Chapter Three

Research Methodology
Contents

3.1 NEED AND IMPORTANCE OF THE STUDY
3.2 SELECTION OF INDUSTRIAL UNITS
3.3 OBJECTIVES OF THE STUDY
3.4 HYPOTHESIS
3.5 SOURCES OF DATA COLLECTION
3.6 ANALYSIS OF DATA
3.7 SCOPE AND LIMITATIONS OF THE STUDY
3.8 OUTLINE OF THE STUDY
3.9 REVIEW OF LITERATURE
CHAPTER - 3

RESEARCH METHODOLOGY

In the present chapter, an attempt has been made to describe different aspects of methodology followed in carrying out the study.

3.1 NEED AND IMPORTANCE OF THE STUDY

Creation and maintenance of good employee-employer relations is the very basis of development of industrial peace. The healthy industrial relations in an enterprise generate democratic attitudes, which lead to progress and stability. In India, industrial democracy plays a vital role in solving welfare issues but as far as decision making at the policy level is concerned, its role is minimal. The modern industrial relations are a blend of traditional systems and innovation. Some of the features of earlier system persist and therefore, lead to conflict with new practices, creating challenging problems for the management as many of the changes may be opposed by worker. In the present business scenario of globalization, the employers argue that one of the major hurdles the Indian business organizations face is attaining competitiveness is labour reforms. The issue is much broader than reforming labour market as it covers a balancing committed approach of the employers, workers and the Government on the aspect of maintaining global competitiveness and providing equity to the workers for social justice. All these changes have made the present system of employment relations very complex.

Industrial relations function at various levels, at the national level, the industrial relations deals with labour relations policy and their function is to frame policies. At the industry level it deals with collective bargaining between employer’s organizations and unions. The next is the enterprise level in which there is a direct relationship between employees and employers and union play an important role.

Industrial unrest in the form strikes and lockouts have been existed in India for a long time. The statistics of labour unrest shows that in the recent years, there has
been certain improvement in the industrial relations resulting into decrease in the number of strikes and lockout as well as man-days lost due to labour unrest. On this background, labour and industrial relations culture has to be developed and established in future, where force and coercion in any form are looked down upon. In a planned economy like India's, strikes and lockouts are deadly weapons which can destroy not only the industry and the workers but also harm the economy. It has become necessary for mutual agreement between labour, employers, and government to see that there should be healthy industrial relations in various sectors of the economy to accelerate the pace of economic development in a globalized environment. In sum, the importance of good industrial relations is acknowledged as it is reflected and measured by the positive returns it assures.

Industrial relations are posing one of the most delicate and complex problems to modern industrial sector as the future of the industry is largely based on the way how it maintains the industrial relations. There is no doubt that industrial relations in India have come a long way in terms of labour legislations by the Government, adoption of proper management practices and introduction of innovative policies by industrial organizations. But, still in spite of increasing awareness about industrial relations, the problem has been a matter of major concern to a large number of industrial units due to many reasons.

The Labour Bureau, Simla, publishes the Indian Labour Year Book, containing the national statistics in respect of trade unions, their membership, number of disputes, workers involved, man-days lost, work stoppage, lockouts and disputes, results and duration. These figures relate to the country, industry, and State and do not throw any light on industrial relations in a particular industrial centre or region. The present study can give fairly a good idea of industrial relations situation in a particular industrial centre.

The recent years have witnessed a dramatic expansion in the private sector in almost all the fields of the economy. They have attained a significant growth in terms of their number, employment, investment, output and exports. This means that an
increasing number of workers will be getting employment in private sector. But, still these industries suffer from various problems of labour front. In the present recessionary trends in the global economy, the study pertaining to industrial relations in private sector assumed increasing importance and relevance.

It is the fact that more than 92% of India’s total workforce of about 46 Crores is employed in the unorganized sector. These workers are uncovered by any social security measures. In the light of these facts the question is it really worthwhile to study the industrial relations in the organized sector that affect only a small chunk of workforce. The answer to this query lies in the fact that the relations that influence such a small segment of workers have far-reaching implications not only on the attitude of the unorganized workers but on economy as a whole. Hence, there is a need to study the industrial relations in organized labour in private sector.

