CHAPTER - 8

INDUSTRIAL RELATION AND
SOCIAL SECURITY
The area with the greatest potential for stress and conflict with in an industrial organization is that of labour relation. Industrial conflict in today's society has been a point of vital concern to everyone because conflict in any form touches the lives of all. The growth of industrial organization has been accompanied by large scale problems and large unions, so the struggle between management and labour groups needs special attention. Indeed the hazards in our industrial organization are great. In earlier times it was expected that individual bears these hazards alone but in modern industrial organization it is expected that firms will prevent these hazards with number of selected security programmes and welfare plans. The central concern of this chapter is to examine the various aspects of industrial relation and social security in the context of Indian Tyre Industry. Before this, the discussion of conceptual frame work of industrial relations and social security is presented.

Meaning of Industrial Relations

In a narrow sense, industrial relations mean relations between management and union. This is an effort to minimize conflict and maintain friendly relations in an organization. Good labour relations are based upon a climate of all pervading harmony, adjustment and balance between the parties namely, workers, employers, Government and public in general. Though we may not agree to the idea that these relations are necessarily of 'antagonistic cooperation', we have to admit that like the famous Indian proverb, wherever these are four utensils there is bound to be some friction. The problem of human relationship between employer and employees and their organization or with the Government is the problem of industrial relations. It is a two fold problem arising from both the sides, employer as well as workers. The money power owing to the concentration of economic power in the hands of employers and manpower in the hands
of employees owing to the organization of workers, make this problem a complex one.

In wider sense, industrial relations have been variously defined by different writers. Dale Yoder includes "Recruitment, selection and training of workers, personnel management as well as collective bargaining policies and practices in the term industrial relation"\(^1\). Dunlop has defined industrial relations "as the complex of interrelation among managers, workers and agencies of Government"\(^2\). According to Richardson, "Industrial relations is an art, the art of living together for purpose of production"\(^3\). According to another definition, "The subject of industrial relations, therefore includes individual relations and joint consultation between employers and work people at the place of work, collective relation between employer and their organization and the trade unions and the part played by the state in regulating these relations"\(^4\). According to I.L.O. "Industrial relationship is the composite result of the attitudes and approaches of the employers and employees towards each other with regard to the planning supervision, direction and coordination of the activities of an organization with a minimum of human effort and friction, with an animating spirit of cooperation, and with proper regard for the genuine well being of all the members of the organization"\(^5\). At another place the I.L.O. has taken within its ambit, "The matters like freedom of association and the protection of the right to organize and the right of collective bargaining, collective agreements, conciliation and arbitration and machinery for cooperation

\(^{1}\) Quoted by Dr. Kumar, C.B. in his book "Development of Industrial Relations in India", 1961, p. 9.
\(^{4}\) Encyclopaedia of Britannica; volume 12, page 297.
between the authorities and the occupational organization at various levels of the economy⁶.

On the basis of the above definitions we find that the basic features of the various definitions of industrial relations, inspite of difference in words, remain the same, viz. that industrial relations are, chiefly relations between employers and employees. In industrial relations, we seek to study how people get on together at their work, what difficulties arise between them, how their relations including wages and working conditions are regulated and what organizations are set up for the protection of different interests. These relations include individual relations i.e. relations between employers or their organizations and trade unions at various levels and also the role of the state in regulating these relations. Thus the term "Industrial Relations" refers to "a set of relations arising out of the employee employer relationship in the modern industrial society". Such relationship, however, is complex and multidimensional resting on economic, social, psychological, ethical, occupational, political and legal levels.

**Aspects of Industrial Relations**

Industrial relations are essentially human relations and the complexities of human behaviour have made these relations also complex. The major problems in industrial relations arise out of tension which is created by the employers application of pressures and the workers resistance to these pressures through protective mechanisms. This problem is primarily characterized by power. It is by mobilizing their power economic, political and moral that the workers and their leaders compel employers to take notice, to deal with them, and to grant, in whole or in part, the demands which they make upon them. Similarly, it is by countering with such power that the employer's and management

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determine how much and to what extent they will yield to their employees, either in groups or represented by their organized, unions and how much of the demands they will accept consistent with the necessity of maintaining competition, efficiency and freedom to run the business enterprise.

