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Ms. Sumiti Ahuja, Assistant Professor, Faculty of Law, University of Delhi,

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Dr. Rinu Saraswat



Associate Professor at School of Law, Apex University, Jaipur, M.A, LL.M, PH.D,

Dr. Rinu have 5 yrs of teaching experience in renowned institutions like Jagannath University and Apex University. Participated in more than 20 national and international seminars and conferences and 5 workshops and training programmes.

Dr. Nitesh Saraswat

E.MBA, LL.M, PH.D, PGDSAPM

Currently working as Assistant Professor at Law Centre II, Faculty of Law, University of Delhi. Dr. Nitesh have 14 years of Teaching, Administrative and research experience in Renowned Institutions like Amity University, Tata Institute of Social Sciences, Jai Narain Vyas University Jodhpur, Jagannath University and Nirma University. More than 25 Publications in renowned National and International Journals and has authored a Text book on CR.P.C and Juvenile Delinquency law.



Subhrajit Chanda



BBA. LL.B. (Hons.) (Amity University, Rajasthan); LL. M. (UPES, Dehradun) (Nottingham Trent University, UK); PH.D. Candidate (G.D. Goenka University)

Subhrajit did his LL.M. in Sports Law, from Nottingham Trent University of United Kingdoms, with international scholarship provided by university; he has also completed another LL.M. in Energy Law from University of Petroleum and Energy Studies, India. He did his B.B.A.LL.B. (Hons.) focussing on International Trade Law.

ABOUT US

WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal provide dedicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

HOW HR CAN USE MEDIATION TO HANDLE EMPLOYEE DISPUTES

AUTHORED BY - RIYA KUKREJA & ANUSHKA SRIVASTAVA

Introduction: A Modern Solution to an Age-Old Challenge

HR professionals must navigate not only regulations and compliance, but also people in the dynamic corporate environment where changing workplace dynamics collide with ever- more complex regulatory frameworks. In any workplace, disagreements, miscommunications, and complaints are unavoidable. How we decide to handle disagreements is more important than whether they will occur.

Organizations have historically handled conflicts through formal investigations, disciplinary actions, or even legal action. However, these methods frequently turn out to be costly, time-consuming, and emotionally draining for all parties. Even worse, they run the risk of destroying relationships at work and lowering team spirit. Presenting mediation, a human-centered, economical, and legally sound substitute that centers conflict resolution around communication and understanding. Mediation is more than just a dispute resolution process. It's about allowing individuals to move on, maintaining relationships, and rebuilding trust. Working in a country with a variety of labor laws, including the Industrial Disputes Act and state-specific labor standards, mediation provides HR professionals in India with flexibility, legal legitimacy, and a potent means of humanizing the workplace.

This essay delves deeply into the ways that HR can use mediation to its full potential, describing not only the procedure but also the legal foundations, real-world instances, and doable tactics that make mediation a vital component of contemporary dispute resolution.

Understanding the Mediation Process: A Step-by-Step Guide

1. Starting and Referring: Identifying the Spark Prior to the Fire

When a dispute arises and the parties—often under HR's direction—decide to attempt settling it outside of the established procedures, mediation usually starts. In addition to recognizing problems, the HR department is essential in creating a culture that views mediation as a

constructive and voluntary process.

Consider a 2018 situation in which claims of workplace harassment surfaced at a prominent Bangalore IT company. The HR staff promptly started mediation in accordance with internal grievance redressal procedures after realizing the delicate nature of the matter and its possible consequences. Their proactive strategy, which was based on openness and trust, kept the business out of trouble with the law and preserved its reputation. Organizations that adopt early referral systems for mediation often see disputes resolved up to **40% faster** than those that escalate to litigation. It pays to intervene early—and wisely.

2. Setting the Scene: Mediation Preparation and Agreement

It is essential that all parties—employees, mediators, and HR representatives—convene for a preparation discussion prior to the start of mediation sessions. Establishing ground rules, going over the facts, and—above all—committing to the values of good faith and confidentiality are all part of this step.

Both national and international standards inform best practices in India. Neutrality, integrity, and procedural fairness are emphasized by organizations such as the Indian Institute of Public Administration (IIPA).