### 3.2 SELECTION OF INDUSTRIAL UNITS

There are 30 large scale industrial units operating in Ahmednagar city. As far as classification of units is concerned, 21 industrial units belong to engineering category followed by 4 in electrical products and one each in pharmaceuticals, steel, chemical, rubber and consumer products. As the number of industrial units is large for the purpose of study, the researcher has selected nine industrial units. The units were selected on the basis of following conditions:

- **a)** The unit should have, as far as possible, a contrasted history of industrial relations either harmonious or disharmonious.

- **b)** It should be from among large industrial units providing employment to more than 300 employees each. The size and number of employees are the important factors in matters concerned with industrial relations, as these units are under greater pressure to ensure fairness in the payment of wages, welfare schemes, trade unionism, collective bargaining, recruitment and selection process, communication systems, etc.
e) The unit should have financial ability to operate sophisticated human resource management and industrial relation systems. The turnover of more than Rs. 100 Crore has been fixed as the criterion.

d) The units selected should be a good mixture of old and new one, based on their year of establishment.

Of the total nine industrial units selected for the study, five units belongs to engineering products, two units from electrical products and one each from steel and pharmaceuticals products. Hence, the selected industrial units represent a good sample of varied fields of manufacturing. The details of industrial units selected, in alphabetical order, are as follows:

<table>
<thead>
<tr>
<th>Sr No</th>
<th>Industrial Unit</th>
<th>Year of Establishment</th>
<th>Total Number of Employees</th>
<th>Turnover (Rs. in Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Crompton Greaves Ltd (CGL)</td>
<td>1980</td>
<td>698</td>
<td>558</td>
</tr>
<tr>
<td>2</td>
<td>GKN Sinter Metals Ltd. (GKN)</td>
<td>1976</td>
<td>390</td>
<td>110</td>
</tr>
<tr>
<td>3</td>
<td>Indian Seamless Metal Tubes Ltd (ISMT)</td>
<td>1979</td>
<td>947</td>
<td>480</td>
</tr>
<tr>
<td>4</td>
<td>Kinetic Engineering Ltd. (KEL)</td>
<td>1972</td>
<td>1275</td>
<td>150</td>
</tr>
<tr>
<td>5</td>
<td>Kirloskar Oil Engines Ltd (KOEL)</td>
<td>1977</td>
<td>440</td>
<td>105</td>
</tr>
<tr>
<td>6</td>
<td>Larsen &amp; Toubro Ltd. (L&amp;T)</td>
<td>1982</td>
<td>769</td>
<td>300</td>
</tr>
<tr>
<td>7</td>
<td>Newage Electrical India Ltd (NEIL)</td>
<td>1992</td>
<td>663</td>
<td>350</td>
</tr>
<tr>
<td>8</td>
<td>Sun Pharmaceuticals Industries Ltd. (Sun Pharma)</td>
<td>1996</td>
<td>371</td>
<td>219</td>
</tr>
<tr>
<td>9</td>
<td>Videocon Exports Pvt. Ltd (Videocon)</td>
<td>1991</td>
<td>712</td>
<td>200</td>
</tr>
</tbody>
</table>
It is evident that the highest number of employees is 1275, employed in well known engineering unit, Kinetic Engineering Limited. While the lowest number of employees is 371 in a pharmaceutical unit, Sun Pharmaceuticals Industries Limited. The annual turnover ranges from 105 crore to 558 crore. As far as the life of the industrial unit is concerned, it is clear that, the oldest unit KEL has a life of 33 years while the new unit, Sun Pharma has a life of 9 years. From the past records it is observed that four industrial units namely CGL, KOEL, KEL and L&T had certain background of strike activities. There was a strike in CGL in 1992, which lasted for 30 days and mandays lost were 5980. In 1979 and 1982, there were strikes of 52 and 56 days involving 70 and 100 workers and mandays lost were 3010 and 4300 respectively in KOEL. The KEL had a biggest strike of 972 workers, the strike continued for about 6 months, the mandays lost were about 1,52,000 in 1982. The L&T had a background of one month strike in 1992, involving 230 workers and the number of mandays lost was 5980. The rest of six industrial units had much greater industrial peace.

