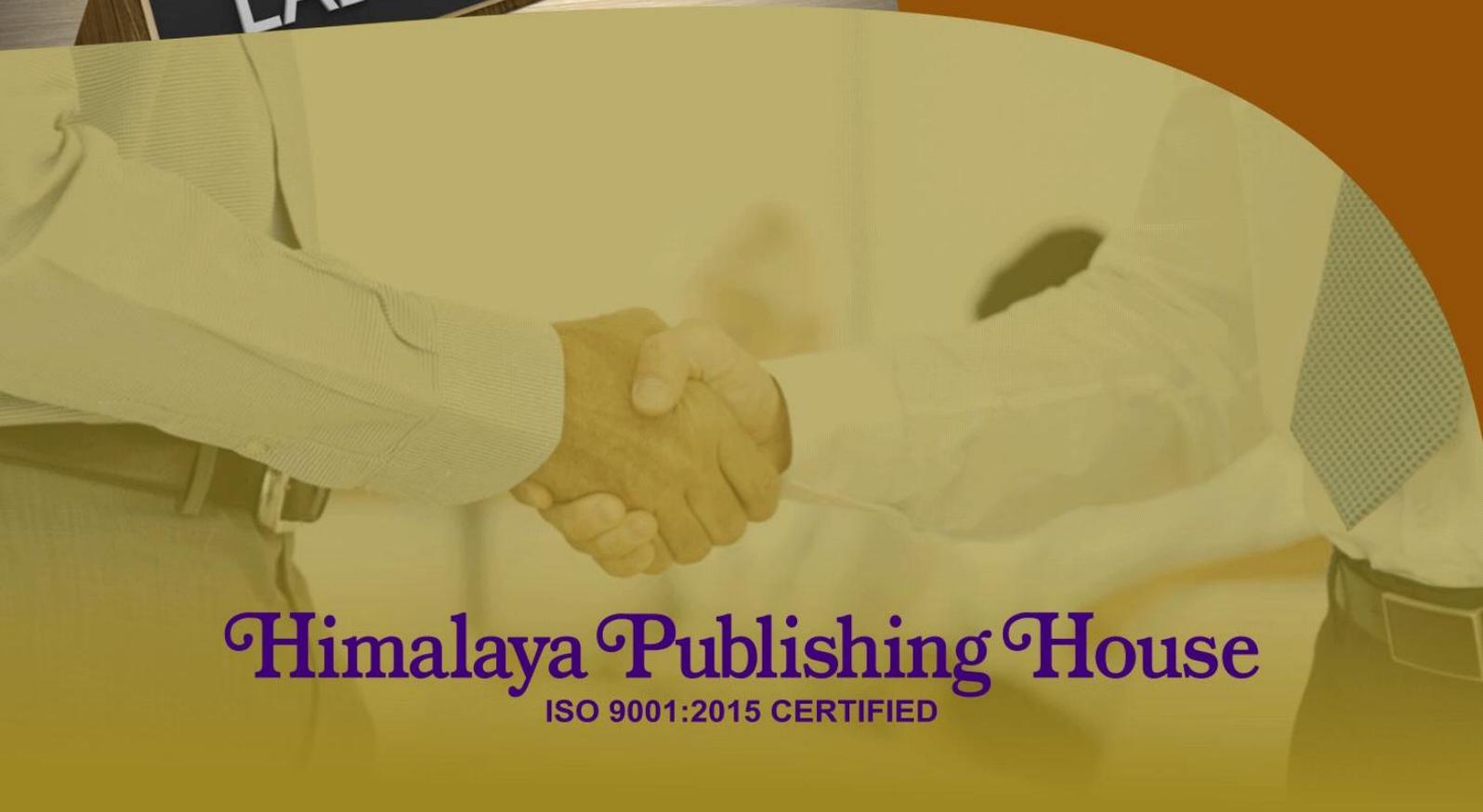


MCQs in Industrial Relations and Labour Laws (with Study Materials)

Juli Verma
Mili Verma



LABOR LAW



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MCQs IN INDUSTRIAL RELATIONS AND LABOUR LAWS

(With Study Materials)

**(For Law and Commerce Students/Professionals and Recruitment Tests by
Public Sector Undertakings, Banks, and Private Limited Companies,
UGC NET, Company Secretary (CS), Interviews and Review of the Subject)**

Ms. Juli Verma

MBA – HR, LL.B

Ms. Mili Verma

B.A. (Hons.)



Himalaya Publishing House

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Branch Offices	:
New Delhi	: "Pooja Apartments", 4-B, Murari Lal Street, Ansari Road, Darya Ganj, New Delhi - 110 002. Phone: 011-23270392, 23278631; Fax: 011-23256286
Nagpur	: Kundanlal Chandak Industrial Estate, Ghat Road, Nagpur - 440 018. Phone: 0712-2721215, 3296733; Telefax: 0712-2721216
Bengaluru	: Plot No. 91-33, 2nd Main Road, Seshadripuram, Behind Nataraja Theatre, Bengaluru - 560 020. Phone: 080-41138821; Mobile: 09379847017, 09379847005
Hyderabad	: No. 3-4-184, Lingampally, Besides Raghavendra Swamy Matham, Kachiguda, Hyderabad - 500 027. Phone: 040-27560041, 27550139
Chennai	: New No. 48/2, Old No. 28/2, Ground Floor, Sarangapani Street, T. Nagar, Chennai - 600 017. Mobile: 09380460419
Pune	: "Laksha" Apartment, First Floor, No. 527, Mehunpura, Shaniwarpet (Near Prabhat Theatre), Pune - 411 030. Phone: 020-24496323, 24496333; Mobile: 09370579333
Lucknow	: House No. 731, Shekhupura Colony, Near B.D. Convent School, Aliganj, Lucknow - 226 022. Phone: 0522-4012353; Mobile: 09307501549
Ahmedabad	: 114, "SHAIL", 1st Floor, Opp. Madhu Sudan House, C.G. Road, Navrang Pura, Ahmedabad - 380 009. Phone: 079-26560126; Mobile: 09377088847
Ernakulam	: 39/176 (New No. 60/251), 1st Floor, Karikkamuri Road, Ernakulam, Kochi - 682 011. Phone: 0484-2378012, 2378016; Mobile: 09387122121
Cuttack	: New LIC Colony, Behind Kamala Mandap, Badambadi, Cuttack - 753 012, Odisha. Mobile: 09338746007
Kolkata	: 108/4, Beliaghata Main Road, Near ID Hospital, Opp. SBI Bank, Kolkata - 700 010. Phone: 033-32449649; Mobile: 07439040301
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Dedicated To
Our Loving Parents
K.P. Verma
And
Rupam Verma