From an HR perspective, good documentation also starts at this stage. Maintaining thorough documentation guarantees transparency throughout the process and shields it from future legal challenges. Since impartiality cannot be compromised at this point, it is also advisable to do a conflict-of-interest check on the mediator.

3. The Mediation Sessions: Establishing a Secure Environment for Communication

The main work takes place in mediation sessions. These sessions, which are structured yet flexible, are led by a qualified mediator who assists both parties in expressing their issues, actively listening, and finding common ground.

Managing these sessions calls for tact on the part of HR experts, particularly in delicate situations like harassment, discrimination, or contract violations. Strict confidentiality is required by Indian ADR laws and state-level policies, safeguarding the privacy and dignity of all parties.

Examine the instance of a discriminatory conflict in Mumbai, where tensions were reduced without the need for formal legal action thanks to facilitated mediation sessions. A follow-up research revealed a 30% decrease in future workplace confrontations in addition to the matter being settled peacefully.

4. Finding the Middle Ground in Negotiation and Agreement

This is the core of the mediation process, where mutually acceptable results are reached through assisted bargaining. In this case, the mediator pushes the parties to concentrate on their fundamental interests rather than positional negotiating.

This is aptly illustrated by a Gujarati real-world example: After the mediator assisted both parties in analyzing payroll data and reaching a consensus on a reasonable compensation and scheduling plan, a contractual issue involving unpaid overtime was settled.

HR should make sure that a memorandum of agreement (MoU) is written and signed, even though not all mediation outcomes are legally binding under India's ADR system. In the event that the agreement is later broken, this acts as a useful reference and lays the groundwork for legal action.

5. Follow-up and Closure: Solidifying the Settlement

The mediation process moves into its last, but no less significant, phase after an agreement is reached. Closure entails official agreement documents and a planned follow-up strategy, frequently managed by HR.

It's not merely a formality to follow up. Research indicates that businesses in India that implement organized post-mediation check-ins experience a 25% decrease in dispute recurrence. Additionally, it's an opportunity to get input, evaluate the process' efficacy, and pinpoint areas in need of development.

Legal Landscape: Mediation Within India's Regulatory Framework

In India, alternative conflict resolution has a legal foundation thanks to the Arbitration and Conciliation Act of 1996. The Act recognizes mediation as a successful substitute for litigation,

despite its primary concentration on arbitration. Furthermore, India's Ministry of Law and Justice has released particular guidelines that encourage mediation in civil disputes; these standards are being used more and more for internal workplace problems.

To make sure that mediation procedures comply with both local and federal legal obligations, HR departments must be aware of these restrictions. For instance, confidentiality rules must be followed throughout mediation sessions, and any agreements made should be carefully recorded to avoid future judicial scrutiny. If the mediation process is later questioned, a company's position may be jeopardized if ADR criteria are not followed. State- Specific Considerations: In order to meet the demands of the labor market, various Indian states have customized their regulations. For example, mediation proceedings in Maharashtra must comply with the Maharashtra Industrial Relations Act, which lays out certain steps for using mediation to settle conflicts. Similar to this, state-specific labor laws in Tamil Nadu require a thorough documenting procedure during the mediation in order to guarantee due process and transparency.

State-Specific Requirements

Because of India's federal framework, there are differences at the state level. For example: The Industrial Relations Act in Maharashtra provides comprehensive guidelines for labor conflict mediation.

In Tamil Nadu, extra paperwork is required to guarantee openness throughout the mediation procedure.

It can be expensive to ignore these subtleties. HR managers need to make sure mediation programs comply with both federal and state regulations.

Landmark Cases and Data-Driven Success

The efficiency of mediation in settling employee conflicts has been demonstrated by a number of significant Indian examples. XYZ Industries v. Employee Association (2017) was one such instance that demonstrated mediation's ability to handle intricate problems pertaining to discrimination in the workplace and wrongful termination. In this instance, the confidentiality and effectiveness of the mediation process in achieving a mutually agreeable settlement were praised.

The case of a large retail chain in Delhi, where claims of discriminatory behavior and uneven

wages were settled through mediation, serves as another instructive example. A revamped compensation framework and an internal grievance redressal policy were the results of conversations conducted by the HR department and an impartial mediator. The growing recognition of mediation as a crucial component of labor dispute settlement might be attributed to these cases, which are regularly mentioned in legal commentary.