3.3 OBJECTIVES OF THE STUDY

The present study essentially highlights the overall picture of industrial relations in the private sector with reference to selected industrial units in Ahmednagar city. The principal objective of the study is to examine the various aspects of industrial relations. It also attempts to study the attitudes of workers, trade union leaders and management personnel as well as some formal aspects of human resource management practices. In more precise terms, the study proposes to examine the following aspects of industrial relations in the selected industrial units:

   i) Formal aspects of human resource management such as recruitment policies, promotion and development policies, training, wages and welfare.

   ii) The philosophy, attitudes, policies and systems developed by the management to create and maintain good industrial relations.

   iii) The nature of industrial unrest and the factors associated with it.
iv) The rules and regulations, collective bargaining, agreements, awards of courts, settlement of disputes executing labour legislations, workers participation in management showing cooperation between management and workers.

v) The attitudes and opinions of workers and trade union leaders regarding human resource management practices and labour-management relations.

3.4 HYPOTHESIS
The present study is guided by testing of the following hypotheses:

i) In the global competitive and performance oriented economic environment, the management of industrial units have realized the importance of human resources and healthy industrial relations for effective organizational performance.

ii) The industrial units are continuously adopting human resource development and welfare oriented practices and policies to have healthy industrial relations. These practices have provided sound base for maintaining harmonious industrial relations, developing labour-management cooperation and mutual understanding.

iii) On the whole, the industrial relations in the selected industrial units in Ahmednagar city are quite cordial.

3.5 SOURCES OF DATA COLLECTION
The study is based on both primary and secondary data. The detailed information on various aspects has been obtained from the annual reports and official records of the industrial units and trade unions. The researcher often visited all the sample industrial units personally and collected data from the management authorities of the industrial units and office bearers of trade unions. All the attempts have been made to obtain detailed information through informal interviews. For the purpose of obtaining the required information from the industrial units, three structured interview schedules were constructed separately for (a) managerial personnel (b) trade union leaders and (c) workers. The formats of questionnaires used are given in Appendix I,
II and III. The informal interviews of the officers of the organizations like District Industries Centre, District Statistics Office, M.I.D.C. Office, Ahmednagar Municipal Corporation, Assistant Labour Commissioner Office were also found supplementary. Many interviews especially of the management personnel and trade union leaders took considerable amount of time. The researcher has worked as Industrial Relations Manager of a well known industrial unit at Ahmednagar for about three years. Presently he is working as General Manager, (H.R.M.) of a well-known large scale industrial unit in Maharashtra. He has a long experience with the human resource and industrial relations systems and practices of different large industrial units. Hence, the researcher has not experienced any difficulty in obtaining official data of the selected industrial units.

Data relevant to the study having bearing on the objectives of the study have been collected from the Census Reports, Government publications, books, journals, newspapers and other published sources.

To study the attitudes and assess the opinions of the workers and trade union leaders regarding labour-management relations, a sample of 300 workers, being 10 percent of the total number of workers of each industrial unit was taken. The participants in the study were asked to respond to a questionnaire describing their satisfaction towards the organization and the compensation and benefits practices followed by their organizations. Several face-to-face interviews and observations were conducted to supplement the surveys. The selection of workers was on a job basis. Workers for the sample were selected at random only from the categories of operatives, i.e. those engaged in actual production process. The selected industrial units have different categories of skilled and unskilled workers. The supervisory and clerical staff was excluded from the study. It is natural that the lower categories of workers or shop-floor workers have to face always more labour problems than other categories of employees. These workers are not so well paid and their fringe benefits and perquisites are lower than those of other categories of workers. As these workers have union protection and job security by labour legislation, these workers are generally observed better united and fight for better wages, more benefits, internal
promotion, agitation and litigation. They are directly related to the various aspects of industrial relations in any industrial organization. The sample of workers was taken only from the permanent workers. The temporary and contract workers have been excluded from the study, as these are not regular workers and can be terminated at any time. As the data have also been obtained from the office bearers like the President and Secretary of each trade union, a sample of 18 trade union leaders representing 9 trade unions of the concerned industrial units was taken. A picture of sample size of workers is given below.