“Take up one idea. Make that one idea your life – think of it, dream of it, live on that idea. Let the brain, muscles, nerves, every part of your body, be full of that idea, and just leave every other idea alone. This is the way to success.”

Swami Vivekanand

PREFACE

This book will cater to the need of Law, Human Resource Management, Commerce and Company Secretary Students. It will be very useful for students preparing for recruitment tests by Public Sector Undertakings, Banks, Private Limited Companies, UGC NET, Company Secretary and the related Interviews.

This book is so designed that it can also serve the purpose of Human Resource and Law Professionals and Union Leaders who want to have a book in which they can get their Industrial Relations (IR) related answers.

The book contains 24 Chapters. The subject matter has been planned by keeping in mind the general requirements of competitive examinations. Brief introduction about the important topics for quick recapitulation and ready reference and points to remember has been included in each chapter. This is followed by a large number of multiple choice questions. The answer to each question is given but it is advised that students at first try to arrive at the correct answer on their own and then compare it with the answer provided in the book. It will improve critical thinking ability which is a pre-requisite for every manager, and will be helpful in cracking the competitive examinations and interviews successfully.

Ms. Juli Verma

Ms. Mili Verma

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This book would not have seen light of the day but for the seeds of legal inquisitiveness that were sowed and nurtured by the family. Each and every member of our family have contributed significantly in their own capacity which has resulted in this book. Foremost contributor to this book has been Aditya, who provided constant encouragement and support during the entire process of writing this book.

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CHAPTER

1

TRADE UNIONISM

INTRODUCTION

The trade union is an association, either of employees or employers or of independent workers. It is an association of workers engaged in securing economic benefits for its members.

“With all their faults, trade unions have done more for humanity than any other organization of men that ever existed. They have done more for decency, for honesty, for education, for the betterment of the race, for the developing of character in man, than any other association of men.” — **Clarence Darrow (The Railroad Trainman, Nov. 1909).**

This popular quote may apply to all type of trade unions as many Trade Unions have proved to be very effective in different countries.

According to Section 2(b) of the Trade Union Act of 1926, “a trade union is any combination of persons, whether temporary or permanent, primarily for the purpose of regulating the relations between workers and employers, or between workers and workers and for imposing restrictive conditions on the conduct of any trade or business, and includes the federation of two or more trade unions.”

DEFINITION OF TRADE UNION

There are numerous definitions of Trade Union. A few of them are:

According to **Sydney and Beatrice Webbs**, Trade union is a “continuous association of wage earners for the purpose of maintaining and improving the conditions of their working lives.”

According to **G.D.H. Cole**, “A trade union means an association of workers in one or more occupation — an association carried on mainly, for the purpose of protecting and advancing the members’ economic interests in connection with their daily work”.

According to **Edwin B. Flippo**, “A labour union or trade union is an organisation of workers formed to promote, protect and improve, through collective action, the social, economic, and political interests of its members.”

Thus, Trade union is an association or an organisation of workers which regulate the working life of workers.

SALIENT FEATURES OF TRADE UNIONS

Protect and promote interests: It is formed to protect and promote all kinds of interests i.e; economic, political and social of its members. The dominant interest with which a union is concerned is, however, economic.

Association of employees: A trade union is essentially an association of employees belonging to a particular class of employment, profession, trade or industry. For example, there are unions for teachers, doctors, film artistes, weavers, mine workers and so on.

Voluntary Association: An employee joins the trade union out of his free will. A person cannot be compelled to join a union.

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Permanent Body: A trade union is usually a permanent body. Members may come and go but the trade union remains.

Common Interest: The member of a trade union have common interest like job security, better pay and working conditions and so on, which bring them together.

Collective Action: Even when an individual employee has any grievance over certain management decisions, the matter is sorted out by the intervention of the trade union. Employees are able to initiate collective action to solve any problem concerning any particular employee or all the employees.

Secure welfare of employees: It secures welfare of employees through group schemes which give benefit to every employee.

Rapport with the Management: The trade union seeks to improve relations between the employees and employers.

Legal assistance: Trade union assist with legal advice on employment issues, some unions give help on personal matters, like housing, wills and debt.

Financial discounts: People can get discounts on mortgages, insurance and loans from unions.

Education and training: Most unions run training courses for their members on employment rights, health and safety and other issues. Some unions also help members by offering courses on basic skills and courses leading to professional qualifications.

Provide adequate advisory services for their members and in particular assist them to understand the terms and conditions of their employment.

FUNCTIONS OF TRADE UNION

Trade unions perform a number of functions in order to achieve the objectives. These functions can be broadly classified into four categories:

1. Militant Functions or Fighting Functions

One of a trade union's main aim is to protect and advance the interests of its members in the workplace. When the union fails to accomplish their aims through collective bargaining and negotiation, in extreme conditions they adopt drastic measures in the form of go-slow, strike, boycott, work sabotage etc. to make the management react and reconsider their requests. Therefore, these functions of the trade unions are known as Militant or Fighting functions.