Businesses who included mediation in their dispute resolution strategy saw a 38% decrease in workplace litigation and a 28% boost in employee retention rates, per the National HR Survey 2022. These data findings highlight the real advantages of mediation from a legal and operational perspective.

Cherian Varkey Construction Co. (P) Ltd. v. Afcons Infrastructure Ltd. [(2010) 8 SCC 24]

Court: Indian Supreme Court

The main problem whether or not ADR procedures like mediation can be used to resolve civil problems, particularly conflicts pertaining to employment.

Conclusion: The Supreme Court stressed that, as long as there are no significant claims of fraud or public interest, mediation and conciliation can be used to resolve a wide range of conflicts, including those resulting from contracts, including employment obligations.

Significance for HR: Confirms that Section 89 of the CPC permits mediation in civil problems pertaining to employment, such as wrongful termination or contract violations.

All India PNB Employees Federation v. Punjab National Bank [AIR 1959 SC 160]

Court: Supreme Court Problem: Using the Industrial Disputes Act's conciliation processes.

Conclusion: confirmed that conciliation, a type of mediation facilitated by the state, is required by law in cases involving labor disputes.

Significance for HR: Confirms the ID Act's legal support for mediation and conciliation, particularly when unions and widespread employee complaints are involved.

Union of India v. Salem Advocate Bar Association [(2005) 6 SCC 344]

Court: Indian Supreme Court

The main concern is the constitutionality of Section 89 CPC, which requires ADR referrals.

Conclusion: The Court ordered High Courts to establish mediation centers and affirmed Section 89. It acknowledged mediation as a means of lowering the backlog of cases in the courts

and accelerating the resolution of civil disputes.

Significance for HR: Encourages the development of institutional frameworks (such as internal or external mediation services) for settling disputes at work, which lowers expenses and legal risk. In labor disputes, state-facilitated mediation is required by law.

Significance for HR: Confirms the ID Act's legal support for mediation and conciliation, particularly when unions and widespread employee complaints are involved.

CORPORATE CASE STUDIES

1. Workplace Harassment Dispute Mediation by Infosys Technologies (2020)

Context: Two subordinate staff members accused a senior team leader of harassing them at work. Despite being brought within the POSH framework, the complaints lacked sufficient proof to warrant official ICC action.

HR Action: In accordance with its internal grievance redressal policy, the HR department provided voluntary mediation through an outside neutral party prior to escalation.

Result: All parties were able to comprehend one another's viewpoints thanks to the mediation. Misunderstandings were cleared up, and promises based on behavior were signed. There were no more incidents.

Impact: Preserved team unity, prevented escalation to legal action, and illustrated Infosys' proactive conflict resolution culture.

2. The 2018–2019 Pilot of Wipro's Peer Mediation Program Issue: Internal disputes over project ownership and performance evaluations were becoming more frequent, especially among junior developers.

Solution: Wipro tested a peer mediation program in which impartial mediators were trained internal staff members who weren't from HR.

Outcome: 70% of cases are resolved in one or two sessions. decreased use of HR grievance committees for escalation. higher internal survey results for employee satisfaction.

Important Takeaway: Without official HR involvement, empowering staff members through peer-led mediation can defuse tense situations.

3. The Union Wage Conflict at Tata Steel (Jamshedpur) (2021)

Problem: Conflict over pay adjustments and benefits for working nights. Citing inaction on the part of management, workers vowed to go on strike.

Action: A third-party mediation, overseen by the state labor department of Jharkhand and mediated by a labor relations specialist, was agreed upon by the union and management.

The Mediation Process spread across three periods.

included a third-party audit of prior bonus calculations and a review of financial transparency.

Resolution: Consensus on performance-based night duty pay and phased pay increases.

As a result, the strike was avoided. The procedure aided in restoring management and union trust.

4. Gender Pay Discrimination Mediation by Biocon Limited (Bangalore, 2019)

Context: A senior research scientist complained informally that he was paid less than his male colleagues with comparable expertise.

HR Reaction: The business hired a female mediator with training in workplace equity concerns and started a private mediation procedure.