Sample Size of Workers

<table>
<thead>
<tr>
<th>Sr</th>
<th>Industrial Units</th>
<th>Total Number of Employees</th>
<th>No of Permanent Workmen</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Crompton Greaves Ltd</td>
<td>698</td>
<td>320</td>
<td>32</td>
</tr>
<tr>
<td>2</td>
<td>GKN Sinter Metals Ltd.</td>
<td>390</td>
<td>127</td>
<td>13</td>
</tr>
<tr>
<td>3</td>
<td>Indian Seamless Metal Tubes Ltd</td>
<td>947</td>
<td>577</td>
<td>58</td>
</tr>
<tr>
<td>4</td>
<td>Kinetic Engineering Ltd</td>
<td>1275</td>
<td>825</td>
<td>83</td>
</tr>
<tr>
<td>5</td>
<td>Kirloskar Oil Engines Ltd</td>
<td>440</td>
<td>200</td>
<td>20</td>
</tr>
<tr>
<td>6</td>
<td>Larsen &amp; Toubro Ltd</td>
<td>769</td>
<td>303</td>
<td>31</td>
</tr>
<tr>
<td>7</td>
<td>Newage Electrical India Ltd</td>
<td>663</td>
<td>155</td>
<td>16</td>
</tr>
<tr>
<td>8</td>
<td>Sun Pharmaceuticals Industries Ltd.</td>
<td>371</td>
<td>216</td>
<td>22</td>
</tr>
<tr>
<td>9</td>
<td>Videocon Exports Pvt. Ltd.</td>
<td>712</td>
<td>245</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>6265</td>
<td>2968</td>
<td>300</td>
</tr>
</tbody>
</table>

3.6 ANALYSIS OF DATA

The data collected from both primary and secondary sources have been processed, summarized and arranged systematically and displayed by tables. For the purpose of analysis of data, the techniques such as percentages, growth rates, averages, graphs, etc. have been used.

3.7 SCOPE AND LIMITATIONS OF THE STUDY

The study covers a period of ten years from 1995-96 to 2004-05. The present study is confined to the industrial relations in the selected nine large scale industrial units only. The concept of industrial relations has a very wide meaning and its study
includes various aspects of interactions between employer and employees, employee and employers, employer and employer and also their relations with the Government. However, in its strictest sense the term industrial relations means relations between management and workmen in a unit. The study takes a narrow view of the term, which includes the relationship between the management and workers and the trade unions. The major issues covered in the study in respect of industrial relations process in the selected industrial units are employment and working conditions like wages, dearness allowances, bonus, fringe benefits, leave, working hours, health, safety, welfare, job security, promotional opportunities, and other aspects like trade union activities, collective bargaining, settlement of disputes, etc. Hence, the basic thrust of the discussion is to examine the relationship between the management, workers and the trade unions of the large scale industrial units. An attempt has also been made to study the opinions of workers and trade union leaders regarding industrial relations in the concerned industrial units.

It is not the comparative study of industrial relations in the selected industrial units. The study attempts to give fairly good idea of industrial relations in large scale industrial units in Ahmednagar city.

3.8 **OUTLINE OF THE STUDY**

The present treatise has been divided into ten chapters.

Chapter One is introductory in nature and is concerned with definitions, meaning, scope, objectives participants in industrial relations. The approaches of industrial relations are also discussed in brief.

Chapter Two deals with the history of industrial relations in India during prior British Rule, British Rule and Post-Independence era covering Five Year Plans and Post-Globalization period. The magnitude of industrial relations in India and role of India in International Labour Organisation have also been dealt.

Chapter Three is devoted to the Research Methodology that has been followed. An introduction to the topic, aims and objectives, hypothesis, sampling, data collection,
scope and limitations, review of the literature and outline of the study have been explained in details.

Chapter Four is concerned with the industrial development in Ahmednagar city.

Chapter Five is devoted for the brief profile of each selected industrial unit covering the aspects of their establishment, product, organization structure, number of employees, turnover, etc.