Thus, the Militant functions of trade unions can be summed up as:

- (a) To achieve higher wages and better working conditions.
- (b) To raise the status of workers as a part of industry.
- (c) To protect labours against victimization and injustice.

2. Fraternal Function

Another function performed by trade union is to provide help to its members in needy times, and increasing their efficiency. Trade unions attempt at nurturing a spirit of co-operation, mutual aid and promote friendly relationships and sharing of knowledge and culture among their colleagues through fraternal functions. They take up welfare measures for improving the morale of workers and generate self confidence among them. Besides these, they undertake many welfare measures for their members, e.g., school for the education of children, library, reading-rooms, indoor and outdoor games, and other recreational facilities. Some trade unions even undertake publication of some magazine or journal. This obviously depends on the availability of capitals.

3. Social Functions

- A. To co-operate in and facilitate technological advancement by broadening workers' understanding of underlying issues.
- B. The trade unions also try to arrange educational facilities for the children of the workers.
- C. The economic conditions of the industrial workers in India are very poor. The standard of living is very low. A majority of industrial workers in India are illiterate or semi-literate. It is the responsibility of the trade unions to get them proper housing facilities and promote the socio-economic welfare of the labourers.
- D. In many factories or industries, workers are not able to express their grievances before their employers, and even the management does not know the difficulties faced by the workers. The trade unions play an important role in bringing to the notice of the employers the difficulties and grievances of the employees. They try to arrange face-to-face meetings and thus try to establish or sort out the issues between the employees and the employers.
- E. Trade unions promote friendliness and unity among the workers. Besides this, the trade unions also discuss the problems, which are common to all the workers. It is a platform where workers come together and know each other. The trade unions also provide some kind of entertainment and relaxation to the workers.
- F. Publication of periodicals, news letters or magazines for establishing communication with their members, making the latter aware of union policy and stand on certain principal issues and personnel matters concerning members, such as births, deaths, marriages, promotion and achievements.

4. Political Functions

In a democratic country like India, Trade Union plays an important role in the politics of the country. They made their representation to the legislative assembly and parliament to safeguard the interest of workers.

5. The Regulatory Function

This enables trade unions to actively participate in rule-making over the workplace. This can be done either:

- (a) directly – multi-employer collective bargaining e.g. through the Joint Industrial Council
- (b) indirectly – through regulatory legislation

The government function and public administration function – trade unions engage with the government to assure that they can accomplish their respective function within the law. These new functions of trade unions (also called **ancillary functions** [Monappa, 2000]) can be categorised into the following groups:

(i) Communication: Many large unions publish a newsletter or a magazine, with the main aim of clarifying their policy or stance on certain principal issues, as well as to pass on information about their activities.

(ii) Welfare activities: Many unions are engaged in a number of welfare activities, such as providing housing and organising cooperative societies to improve the quality of workers' lives. The Textile Labour Association (TLA), Ahmedabad, for example, has ventured to organise self-employed women (in the Self Employed Women's Association [SEWA]) and has even started banking activities for this purpose.

(iii) Education: Education helps to make workers aware of their surrounding environments. Unions make efforts to launch educational programs for workers to enhance their knowledge of the

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work environment and to inform them about issues concerning them, particularly those regarding their rights and responsibilities and regarding procedures and systems that exist in the workplace for redressing grievances.

(iv) Research: Union negotiators need updated information to be systematically collected and analysed at the bargaining table. They also need to backup their wage demands with knowledge of the industry, of productivity, and of comparative industry practices. Many unions conduct their own research to this effect, laying emphasis on practical problems, especially day-to-day affairs at work.

ROLE OF TRADE UNIONS

Adopting the model of **Prof Clark Kerr**, Unions assume the following role:

- ❖ **Sectional Bargainer:** It specifies the interests of the particular section of workers at plant, industry, national level – multiplicity of unions, crafts unions, white collar union, etc.
- ❖ **Class Bargainer:** Here, unions representing the interest of the class as a whole. For example, in France Agricultural Unions, Federations of Unions, Civil Servants Union, etc.
- ❖ **Agents of State:** As in erstwhile U.S.S.R., unions ensure targets of production at fixed price. In the 1974 Railway strike, INTUC stood behind the Government and its agent.

CLASSIFICATION OF TRADE UNIONS

A. Classification Based on Ideology

(i) Revolutionary Unions: They believe in destruction of existing social/economic order and creation of a new one. They want a change in power and authority and use of force – Left Unions.

(ii) Reformist or Welfare Unions: These work for changes and reforms within the existing socio-political framework of the society like a European Model.

(iii) Uplift Unions: They believe that scope of extensive reforms well beyond the area of working condition, i.e., change in taxation system, elimination of poverty, etc.

B. Classification Based on Trade

Craft Unions: A craft union is an organization of workers engaged in a single occupation or craft. Examples of craft unions are unions of carpenters, electricians, weavers, truck-drivers, pipe fitting, carpentry, clerical work and so on. It came to be known as an **industrial union** in a horizontal arrangement; their strengths include: (i) effectiveness in developing solidarity, (ii) compactness and stability of relationship among members, (iii) capability in providing better services to members, (iv) greater power to exert pressure, and (v) strong bargaining position.

Their main weaknesses are: (i) proneness to being broken up by the employer, especially in the case of small unions; (ii) reduced capability of organizing joint action; (iii) danger of extinction in the face of rapidly changing technology; (iv) divisive influence on trade union movement and encouragement to multiplicity of unions; (v) danger of unfair practices by unions of craftsmen on strategic positions.

General Unions

At the other extreme, in terms of the range of workers represented in the general union, which has members drawn from all trades. Most unions in India and Sri Lanka are in this category. Such unions may be formed at the local, regional or national level. An example is the Transport and General Workers' Union which is one of the strongest trade unions of Great Britain.

