Retrenchment and Layoff	242	183	139	111	30	705
	34.33%	25.96%	19.72%	15.74%	4.25%	100%
Subcontracting	247	200	176	31	51	705
	35.04%	28.37%	24.96%	4.40%	7.23%	100%
Workload	336	160	140	26	43	705
	47.66%	22.70%	19.86%	3.68%	6.10%	100%
Violence	67	338	18	59	223	705
	9.50%	47.94%	2.55%	8.37%	31.63%	100%
Total	1536	1898	871	1858	2297	8460
	18.16%	22.43%	10.30%	21.86%	27.41%	100%

**FINDINGS**

- A. It is found that in the last one decade the number of industrial disputes reduced every year in Virudunager District.
- B. Strikes and lockout were played differently. From 2002 to 2011, strikes level were maintained same that is form 7 times to 8 times. Where in the case of lockout, it was increased one by one from this

same period from zero to 7.

- C. It is inferred that in the last one decade wages alone leads the main cause for industrial disputes. During these periods 57% of the industrial disputes rose because of wages paid by the textile mills. Next to this, bonus leads to 25% and others taken into account for 18%.
- D. 53.90% of the respondents strongly agreed that wages and allowances were the main cause for major industrial disputes in textile mills. 24.5% of the respondents agreed the same. It revealed that wages and allowances were the main threat for the industrial disputes. Other causes for industrial disputes given average opinion by the respondents.
- E. 34.33% of the respondents strongly disagree that retrenchment and layoff were the cause for a major industrial dispute in the selected textile mills. Majority of the respondents deny the statement and emphasise that retrenchment any lay off do not causes a major industrial dispute.
- F. It is found that male mean value (64.2299) is more than female mean value (62.2374) and both values are high. Male are more than the female involve cause of disputes.
- G. 49.27% workers have accepted and realized that their union and work place in textile mills created poor atmosphere due to poor wages and allowances in all the demography variables.

### SUGGESTIONS

1. Textiles mills have to develop the new structure of wage payment and incentives to all classes of labours in short span of time.
2. Government of Tamil Nadu must increase the basic infrastructure for promoting textile industry in Virudhunager District. And also to

provide adequate good drinking water, transport facilities, proper rail and road connection, district legislative tribunals etc to solve the day to day problems in the district.

3. Management and union members must take keen role in allocating work to their workers based on Gender. It avoids some disputes among the workers in work place.
4. Maximum workers in textile mills in Virudhunagar Districts are completed just schools. Only few of them are degree holders. Therefore allocation of work must be made based on their education also.

### CONCLUSION

Economic conditions are based on the well working conditions and monetary benefits given to the workers in textile mills. Because the textile mills in Virudhunager Districts are not given or provided adequate wages and allowances to their workers and union is not functioning well. Therefore, it is advisable to the textile mills owners to boost or fix higher wages and allowances and good working conditions in their industries. It creates healthy industrial relations in textile mills of Virudhunager Districts.

Industrial Relation seeks to protect the rights of the manager too. Managers expect workers to observe codes of discipline, not to join illegal strikes, not to indulge in damage to company's property, not to assault supervisors or peers, and not to come inebriated to the workplace. Where a worker's behaviour deviates from expected lines, it is the management's prerogative to take action.

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