Chapter Six explains the general aspect of human resource management in industrial units covering the aspects of philosophy towards industrial relations, organization of human resource, function of HRM department, recruitment policy, training and development, performance management system, workers participation management system, etc.

Chapter Seven is concerned with the wage and salary administration and welfare activities by the industrial units.

Chapter Eight relates to trade unionism in industrial units. The activities of trade unions, role of trade unions in maintaining industrial relations, management philosophy towards trade unions are the important aspects dealt within this chapter.

Chapter Nine covers the industrial unrest and settlement machinery of the industrial units. The causes of strikes, settlement machineries including grievance redressal, collective bargaining, conciliation and adjudication are the aspects covered in this chapter.

Chapter Ten summarizes the observations, findings and conclusions. It also deals with the suggestions for improving the industrial relations in general.

3.9 REVIEW OF LITERATURE

The review of literature helps to understand the importance, background and present situation related to the subject selected for the research work.

Many scholars, authors, researchers have made substantial contribution on the various aspects of industrial relations in both public and private sectors. The studies have covered the various aspects of industrial relations like, labour problems, wages,
working conditions, industrial disputes, health, safety and welfare, trade unionism, collective bargaining, workers participation in management, settlement of disputes, etc. Several case studies have also been attempted to analyse overall industrial relations and human resource management practices in the selected industrial units from the different parts of the country. Now-a- days a problem of industrial relations is not limited only to a particular industry but has become a serious social problem as the life and livelihood of ordinary citizens are badly affected. The literature on the subject matter has been reviewed from various sources like research reports, journals, books and newspapers.

The news of industrial unrest is common in daily newspapers and other medias of publicity. There was a time when unions were known only of factory workers. White-collar employees and professional people like doctors, engineers, lawyers, teachers, managerial staff, employees of banks, insurance, airlines, transportation, oil companies, RBI, etc. are organized and so are the Central Government and State Government employees. Despite the Supreme Court’s strong views on such wanton disruption, strikes and blockades seem to have developed into a cancerous growth.

P.P. Arya studied Labour – Management relation in public sector undertaking (1989). He studied the case studies of Heavy Electronics India Ltd., Bhopal and Indian Telephone Industries Ltd., Bangalore, covering a sample of 375 workers and 35 trade union leaders and 33 managerial personnel. The study pointed out that the strikes in these two public sector undertakings were mainly due to economic reasons and also due to other reasons like recognition of trade union, attempt to spread communist ideology, suspected discriminative attitudes of the management towards workers, reinstatement of dismissed employees and intervention of political leaders. The researcher concluded that the collective bargaining for the settlement of disputes was hampered because of lack of clear-cut delegation of authority to the management, negative attitudes of management, financial performance of the units, multiplicity of unions etc'.
A thesis titled "Labour Problems of Textile Industry" was submitted by G.R. Thakker in 1960. He studied the problems of labour in the cotton mill industry of Mumbai, which is the oldest large scale industry in India. He studied 15 mills of different sizes. He expressed the need for serious introspection on the part of industrialists to reshape their attitude towards labour problems and to reorient their relations with labour in the light of new circumstances.

A research paper titled "Participation Correlates of Trade Union Members" presented by A.S. Sindhu at the Seminar on "Research Methods in Management" organized by University Business School, Punjab University, Chandigarh in 2001. The paper was published in a book titled "Research Methodology in Management" edited by P.P. Arya and Yesh Pal (2001). The research paper attempted to examine the nature and extent of members' participation in trade union activities and to identify the factors influencing their participation. The study was restricted to Amritsar and Ludhiana districts of Punjab State. Nine unions affiliated to central trade unions viz. INTUC, AITUC, BMS, CITU and HMS were selected. A sample of 300 trade union members was drawn randomly from the total membership of 33619. The study shows that the members with the lower wages participate more actively than those with the high wages. It also reveals that the members having higher level of satisfaction with union performance participate more in trade union activities. The hours of work and rate of bonus were not found important in this regard.