Blue-Collar/White Collar Unions

Another common demarcation of unions, based on trades or crafts, is so-called blue-collar workers and white-collar workers. Unions which are representing workers employed on the production floor or outdoor trades such as in construction work, are called blue-collar unions. **The term blue collar was first used in reference to trades jobs in 1924, in an Alden, Iowa newspaper.** The phrase stems from the image of manual workers wearing blue denim or chambray shirts as part of their uniforms.

The term “white collar” is credited to **Upton Sinclair**, an American writer, in relation to contemporary clerical, administrative, and management workers during the 1930s, though references to white-collar work appear as early as 1935. A white-collar worker is a person who performs professional, managerial, or administrative work.

Industrial Unions

An industrial union organizes into one homogenous organic group all workers—skilled, semi-skilled, unskilled — engaged in a particular establishment or industry. Such a union may be formed at the plant, region or industry level.

The strengths of industrial unions are: (i) encouragement to solidarity among members, (ii) convenience in negotiations and effectiveness in collective bargaining, (iii) retaining power in the face of fast changing technology, (iv) greater effectiveness in industrial action and (v) capability of engaging in political activities.

Their weaknesses include: (i) limitations in satisfying all the different groups of members, (ii) undue emphasis on the protection and promotion of large groups of members at the cost of those of smaller groups, (iii) difficulties in negotiations and bargaining owing to heterogenous membership and (iv) encouragement to the formation of rival unions.

C. Classification Based on Agreement

Trade Unions can also be classified based on agreements:

(i) Closed Shop: A closed shop is that business enterprise which has an agreement with the union that a worker must be a member of the union at the time of his employment and continue to do so in order to retain his employment.

According to **Taft-Hartley Act of 1947 closed shop agreements are banned in USA**, although they still exist in the construction and printing trades. Sometimes, the closed shop is also called the ‘**Hiring Hall.**’

(ii) Union Shop: A union shop is that business establishment which has an agreement with the union that a worker shall become a member of the union within a specified period of his securing employment and that he must continue his membership in order to retain his job.

(iii) Preferential Shop: When a union member is preferred in filling a vacancy, such an agreement is called preferential shop.

(iv) Maintenance Shop: In this type, there is no compulsory membership in the union before or after recruitment. However, if the employee opts to become a member after recruitment, his membership remains compulsory right throughout his tenure of employment with that particular employer. This is called a maintenance of membership shop or maintenance shop.

(v) Agency Shop: A business establishment in which the union and the employer enter into an agreement laying down that union membership is a part of terms and conditions of employment and a worker, who objects to joining the union, will have to pay appropriate contribution to the union in lieu of membership or an equivalent contribution to a charity.

(vi) Open Shop: Membership in a union is in no way compulsory either before or after recruitment. This is the least desirable form for unions. This is referred to as an open shop.

THEORIES OF TRADE UNIONISM

Most of theories on Trade Unionism have been given by revolutionaries such as Marx and Engels, Civil servants like Sydney Webb, academics like Common and Hoxie and labour leaders like Mitchall. These are explained below:

I. Political Revolutionary Theory of Labour Movement of Marx and Engels: The theory is based on Adam Smith's theory of labour worth. This theory is also known as "**the theory of class war and dialectical materialism**". According to Marx "Large scale industries concentrate in one place a crowd of people unknown to one another. Competition divides their interests. But the maintenance of wages, this common interest which they have against their boss unites them in a common thought of resistance combination".

According to him, there are two classes. Both the classes are opposite to each other. One class represents the capitalist, termed by him as the **bourgeoisie** while the second kind are free labourers, whom he termed as the class of **proletariat**. After the industrial revolution when machines were used for production, labourers or working class came under one roof as a measure of job security. Their frequent gathering under the same roof starts automatically bringing them closer and closer. They concentrated on the sale of their labour power, thus the unity started among labourers. In order to understand Marx's ideas we have to go-through following writings from the theory of trade union point of view. In his books, **Poverty of Philosophy (1847)**, the **Communist Manifesto (1848)** and The Inaugural Address of the First International workingmen's Association (1864) and his correspondence with Engels and others.

"The proletariat went through various stages of development". With its birth it began to struggle with the bourgeoisie. At first the contest was carried on by individual labourers then by the work people of a factory, then by the operatives of one trade, in one locality, against the individual bourgeoisie who directly exploited them.

The proletariat increases in number with the development of the industry. The collision between individual workmen and individual bourgeois took more and more the character of collision between two classes. There upon the workers began in to form combinations which we can call trade unions against bourgeoisie.

"This organization of the proletarians into a class is continuously being upset again by competition between workers themselves. But it ever rises up again, stronger, firmer mightier", such is the birth of trade union because of the struggle between two classes of the bourgeoisie and the proletariat. Marx also believed that every trade union or proletariat class consciously or unconsciously had to involve in political action which was indispensable for achieving economic equality. The trade unions by the very nature of their economic demands are compelled to take to political action; the political activities themselves become the means to strengthen the trade union movement, one is dependent on the other. The politics and the economics of trade unions are basically one and inseparable. To participate in political movement, the workers must form a group of such people as are exploited by the capitalist system. The alliance of these workers automatically add the strength to the working class movement. By considering themselves champions and representatives of the whole working class, and acting accordingly, the trade unions must succeed in rallying round themselves all workers still outside their rank.

The capture of political power would be their next step. It was the ambition of Marx that working class by achieving political power would abolish classes in the society. Marx aimed at political power rather than achieving temporary economical gains. Marx's vision is to establish classless society through class struggle in which trade unions had to play a role.

II. Webb's Theory of Industrial Democracy: Industrial Democracy is a book written by British socialist reformers **Sidney Webb and Beatrice Webb**. It is concerned as **Bible of trade unionism**.

