# INDUSTRIAL DISPUTES AND PROCEDURE FOR THEIR SETTLEMENT IN LARGE SCALE PRIVATE SECTOR INDUSTRIES: PILOT STUDY

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## ABSTRACT

*A study was conducted with the objectives of examining the causes of industrial disputes in large scale private industries from employer and employees point of view, studying the dispute solving mechanism regarding industrial disputes in private large scale industries, examining the effectiveness of dispute solving mechanism of industrial disputes in large scale private industries, and, studying measures for reducing industrial disputes in large scale private industries. 100 employers and 400 employees from Nashik industrial area were surveyed. Before the main research, a pilot study was carried. This paper presents the results of the pilot study.*

***Keywords**: Industrial disputes, causes, consequences, dispute settlement mechanism*

## Introduction

A study was conducted with the objectives of examining the causes of industrial disputes in large scale private industries from employer and employees point of view, studying the dispute solving mechanism regarding industrial disputes in private large scale industries, examining the effectiveness of dispute solving mechanism of industrial disputes in large scale private industries, and, studying measures for reducing industrial disputes in large scale private industries. 100 employers and 400 employees from Nashik industrial area were surveyed. Before the main research, a pilot study was carried. This paper presents the results of the pilot study.

Objectives of the pilot study were as under:

a. To test the usage of the questionnaire
b. To test validity and reliability of questionnaire prepared for primary data collection
c. To test the hypotheses as per research methodology

## Literature review

The study revealed the fact that empathy for workers has had a positive impact on the culture of the organization, which has also played an important and positive role in preventing industrial conflicts (Biswas and Chakraborty, 2019).

When organizations focus on employee value, focus on employee well-being and provide support and care, there is a sense of unity, which prevents them from participating in any form of unrest and turmoil and ensures honesty and integrity in the workplace (Creigh, 1989).

Having industrial conflicts in the country is by no means a good sign as it leads to many consequences and has a repetitive effect of various factors such as, employee, employer, productivity, GDP and the economy as a whole. The paper tries to understand the results and also tries to offer some solution to it (Daudkhane, 2017).

The cause of the conflict may be one or the other but it affects not only the growth of the industry but also the labor and the economy (Rao, 2017).

We find that corporate disputes reduce investment in industries with low fixed asset but not high durability of fixed assets. All in all, the results highlight the importance of theory and data that allow for diversity of investors (Shim et al., 2017).

This research note examines the frequency, environment and status of employers seeking legal redress for joint industrial disputes between 1995 and 2005. The number of real and terrifying applications continues to be relatively high compared to most of the time from 1980 to 1995, when employers were able to get successful results. However, consumption is increasingly focused on a small number of industrial sectors such as parts of the public sector and state-owned enterprises (Gall, 2006).

Among discarded disputes, there are disputes where reconciliation machines have reported

failure, there are disputes that are resolved at the tripartite or bipartite level and there have been disputes resolved otherwise (Dutt et al., 2020).

This paper considered a combination of reconciliation and adjudication and suggested a model using the theater method of the game to successfully resolve industrial disputes (Basu, 2012).

## Methodology

*Sample*– The sample size for the main study was rounded off to 400 employees and 100 employer respondents. For the pilot study, 10% of 400 employees or 40 employees and 10% of 100 employers, or 10 employees, that is, total 50 respondents were selected as sample.

*Instrument for survey* – A questionnaire was designed for the study. It was modified as per suggestions given by the guide. The questionnaire had four sections. Each section had ten statements and responses were sought on a 5-point Likert scale.

*Test of validityand reliability* –The hypotheses, hypotheses testing method, questionnaire etc. were validated by the Guide and other experts in the field so as to ensure that the measurement was adequate and accurate in terms of the desired direction.

Cronbach's Alpha and other tests were applied on the questionnaire using "Siegle Reliability Calculator" an excel program and as the Cronbach's alpha score was more than 0.70, the questionnaire was considered as reliable.