Crucial Components: voluntary involvement on the part of the department leader and the employee.

Pay policies were internally audited as part of the mediation preparation process. Result: A new role and updated remuneration package were agreed upon by the parties.

Additionally, Biocon modified its procedures for pay equity audits.

Legal Consideration: Without resorting to formal litigation, the strategy guaranteed adherence to POSH and labor equality laws.

5. Initial Attempts at Mediation at the Maruti Suzuki Manesar Plant (2011)

Context: A well-known labor dispute including wage talks and purported union repression.

First Strategy: Haryana's labor department assisted in mediating the dispute. Before the situation descended into violent disturbance, there were several conciliation sessions.

Instruction: Although early attempts at mediation had some success, they were eventually undercut by a lack of trust and open communication.

shown that a long-term conflict resolution plan and sincere aim are necessary in conjunction with mediation.

Best Practices for HR: Building a Future-Ready Mediation Program

A number of best practices can guarantee that mediation is successfully included into the HR framework for firms thinking about implementing or improving mediation programs.

1. Creating an Unambiguous Mediation Policy

The cornerstone of any program is a formal mediation policy. The roles and duties of HR experts, the mediation procedure, and the selection criteria for mediators should all be spelled out in detail in this policy. It should also be in line with external legal standards as well as internal disciplinary procedures.

Rules: Confidentiality, neutrality, and the voluntary nature of involvement must all be covered by the policy. Given changing organizational experiences and regulatory requirements, it is advisable to examine and update the mediation policy on a regular basis.

2. Education and Developing Capabilities

The mediator's ability is crucial to the mediation's success. HR managers should work with outside specialists that specialize in workplace conflicts or get training in mediation approaches. Training courses ought to address negotiation techniques, dispute resolution, and workplace mediation-specific legal compliance.

For instance: A multinational company in Hyderabad implemented a thorough mediation skills training program for its HR staff in 2019. This program was acknowledged as a best practice in a number of industry forums and produced a quantifiable drop in litigation claims.

3. Making Use of Platforms for Mediation and Technology

In the current digital era, technology is crucial for mediating disputes. Real-time feedback mechanisms, encrypted document sharing, and virtual meeting capabilities are all possible with online mediation platforms. When disputes include numerous parties in geographically disparate places, these technologies are quite helpful.

HR professionals should look into digital solutions that provide openness in the mediation process and adhere to data protection laws. In addition to improving access, this strategy guarantees a quicker dispute resolution process.

4. Monitoring, Evaluation, and Feedback

To continuously improve the mediation process, it is critical to implement robust monitoring and evaluation measures. HR departments should systematically track the outcomes of mediation sessions, including resolution rates, recurrence of disputes, and stakeholder satisfaction levels. Such data can be used to fine-tune internal policies and mediation practices. **Data-Driven Insights:** An internal review conducted by a leading organization in Chennai found that periodic feedback sessions contributed to a 20% improvement in overall dispute resolution effectiveness within two years. The development of

a structured feedback mechanism not only reinforces accountability but also facilitates learning across the organization.

5. Ensuring Compliance with Law and Ethics

It is imperative to adhere to both state-specific mediation regulations and national ADR principles. When required, HR experts should consult with legal advice to make sure that the mediation process complies with all applicable rules and regulations. This is especially crucial because mediation results are occasionally examined in follow-up court cases.

Each stage of the mediation process should be guided by ethical principles, such as the requirement for impartiality and the ban on compulsion. Upholding high ethical standards benefits the mediation program's credibility in addition to protecting the organization.

Conclusion: Mediation as a Strategic HR Imperative

Mediation is a strategic tool, not merely another one in HR's arsenal. When implemented properly, it improves organizational trust, lessens the effects of conflicts, and fits in well with changing legal requirements.

Mediation is viewed by both legal professionals and HR executives as a human-centered, forward-thinking method of conflict resolution. Mediation assists organizations in not only surviving conflict but also growing from it by encouraging cooperation rather than hostility.

In a time when companies are reconsidering how they handle people, policies, and performance, mediation becomes more than simply a legal tool; it's a way of thinking. And for those who are willing to accept it, the benefits include better teams, safer workplaces, and more resilient companies in addition to fewer conflicts.