

# **R.M.M. Law College, Saharsa**

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**L.L.B Part- 3<sup>rd</sup>**

**Subject- Labour Law**

**Paper- 6<sup>th</sup>**

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**Topic- Write short notes on the following:**

**1. Lockout, 2. Retrenchment, 3. Settlement, 4. Strike, 5. Wages**

## **1. Lockout**

Lockout means temporary shutdown of the factory by the employer, but not winding up (permanent) of the factory. Lockout of the factory maybe happened due to the failure in the management affected by internal disturbances or maybe by external disturbances. Internal disturbances maybe caused when the factory management goes in to financial crisis or got succumbed into financial debts, disputes between workers and workers, disputes between workers and management or may be caused by ill-treatment of workers by the management. Sometimes factory lockouts may be caused by external influences, such as unnecessary political parties involvement in management of workers union may be provoked for unjustified demands that may be unaffordable by the management, which may ultimately lead to lockout of the factory. Factory lockout is procedural aspects governed by the labour legislation of that country. Lockout of the factory is a major issue, which affects workers as well as management and cannot be initiated for a simple reason.

**Lock** made is not permanent that can be closed and opened. The word '**out**' can be understood as keeping temporarily away management and employees from the factory, till settlement of the issues caused to lockout.

Factory lockout is the ultimate weapon in the hands of the management when an uncontrollable situations arises in the factory. No matter what it is factory lockout will cause great loss to the management and to the workers. If lockout re-occurs, it may become threat for the existence of the factory, which finally leads to the loss of the jobs of workers.

## **2. Retrenchment**

Retrenchment<sup>2</sup> means 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 on-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.

### **3. Settlement**

According to Section 2 (p) of the Industrial Dispute Act, 1947 “**Settlement**” means a settlement arrived at in the course of conciliation proceeding and includes a written agreement between the employer and workmen arrived at otherwise than in the course of conciliation proceeding where such agreement has been signed by the parties thereto in such manner as may be prescribed and a copy thereof has been sent to an officer authorised in this behalf by the appropriate Government and the conciliation officer.

### **4. Strike**

A work stoppage; the concerted refusal of employees to perform work that their employer has assigned to them in order to force the employer to grant certain demanded concessions, such as increased wages or improved employment conditions.

A work stoppage is generally the last step in a labor-management dispute over wages and working conditions. Because employees are not paid when they go on strike and employers lose productivity, both sides usually seek to avoid it. When negotiations have reached an impasse, however, a strike may be the only bargaining tool left for employees.

Employees can strike for economic reasons, for improvement of their working conditions, or for the mutual aid and protection of employees in another union. In addition, even if they do not have a union, employees can properly agree to stop working as a group; in that case they are entitled to all the protections that organized strikers are afforded.

LABOR UNIONS do not have the right to use a strike to interfere with management prerogatives or with policies that the employer is entitled to make that do not directly concern the employment relationship. A strike must be conducted in an orderly manner and cannot be used as a shield for violence or crime. Intimidation and coercion during the course of a strike are unlawful.

### **5. Wages**

A wage is monetary compensation (or remuneration, personnel expenses, labor) paid by an employer to an employee in exchange for work done. Payment may be calculated as a fixed

amount for each task completed (a task wage or piece rate), or at an hourly or daily rate (wage labour), or based on an easily measured quantity of work done.

Wages are part of the expenses that are involved in running a business.

Payment by wage contrasts with salaried work, in which the employer pays an arranged amount at steady intervals (such as a week or month) regardless of hours worked, with commission which conditions pay on individual performance, and with compensation based on the performance of the company as a whole. Waged employees may also receive tips or gratuity paid directly by clients and employee benefits which are non-monetary forms of compensation. Since wage labour is the predominant form of work, the term "wage" sometimes refers to all forms (or all monetary forms) of employee compensation.

Wages are also a means of providing income for employees and as a cost of doing business to the employer. In a wider sense, wages mean any economic premium paid by the employer under some contract to his workers for the services delivered by them. In this way wages constitute of financial support, family allowance, relief pay and other benefits. Whereas in the narrow sense, wages are the price paid for the services of labour in the process of production and it count only the wages proper or performance wages.

**The End**