Industrial Democracy is divided into three parts. The first part concerns the structure of trade unions and concludes that "Trade Unions are democracies; that is to say their internal constitutions are all based on the principle – 'government of the people, by the people, for the people.' The second part focuses on the function of trade unions and specifically the method of collective bargaining. The third part delves into the theory of trade unions. The imbalance of behaviour between employers and employees was described by the Webbs are as follows:

"The capitalist is very fond of declaring that labour is a commodity, and the wage contract a bargain of purchase and sale like any other. But he instinctively expects his wage-earners to render him, not only obedience, but also personal deference. If the wage contract is a bargain of purchase and sale like any other, why is the workman expected to tip his hat to his employer, and to say 'sir' to him without reciprocity?"

Webb considered collective bargaining as **the process which reinforces labour**.

III. Cole's Theory of Union Control of Industry: G.D.H. Cole's views has been given in his book "**World of Labour**", 1913. His opinions are somewhere in between Webb and Marx. He approves the thought that 'unionism is class struggle and the ultimate is the control of industry by labour and not revolution as predicted by Marx'.

IV. Mitchell's Economic Protection: According to John Mitchell, the explanation of trade unionism lies in the economic protection it provides to the workers. Its essence is the collective bargaining, which gives the worker economic equality with his employer, frees him from fear, improves his efficiency and establishes his citizenship in the industrial society. He was completely opposed to the notion of class struggle and observed "labour unions are for the workmen but against no one."

VI. Simon's Theory of Monopolistic, anti-Democratic Trade Unionism: He criticized trade unionism as monopoly founded on violence and he reiterated monopoly power has no use, save abuse.

VII. Perlman's Theory of the "Scarcity Consciousness" of Manual Workers: Perlman rejected the idea of class consciousness as an explanation for the birth of the trade union movement but substituted it with what he called job consciousness. According to him, 'working people in reality felt an urge towards shared control of their employment opportunities, but hardly towards similar control of industry.'

VIII. Hoxie's Functional Classification of Unionism: Professor Hoxie finds a few distinct functional types (not to mention subvariants) which differ among themselves in aims, methods, and attitude toward existing institutions.

- (a) **Business unionism**, accepting the wages system as it is, seeks the best obtainable terms of employment for its own membership. Its method is collective bargaining supplemented by mutual insurance and occasional resort to strikes.
- (b) **Uplift unionism** accepts, along with the wages system, the whole existing social order. Its mission is the diffusion of leisure-class culture and bourgeois virtues among the workers.
- (c) **Revolutionary unionism** aims at the overthrow of the extant socio-economic order by and for the working class.
- (d) **Predatory unionism** practices secret, rather than open, violence. It is lawless, and in so far anarchistic.

REASONS FOR JOINING TRADE UNION

One of the most popular reasons to join a union is due to this concept of safety in numbers. A union is a single entity that carries the weight of many individuals. When working with great numbers, unions have greater bargaining power. The other reasons for joining Trade union are:

- ❖ **Wages and Benefits:** Economic research shows that unionized workers typically receive higher wages than otherwise comparable non-union workers. The employees think that the union can guarantee fair salaries with equivalence to their other coworkers, medical facility benefits, pensions, vacations and holidays and paid sick leave.
- ❖ **Better Training:** Unions offer better opportunities for training advancement to its' members.
- ❖ **Working Conditions:** Even though there are legislative provisions for providing the employees with a safe work environment, they still believe it is more secure to know that the union is directly engaged in the safety and health concerns associated with them.
- ❖ **Legal assistance:** When a member of a union has any legal concerns related to his or her employment, the union legal representatives are there to offer assistance, advice, and/or legal representation in Court.
- ❖ **Minimize Discrimination:** Employers can't terminate a worker for discriminatory reasons such as race, religion, age nor can they fire an employee for being a whistleblower and certain other reasons.
- ❖ **Sense of Belongingness:** When you join a union it gives a sense of part of a legal group.

REASONS FOR NOT JOINING TRADE UNION

There are many reasons for not joining Trade Union:

- ❖ **Combative environment:** In many places of employment, the presence of a labour union creates an "us vs them" mentality. This reduces the benefits of collaboration between the two parties. This mentality also applies to the worker and the union at times.
- ❖ **Unions do not provide representation for free:** Belonging to a union requires workers to pay a portion of their salary for the benefits of representation.
- ❖ **Employee Initiative is Stifled:** Union rules base raises and promotions on seniority, not performance. This kind of environment discourages employee creativity and individuality. Therefore, the employer is deprived of improvements in productivity because the employee has no incentive to do a better job. He gets nothing for doing better.
- ❖ **Government legislations:** Employees now turn to government, not unions, for basic protections. Workers rely on the government for pensions, healthcare, protection against discrimination and a whole variety of other benefits that were formerly provided exclusively by unions.

Recognition of Trade Unions

The Trade Unions Act, 1926 provides for registration of the union but is silent on recognition of the union. A few State Governments have enacted special statute or rules and has provided a mechanism for recognition. Below are a few enactments:

1. Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971.
2. West Bengal Trade Unions Rules, 1998.

3. Kerala Recognition of Trade Unions Act, 2010.
4. Orissa Verification of Membership and Recognition of Trade Union Rules, 1994.

Generally, these rules provide that a union shall be recognized by the employer as the sole bargaining agent of a group of workers if it receives a specified minimum percentage (usually a majority) of these workers' votes via **secret ballot**, organized by the Registrar. However, every trade union receiving a smaller minimum percentage of votes (**15% or 10%**, depending on the type of industry) shall also be recognized as constituents of a joint bargaining council as in the case of Kerala trade unions.

Methods Of Recognizing A Trade Union

Recognition by management

It is a type of voluntary recognition. For a trade union to be successful it should play an effective role in collective bargaining. Collective bargaining in turn depends upon the willingness of the employer to recognise the union. A union may be strong and stable unless it is recognised by the employer.