*Hypotheses formulation*- The hypotheses formulation is presented below –

Ho1: The agreement to causes of disputes by employer and employees is the same

Ha1: The agreement to causes of disputes by employer and employees is different

Ho2: There exists a proper mechanism to solve the industrial disputes

Ha2: There is no proper mechanism to solve the industrial disputes

Ho3: The dispute solving mechanism is effective

Ha3: The dispute solving mechanism is not effective

Ho4: Measures are taken to reduce industrial disputes

Ha4: Measures are not taken to reduce industrial disputes

*Scheme formed for testing of hypotheses*

The steps designed for testing the hypotheses are outlined below:

1) In case of the 1st hypothesis, the responses of the 1st section of the questionnaire were valued as 0 for Can't say, 1 for Somewhat agree, 2 for Strongly agree, -1 for Somewhat disagree, and -2 for Strongly disagree. An average was calculated for the ten responses. A two-sample means test was used to compare the employers and employees responses and based on the p-value the 1st null hypothesis was tested.
2) For the 2nd hypothesis, responses of the 2nd section of the questionnaire were divided over two opposite groups of agree and disagree. In doing so the extreme responses – strongly agree and strongly disagree were assigned a weight of 2 each. The average disagreement percentage of all the 50 respondents for the 2nd section was compared with a hypothesized population mean of 50% disagreement connoting an event by chance. A t-test was applied at 95% confidence level to find if the sample mean was statistically significant or not and based on the p-value the 2nd null hypothesis was tested.
3) For the 3rd hypothesis, responses of the 3rd section of the questionnaire were divided over two opposite groups of agree and disagree. In doing so the extreme responses – strongly agree and strongly disagree were assigned a weight of 2 each. The average disagreement percentage of all the 50 respondents for the 3rd section was compared with a hypothesized population mean of 50% disagreement connoting an event by chance. A t-test was applied at 95% confidence level to find if the sample mean was statistically significant or not and based on the p-value the 3rd null hypothesis was tested.
4) For the 4th hypothesis, responses of the 4th section of the questionnaire were divided over two opposite groups of agree and disagree. In doing so the extreme responses – strongly agree and strongly disagree were assigned a weight of 2 each. The average

disagreement percentage of all the 50 respondents for the 3rd section was compared with a hypothesized population mean of 50% disagreement connoting an event by chance. A t-test was applied at 95% confidence level to find if the sample mean was statistically significant or not and based on the p-value the 4th null hypothesis was tested.

## Data analysis and interpretation

*Profile characteristics of sample*

10 respondents were employer and 40 were employees. 12 were from Satpur MIDC, 18 from Ambad MIDC, 18 from Sinnar MIDC, and 2 from Gonde MIDC. 14 respondents belonged to the age-group 30-40 years, 21 belonged to the age-group 40-50 years, and 15 were >50 years of age. 13 respondents were Graduates, 8 were post-graduates, and 29 had other educational qualifications. 12 respondents had work experience of 5-10 years, 12 had work experience of 11-15 years, 19 had work experience of 16-20 years, and 7 had work experience >20 years. 25 respondents belonged to organizations whose employee strength was 100-200. 24 belonged to organizations whose employee strength was 200-500. 1 respondent belonged to organization whose employee strength was >500. 22 respondents belonged to units which had 1 trade union, 27 respondents belonged to units which had 2 trade unions, 1 respondent belonged to units which had >2 trade unions. 11 respondents reported <3 strike/lockouts in the last three years. 19 respondents reported 3-5 strike/lockouts in the last three years, whereas 20 respondents reported >5 strike/lockouts in the last three years.