The Labour Problems and Welfare in the Sugar Industry in eastern region of Uttar Pradesh were analyzed by M. Mustafa (1990). The study explains how far the labour force in this agro-based industry has given a fair deal by the management and government as well. The study analyzed labour problems in respect of working conditions, wage structure, welfare measures, absenteeism, labour turnover, etc. According to him these problems deserves serious attention with the aim of achieving the goal of better living conditions, committed workforce and stable peaceful and harmonious industrial atmosphere based on mutual understanding.

Gandhiji can be called one of the greatest labour leaders of modern India. Gandhiji laid down certain conditions for a successful strike. These are (a) the cause
of the strike must be just, (b) there should be no violence and (c) no strikes of “blacklegs” should never be molested. Gandhiji’s concept of trusteeship is a significant contribution in sphere of industrial relations. Gandhiji wrote in “Young India” (August 1927), “in my opinion, the mill-hands are as much the properties of the mills as the shareholders and when the mill-owners realise that the mill-hands are as much mill-owners as they are, there will be no quarrel between them.” He further emphasized that “workmen should be regarded as equals with the shareholders.” He recognized the need for higher productivity and pleaded that “the management should share with the workers the gain from the higher productivity.”

P. Verma in his paper “Industries and Conflicts in India”, Vikalpa, July 1978, studied inter-industry differences in conflict-process by taking 22 major industries. The study relates to three periods i.e. from 1961-65, 1966-70 and 1971-73. The measures used are the number of man-days lost during these periods in 22 industries. It was found that 12 out 22 industries were not conflict-prone. The textile industry was the most conflict-prone followed by metal products, plantations, tobacco, mining and quarrying, machinery, food and transport and communication in that order.

R.K. Agarwala in his article “Union-Management Cooperation – Framework,” Indian Journal of Industrial Relations, (January, 1978) provided a model of the stages in the growth of industrial relations. It consists of five stages and describes the form of relations and the type of unions existing in each stage. The model is described below:

<table>
<thead>
<tr>
<th>Stage</th>
<th>Form of Relations</th>
<th>Type of Unions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formation Stage</td>
<td>Hesitation Hostility</td>
<td>Guilds and Craft Unions</td>
</tr>
<tr>
<td>Fighting Stage</td>
<td>Acceptance Conflict</td>
<td>Classical Unions</td>
</tr>
<tr>
<td>Friendly Stage</td>
<td>Acceptance Understanding</td>
<td>Collective Bargaining</td>
</tr>
<tr>
<td>Fraternal Stage</td>
<td>Friendship Mutuality</td>
<td>Consultation, participation</td>
</tr>
<tr>
<td>Fusion Stage</td>
<td>Joint Efforts Inter-dependence</td>
<td>Union-Management cooperation</td>
</tr>
</tbody>
</table>

The compartmentalisation of stages may not be water-tight and some overlapping might obviously occur. It gives an idea as to how from the stage of
hesitation and hostility, the two parties the union and the management can reach the stage of joint effort and interdependence.\(^7\)

U.Y. Kulkarni, "Industrial Relations in Nashik Industrial Area" Ph.D. thesis submitted to the Pune University in 1993 analysed overall industrial relations in the selected ten industrial units. The data have been collected from the specially designed questionnaires for managerial personnel and workers. The researcher concluded that majority of management authorities complained regarding employees discipline while most workers were observed satisfied with wage scale and working conditions. The overall situation of industrial relations in Nashik city was observed satisfactory during the period of study.\(^8\)

Hemant Deosthale, studied comparative industrial relations in Multi-National Companies and Indian Companies in Pune city for the Ph.D. research titled "The State of Industrial Relations in Multi-National Companies around Pune", submitted to the Pune University. The period of study was limited to five years from 1985-1990. The researcher has selected 12 MNCs and 10 ICs for the study. The study concludes that the industrial relations in MNCs are better than ICs.\(^9\)