- ❖ **Election by Secret Ballot:** In this method, majority union is identified on the basis of secret ballot conducted in the establishment. All workers who are on the rolls of the management on a particular date (i.e. date of reckoning) are allowed to cast their votes in favour of one union through secret ballot. Elections to be conducted by a neutral agent, generally the Registrar of Unions, in a manner very similar to the conduct of general elections. Once held, the results of the elections would remain valid for a minimum period, usually two years.
- ❖ **Check-Off method:** The “check-off” process allows union subscriptions to be paid by an employer direct to a union on behalf of its employees via salary deductions. The management verifies the membership of a union on the basis of subscription given by the workers to different unions operating in the establishments.
- ❖ **Verification of union membership:** This process is carried out by the labour directorate, which on the invitation of unions and management of an organisation or industry, collects particulars of all unions in a plant, with regard to their registration and membership. After cross checking of records, physical sampling of workers, particularly in cases of doubt or duplication, a final verified list is prepared for employers, unions and the government.

Advantage Of A Recognized Trade Union

The rights conferred on a recognized trade union are as follows:

1. The executive of the trade union is entitled to negotiate with employer regarding employment, non-employment, terms of employment or conditions of labour of any person or of all, if any dispute arises between the executive and the employer on these issues it must be referred to then registrar whose decision is final.
2. The executive of the recognized trade union is entitled to display the notices of the trade union in the premises where the employees are employed and the employer must make necessary arrangements.
3. A trade union can help a firm to bring in new working practices which increase labour productivity.
4. To appear on behalf of any employee or employees in any domestic or departmental enquiry.
5. The recognised union alone is given the right to appoint its nominee to represent its workman in the works commission under the Industrial Dispute Act 1947.
6. A trade union being the sole bargaining agent or a principal bargaining agent.

POINTS TO REMEMBER

1. Sometimes, the closed shop is also called the 'Hiring Hall.'
2. According to **Taft-Hartley Act of 1947 closed shop agreements are banned in USA.**
3. The term "white collar" is credited to **Upton Sinclair**, an American writer.
4. The term blue collar was first used in reference to trades jobs in 1924, in an Alden, Iowa newspaper.
5. Webb's book '**Industrial democracy**' is the **Bible of trade unionism.**
6. G.D.H. Cole's views of a trade union are given in his book "**World of Labour**", 1913. His opinions are somewhere in between Webb and Marx.
7. The Ahmedabad Textile Labour Association, a unique and successful experiment in Gandhian trade unionism, implemented many of his ideas.
8. The first organised labour movement in India was in 1884 by N.M.Lokhande.
9. Shri. N.M. Joshi is the father of modern trade unionism in India, and he introduced the Trade Union Bill in the Assembly in 1921.
10. Registration of a trade union is not mandatory, it is advisable to register the trade unions as the registered trade unions are entitled to get several benefits.

QUESTIONS FOR REVIEW

1. What is a Trade Union? What are the functions of a Trade Union?
2. What are the objectives of Trade Union? Summarise different theories of Trade Union.
3. Why an employee should become a member of Trade Union ? What are it's benefit?
4. What are the methods of recognizing a Trade Union?
5. Explain Perlman's Theory of the "Scarcity Consciousness" of Manual Workers. How is this different from Marx Theory?
6. Explain roles and classification of Trade Union.
7. What may be the reasons for an employee not joining Trade Unions?

CERTAIN QUESTIONS ANSWERED

1. Which major factors motivate employees to join trade union?

Ans.: The major factors which motivate the employees to join trade union are:

- (i) Increase in bargaining power
- (ii) Lesser discrimination
- (iii) Higher sense of security and belongingness
- (iv) Stage for self expression
- (v) Ability to participate in management activities giving a sense of involvement

2. Explain the three levels at which collective bargaining works?

Ans.: The three levels at which collective bargaining works are:

- (i) National level
- (ii) Sector/ Industry level
- (iii) Company level

3. What services do trade union provide to it's members?

Ans.: Trade unions provide following services to their members:

- (i) They educate workers about their basic rights and train them with professional skills.
- (ii) They provide legal assistance to the worker when needed.
- (iii) They offer financial loans on mortgages to their members.
- (iv) They offer financial help to members when they are invalid or unemployed.

4. Is it mandatory to register Trade Union?

Ans.: Registration of a trade union is not mandatory, it is advisable to register the trade unions as the registered trade unions are entitled to get several benefits.

5. What is 'Laissez-Faire'.

Ans.: Laissez-faire is an economic theory from the 18th century that opposed any government intervention in business affairs. The driving principle behind laissez-faire, a French term that translates as "leave alone" (literally, "let you do"), is that the less the government is involved in the economy, the better off business will be – and by extension, society as a whole.

OBJECTIVE QUESTIONS

1. Functional Classification of Unionism was given by **Ans.:** (a)
(a) Hoxie (b) Marx (c) Perlman (d) Simon
2. Theory of Monopolistic, anti-Democratic Trade Unionism was given by **Ans.:** (d)
(a) Hoxie (b) Marx (c) Perlman (d) Simon
3. Theory of the "Scarcity Consciousness" of Manual Workers was given by **Ans.:** (c)
(a) Hoxie (b) Marx (c) Perlman (d) Simon
4. Which union is focused on making the skills of its members valuable and not easily replaceable in organisations? **Ans.:** (c)
(a) Industrial union (b) General union (c) Occupational union (d) White collar union
5. Economic Protection was given by **Ans.:** (d)
(a) Hoxie (b) Marx (c) Perlman (d) John Mitchell
6. _____ book 'Industrial democracy' is the Bible of trade unionism. **Ans.:** (b)
(a) Hoxie's (b) Webb's (c) Perlman's (d) Simon's
7. Which of the following is not a characteristic of trade union? **Ans.:** (d)
(a) voluntary association (b) common goals (c) intermediary (d) individual actions
8. Which of the following is not a characteristic of trade union? **Ans.:** (d)
(a) association of workers (b) higher bargain power
(c) Common objectives (d) No punishment
9. Classification of trade union based on ideology includes all except **Ans.:** (c)
(a) Revolutionary Unions (b) Uplift Unions
(c) Craft Unions (d) Reformist or Welfare Unions
10. Classification of trade union based on Trade includes all except. **Ans.:** (d)
(a) Industrial Unions (b) General Unions
(c) Craft Unions (d) Reformist or Welfare Unions