*Inferential analysis (Testing of hypotheses)*

1) Hypothesis 1

Ho1: The agreement to causes of disputes by employer and employees is the same

Ha1: The agreement to causes of disputes by employer and employees is different

A two-sample means test was used to compare the employers and employees responses and the results were as under:

**Table 1: Summary statistics for H1**

| Variable | Observations | Minimum | Maximum | Mean | Std. deviation |
|---|---|---|---|---|---|
| Cause-Employer | 10 | 1.400 | 2.000 | 1.610 | 0.185 |
| Cause-Employee | 40 | -1.700 | 1.800 | 0.823 | 1.162 |

**Table 2: Testing of H1**

| | |
|---|---|
| Difference | 0.788 |
| t (Observed value) | 2.121 |
| \|t\| (Critical value) | 2.011 |
| DF | 48 |
| p-value (Two-tailed) | 0.039 |
| Alpha | 0.050 |

Given the p-value of 0.039, the null hypothesis the cause of disputes as per employer and employees are the same is rejected in favor of the alternate the cause of disputes as per employer and employees are different.

2) Hypothesis 2

Ho2: There exists a proper mechanism to solve the industrial disputes

Ha2: There is no proper mechanism to solve the industrial disputes

This hypothesis was tested by comparing sample mean (average disagreement score) of Section II responses with hypothesized population mean of 50% (connoting the event by chance). The results are tabulated below:

**Table 3: Average disagreement ratings – Section II responses**

| Statements | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Average disagreement % | 91% | 80% | 90% | 91% | 89% | 79% | 92% | 87% | 94% | 89% | 88% |

**Table 4: Hypothesis testing – H2**

| **Parameter** | **H2** |
|---|---|
| Sample Mean (x̄) | 88% |
| Hypo. population mean (μ) | 50% |
| SD of sample | 0.93 |
| N | 50 |
| t-value | 2.93 |
| p-value | 0.003 |

Given the p-value of 0.003, the null hypothesis there exists a proper mechanism to solve the industrial disputes is rejected in favor of the alternate there is no proper mechanism to solve the industrial disputes.

3) Hypothesis 3

Ho3: The dispute solving mechanism is effective

Ha3: The dispute solving mechanism is ineffective

This hypothesis was tested by comparing sample mean (average disagreement score) of Section III responses with hypothesized population mean of 50% (connoting the event by chance). The results are tabulated below:

**Table 5: Average disagreement ratings – Section III responses**

| Statements | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Average disagreement % | 82% | 86% | 84% | 81% | 91% | 93% | 92% | 86% | 90% | 89% | 87% |

**Table 6: Hypothesis testing – H3**

| **Parameter** | **H3** |
|---|---|
| Sample Mean (x̄) | 87% |
| Hypo. population mean (μ) | 50% |
| SD of sample | 1.05 |
| N | 50 |
| t-value | 2.50 |
| p-value | 0.008 |

Given the p-value of 0.008, the null hypothesis the dispute solving mechanism is effective is rejected in favor of the alternate the dispute solving mechanism is ineffective.

4) Hypothesis 4:

Ho4: Measures are taken to reduce industrial disputes

Ha4: Measures are not taken to reduce industrial disputes

This hypothesis was tested by comparing sample mean (average disagreement score) of Section IV responses with hypothesized population mean of 50% (connoting the event by chance). The results are tabulated below:

**Table 7: Average disagreement ratings – Section IV responses**

| Statements | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Average disagreement % | 79% | 78% | 84% | 80% | 86% | 81% | 86% | 83% | 87% | 89% | 83% |

**Table 8: Hypothesis testing – H4**

| **Parameter** | **H4** |
|---|---|
| Sample Mean (x̄) | 83% |
| Hypo. population mean (μ) | 50% |
| SD of sample | 1.02 |
| N | 50 |
| t-value | 2.30 |
| p-value | 0.012 |

Given the p-value of 0.012, the null hypothesis measures are taken to reduce industrial disputes is rejected in favor of the alternate measures are not taken to reduce industrial disputes.

## Conclusion

The agreement to causes of disputes by employer and employees is different. There is no proper mechanism to solve the industrial disputes. The dispute solving mechanism is not effective. Measures are not taken to reduce industrial disputes.

Data collection is possible with reasonable comfort. Processing of the data into variables required for inferential data analysis can be done. The hypotheses can be duly tested as per research methodology. The questionnaire prepared for primary data collection tests well for validity and reliability. However, respondents demanded confidentiality.

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