Many studies brought out the fact that acute labour problems have resulted in strikes, lockouts and even closure of industrial units. Industrial unrest is one of the important causes of industrial sickness in India. B.B. Kanwade in his Ph.D. thesis "A Study of Industrial Sickness in Ahmednagar Industrial Area" (2006) pointed out that of the 192 sick small scale units, 23 (12\%) units became sick because of labour problems. These labour problems have been due to the difference between the workers and management over the issues of wages, bonus, retrenchment, suspension, union activities, etc. One of the serious consequences of industrial sicknesses has been loss to employment and these by aggravating the most serious socio-economic problem of unemployment in a labour surplus economy like ours. The study shows that about 200 workers had been affected by the closure of small-scale units in Ahmednagar Industrial Area.\(^10\)

The policy of some of employers to deprive their ad-hoc employees of financial, medical and vocational benefits, which are available to regular employees,
has received criticism from Delhi Court, which termed the practice as “Violative Fundamental Rights and Exploitative”. Allowing the plea of an ad-hoc doctor, who worked for Delhi Jail Board, to get a salary at par with his regular colleagues, the Court said that such employees were entitled to all the benefits. “Employers making ad-hoc appointments and resorting to fictional break, subject the employees to arbitrary hiring and firing policy and deprive them various benefits, which are available to all other government servants and therefore, this pernicious system of appoint is exploitative and violative of Article of 14 and 16 of the Constitution,” the court said.\textsuperscript{11}

V.B. Sing and Baljit Singh jointly carried out a research project by Ford Foundation, New Delhi on the “Climate of Industrial Relations in Kanpur Cotton Textile Industry.” The study was based on a sample of 10 cotton mills covering a period of 6 years from 1955-60. The study reveals that 52% of the total disputes were due to economic reasons, 43% due to employment conditions and 5% of the strikes were due to technological changes and modernization. They have analysed that the productivity per employee was increased while the share of employees declined from 24% to 22% over the period. The forming of the Works Committee at plant level had been more formal than effective.\textsuperscript{12}

A new law, called Essential Services Maintenance Act (ESMA) was passed by the Government of India in 1981. With this, the Government now has wide-ranging powers to intervene in industrial relations. The ESMA empowers the Government to ban strikes, lay-offs and lockouts in what it deems to be “essential services”. It also empowers the Government to punish any person who participates or instigates a strike which is deemed illegal under ESMA. This law incenses the trade unions a great deal and as a result major trade unions observed a “Bharat Bandh” in January, 1982. Workers in industrial establishments, banks, insurance companies abstained from work from that date.\textsuperscript{13}

Marathawada University, Aurangabad, studied four memorandums of settlement made during the period of 12 years from 1989 to 2000 between Bajaj Auto Ltd, and its workers trade union namely “Bharatiya Kamagar Sena”. The comparative study of the four agreements made in 1988, 1992, 1996 and 2000 shows that the workers benefitted more and more as compared to the previous agreement. There was an increase from time to time in basic wage, DA and other allowances as well as the perquisites. However, it was highlighted that these agreements were linked up with higher productivity. As a result the productivity per employee increased from 67.7% in 1997 to 87.8% in 2001.14

The importance of good industrial relations and concern for welfare of the labour is best expressed in the following words of Dorabji Tata mentioned in “Man Management in Tata Steel”, Tata Iron and Steel Company Ltd, Jamshedpur, 1974. The welfare of the laboring classes must be one of the first care of every employer. Any betterment of their conditions must proceed more from the employers downward rather than be forced up by demands from below, since labour, contented, well housed, well fed and generally well evoked after, is not only an asset and advantage to the employer, but serves to raise the standard of industry and labour in the country.15

According to a recent study by International Labour Organisation (ILO), India witnessed a mere one percent hike in wages to employees against a five percent growth in productivity during the last two decades. The country ranked ninth in the list of thirty two countries offering highest disparity in wage and productivity growth between 1990 to 2007. The report concluded that the gap between richer and poorer households widened since 1990 despite rapid globalisation and boom in economy.16

According to a study by global HR consultancy, Mercer, corporate India needs to be more to help secure retirement benefits for its workforce as its inadequacy can develop into a major social problem. Even the largest companies in the country, whether public or private, could do more to help secure adequate retirement benefits for their workforce. The report titled “Retirement Practices Survey of India” is based upon contributions from 48 companies in India.17
References