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11. The concept of unions came into existence as a result of employees. **Ans.: (b)**
(a) problem of communication (b) dissatisfaction among workers
(c) longing for belongingness (d) change in technology
12. A _____ is that business enterprise which has an agreement with the union **Ans.: (b)**
that a worker must be a member of the union at the time of his employment and
continue to do so in order to retain his employment.
(a) Preferential Shop (b) Closed shop
(c) Union Shop (d) Reformist or Welfare Unions
13. This is the least desirable form for unions. **Ans.: (d)**
(a) Preferential Shop (b) Closed shop (c) Open Shop (d) Maintenance Shop:
14. Which of the following labour welfare measures can be put under the category **Ans.: (a)**
of extramural activities?
(a) Provision of housing facilities (b) Improvement in working conditions
(c) Provision of rest pauses (d) Adequate wages
15. Under which of the following situations may a union refuse to admit a person or **Ans.: (a)**
expel a member?
(a) Because of misconduct. (b) Because of their current state of health.
(c) Because they do not feel that they are a suitable member.
(d) Because of their financial means.
16. Which of the following best explains the term 'union ballots'? **Ans.: (b)**
(a) A ballot is the method by which a union expels members.
(b) A ballot is the system by which union members vote for, e.g. industrial action.
(c) A ballot is the system by which union members put forward information for 'listing'.
(d) A ballot is the method by which a union recruits new members.
17. Employees join unions to fulfill their _____ needs. **Ans.: (d)**
(a) social (b) economic (c) esteem (d) All of these
18. Theory of Man Vs Machine (1951) was given by **Ans.: (b)**
(a) Hoxie (b) Tannenaum (c) Perlman (d) Simon
19. Which union is focused on making the skills of its members valuable and not **Ans.: (c)**
easily replaceable in organisations?
(a) Industrial union (b) General union (c) Occupational union (d) White collar union
20. Classification of Trade Union Based on Agreement includes all except. **Ans.: (d)**
(a) Preferential Shop (b) Closed shop
(c) Union Shop (d) Reformist or Welfare Unions
21. Recognition by management is a voluntary method of recognition of Trade union. **Ans.: (a)**
(a) True (b) False
22. The _____ process allows union subscriptions to be paid by an employer **Ans.: (b)**
direct to a union on behalf of its employees via salary deductions.
(a) check-off (b) Recognition by Management
(c) verification of Union membership

23. _____ process is carried out by the labour directorate, which on the invitation of unions and management of an organisation or industry, collects particulars of all unions in a plant, with regard to their registration and membership. **Ans.: (c)**
(a) check-off (b) Recognition by Management
(c) verification of Union membership
24. Trade Unions in India are associated with _____ International Trade Union Federations. **Ans.: (c)**
(a) World Federation of Trade Unions (WFTU)
(b) International Confederation of Free Trade Unions (ICFTU)
(c) Both (a) and (b) (d) Neither (a) nor (b)
25. When a union is recognized, there should be no change in its position for a period of **Ans.: (b)**
(a) 3 years (b) 2 years (c) 1 years (d) six months
26. A union may claim to be recognized as a representative union for an industry in a local area if it has a membership of at least _____ of the workers of that industry in that area. **Ans.: (a)**
(a) 20% (b) 25% (c) 50% (d) 49%
27. Where there are several unions in an industry or establishment, the one with the _____ membership should be recognized. **Ans.: (a)**
(a) largest (b) smallest
(c) maximum number of female (d) maximum number of male
28. _____ are considered to be the modern objectives of trade unions. **Ans.: (b)**
(a) Education and training (b) Negotiations and collective bargaining
(c) Wages and welfare benefits (d) Both (a) and (c)
29. Which of the following is not a reason for joining trade unions? **Ans.: (c)**
(a) Greater bargaining power (b) Minimize discrimination
(c) Good contacts with politicians (d) Higher Negotion power
30. Which of the following is/ are the objectives of trade union? **Ans.: (d)**
(a) Wages/salaries (b) Sense of security
(c) Negotiating machinery (d) All of the above
31. A trade union is an organisation that represents_____ . **Ans.: (b)**
(a) The views and interest of workers
(b) a group of people working towards a common aim
(c) the aims of managers (d) the goals of a business
32. Which of the following labour welfare measures can be put under the category of Intra-mural activities? **Ans.: (d)**
(a) Improvement in working conditions (b) Adequate wages
(c) Provision of rest pauses (d) All of the above

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33. Which of the following is not a weakness of craft unions? **Ans.: (b)**
(a) Very easy to break as the members of the union belong to different establishment
(b) Craft union workers cannot be easily replaced
(c) Not easy to get the clear perspective of the craft unions
(d) Bargaining power
34. Which of the following are the examples of Industrial Union? **Ans.: (c)**
(a) The Rashtriya Mill Mazdoor Sangh (b) The Gimi Kamgar Union at Bombay
(c) Both (a) and (b) (d) None of the above
35. The Theory of Union Control of Industry was given by. **Ans.: (b)**
(a) Hoxie (b) G.D.H. Cole (c) Perlman (d) Simon
36. Classification of Union based on Agreement includes all except **Ans.: (d)**
(a) Closed shop (b) Union shop
(c) Preferential Shop (d) Blue collars union
37. Classification of Union based on Trade includes all except **Ans.: (b)**
(a) Craft union (b) Maintenance shop
(c) General union (d) White collars union
38. Classification of Union based on Trade includes all except **Ans.: (b)**
(a) Craft union (b) Maintenance shop
(c) General union (d) Industrial union
39. The term “white collar” is credited to **Ans.: (b)**
(a) Karl Marx (b) Upton Sinclair (c) Engles (d) Webb
40. The term Bourgeoisie and Proletariat in relation to labour was given by **Ans.: (a)**
(a) Karl Marx (b) Upton Sinclair (c) Engles (d) Webb
41. The book ‘Poverty of Philosophy’ was written by _____ . **Ans.: (a)**
(a) Karl Marx (b) Upton Sinclair (c) Engles (d) Webb
42. _____ work may be performed in an office or other administrative setting. **Ans.: (a)**
(a) White-collar (b) Blue-collar (c) Brown-collar (d) None of the above
43. Who said “Trade union is a “continuous association of wage earners for the purpose of maintaining and improving the conditions of their working lives.” **Ans.: (a)**
(a) Sydney and Beatrice Webbs, (b) G.D.H.Cole
(c) Edwin B. Flippo (d) None of the above
44. Karl Marx aimed at political power rather than temporary economical gains. **Ans.: (a)**
(a) True (b) False
45. The Book “World of Labour” was written by **Ans.: (b)**
(a) Karl Marx (b) G.D.H. Cole (c) Engles (d) Webb
46. _____ opinion of Trade unionism was somewhere in between webb and Marx. **Ans.: (b)**
(a) Karl Marx (b) G.D.H. Cole (c) Engles (d) Webb
47. The concept of Trusteeship was given by **Ans.: (a)**
(a) Mahatma Gandhi (b) G.D.H. Cole (c) Engles (d) Webb

48. According to John Mitchell, the explanation of Trade unionism lies
Ans.: (a)
in _____ protection of workers.
(a) Economic (b) Social (c) Political (d) Legal
49. The essence of Mitchell Trade unionism is _____ which gives the
Ans.: (b)
worker economic equality with his employer.
(a) legal assistance (b) collective bargaining
(c) unity (d) political power
50. Scarcity consciousness of Manual workers was given by
Ans.: (d)
(a) Mitchell (b) G.D.H.Cole (c) Engles (d) Perlman
51. Hoxie's had given functional classification of Unionism except
Ans.: (d)
(a) Business unionism (b) Uplift Unionism
(c) Revolutionary Unionism (d) Legal unionsism
52. According to _____ union performs role of Sectional bargainer, Class
Ans.: (c)
bargainer and agents of state.
(a) Mitchell (b) G.D.H.Cole (c) Clark Kerr (d) Perlman
53. Militant functions are also known as fighting function.
Ans.: (a)
(a) True (b) False
54. _____ function of Trade union is to provide help to its member in times
Ans.: (c)
of need.
(a) Social (b) Militant (c) Fraternal (d) Regulatory
55. When trade unions go on strike or work slow to fulfill their demands it is
Ans.: (b)
called _____ function.
(a) Social (b) Militant (c) Fraternal (d) Regulatory
56. Rule making function of Trade union is also known as _____.
Ans.: (d)
(a) Social (b) Militant (c) Fraternal (d) Regulatory
57. _____ function of Trade union is to safeguard the interest of workers
Ans.: (a)
through their representation to the legislative assembly and politics of the country.
(a) Political (b) Militant (c) Fraternal (d) Regulatory
58. The Book "Industrial Democracy" has been written by _____.
Ans.: (d)
(a) Mitchell (b) G.D.H.Cole (c) Clark Kerr
(d) Sidney Webb and Betrice webb
59. Election by Secret Ballot once held, remain valid for _____ years.
Ans.: (c)
(a) 5 (b) 3 (c) 2 (d) 1
60. The unions which do not follow code of discipline will not be granted recognition.
Ans.: (a)
(a) True (b) False
61. The _____ process allows union subscriptions to be paid by an employer
Ans.: (a)
direct to a union on behalf of its employees via salary deductions.
(a) Check-off (b) Election by secret Ballot
(c) Recognition by Management (d) None of the above

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62. _____ process is carried out by the labour directorate, which on the invitation of unions and management of an organisation or industry, collects particulars of all unions in a plant, with regard to their registration and membership. **Ans.: (d)**
(a) Check-off (b) Election by secret Ballot
(c) Recognition by Management (d) Verification of union membership
63. Recognition by Management is voluntary in nature. **Ans.: (a)**
(a) True (b) False
64. When a union member is preferred in filling a vacancy, such an agreement is called _____ Shop. **Ans.: (c)**
(a) Union (b) Maintenance (c) Preferential (d) Agency
65. A _____ shop is that business enterprise which has an agreement with the union that a worker must be a member of the union at the time of his employment and continue to do so in order to retain his employment. **Ans.: (d)**
(a) Union (b) Maintenance (c) Preferential (d) Closed
66. _____ is also called as Hiring Hall. **Ans.: (d)**
(a) Union shop (b) Maintenance shop
(c) Preferential shop (d) Closed shop
67. Who said “A trade union means an association of workers in one or more occupation _____ an association carried on mainly, for the purpose of protecting and advancing the members’ economic interests in connection with their daily work”. **Ans.: (b)**
(a) Sydney and Beatrice Webbs, (b) G.D.H.Cole
(c) Edwin B. Flippo (d) None of the above
68. In _____ shop, if the employee opts to become a member after recruitment, his membership remains compulsory right throughout his tenure of employment with that particular employer. **Ans.: (a)**
(a) Union (b) Maintenance (c) Preferential (d) Closed
69. In _____ shop, member has to pay appropriate contribution. **Ans.: (c)**
(a) Union (b) Maintenance (c) Agency (d) Closed
70. Classification of Union based on Agreement includes all except **Ans.: (d)**
(a) Agency shop (b) Maintenance shop
(c) Open Shop (d) White collars union
71. Classification of Union based on Ideology includes **Ans.: (d)**
(a) Welfare union or Reformist (b) Uplift
(c) Revolutionary union (d) All of the above