Therefore, only by recognizing the reality of power, as a primary determinant of industrial relations it is possible to develop a pattern of workable relationships and also to enable the leadership to make a transition form the stage of conflict to stage of containment and accommodation. There are various stages in the union management negotiations which may broadly be identified as:

1. **The structure of conflict**: Usually conflict arises from the refusal by employer to deal with his workers or unions- under conflict structure, however, the employer never really accept trade unions, do not recognize them, and do not yield to their demand even in a narrow, restricted scope, unless they literally have to do it, when a dispute goes into conciliation or adjudication. Their acceptance of the relationship is coercive acceptance imposed by law and not by union power alone.

2. **Containment**: Under this situation, the trade union aggressively try to pres their demands and managements strive with equal determination to contain them within bounds. The pattern is new to which both parties find themselves plunged in by legal obligations and by the organizing force of the unions. Every move is determined by the strict limits of legal obligations.

3. **Power Bargaining**: In this stage the attitudes of both parties continue to the same as in the pattern of conflict, with roots extending far back in history, they, however, come to accept not only the existence of one another, but also the unqualified logic of market place and the economic realities. Here a frank manipulation of
relative power dominates the relations and the implications of strength and relatively balanced power are faced. There are demands on both sides to use power to bring about positive relationships and to avoid any showdown.

4. **Accommodation**: Here the parties try to accommodate each other, the management gives way in as much as there is no undue alarm about the potential of every demand as an encroachment upon managerial prerogatives, the union also changes in as much as it does not rebuff every right or management. But the parties do maintain an alert watch upon these ramparts of principles and orbits of respective equities and privileges. The leaders of both sides learn how to adjust in their daily affairs, to accept the reduction of conflict as an accomplishment without demanding its elimination and are interested and willing to compromise whenever possible and to conciliate when necessary.

5. **Deal Bargaining**: To arrive at a stage where collective agreements are arrived at in the form of package deals, undoubtedly requires a high degree of cooperation and mutual understanding between the management and union leaders. Belonging to the secret diplomacy of bargaining, it naturally does not reveal itself explicitly in records.

6. **Cooperation**: Here both the parties extend mutual concern to each other beyond the familiar matters of wages, working conditions, etc. They also start recognizing essentials like productivity, profitability of business, elimination of waste, adjustment to advances in technology, and so on. The union accepts managerial problems as being of concern to labour also. Similarly, management also recognizes its stake in having a stable and effective union. And by mutual consultation and negotiations, they dispose of the problems as they arise. The union also realizes that the employer's have a
right to make reasonable profits and to maintain discipline in the plant and that the union has to share and participate in these responsibilities.

The relationships have to be understood by viewing them all in terms of the human behaviour that we generally label 'Industrial Relations'.

**Dispute Settlement**

In every organization, HR manager should be thoroughly familiar with industrial relations irrespective of the fact that the employees are unionized or not. But in India a high percentage of the production workers is represented by unions, so HR manager has to deal with unions, he negotiates a separate written agreement. The agreement governs the relations between company managers and employees in the bargaining unit.

Even carefully negotiated union management agreement can not spell out the full details of the relationships between union and employees viz the way the contract is to be administered and how disputes are to be handled. Problems not settled through these negotiation may become serious labour management conflict, going through grievance procedures, arbitration and the courts if necessary. The manner of handling disputes basically depends on the nature of the dispute, strategies of the parties, the language of the agreement and many other factors. Two forms of internal dispute settlement will be explained here these are (a) Grievance handling procedure and (2) Mediation and arbitration.

1. **Grievance Handling Procedure** : "The term 'grievance' implies any dissatisfaction or feeling of injustice in connection with ones employment situation that is to be brought to the attention of the management". Generally speaking , "grievances are manifestation of employee discontent or dissatisfaction that affect organizational

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7 Beach, D.S. : op. cit., p. 538.
health and performance\textsuperscript{8}. In their working lives, employees occasionally have cause to be uncomfortable or aggrieved either about certain management decisions, practices or service conditions. If complaints are not settled, minor complaint become major which causes dissatisfaction and low morale among the employees. So grievance settlement procedure is adopted to cure these problems. "The grievance procedure is set in motion through the discussion of a complaint by the employee, either alone or in conjunction with the steward, and immediate supervisor. From there, the complaint is processed through successively higher levels of management and union officials to a point where an outside arbitrator may be called upon to resolve the issue"\textsuperscript{9}. Some procedures call for a joint labour management grievance committee to meet on a regular weekly or monthly basis. A grievance procedure is a graduated series of steps, arranged in a hierarchy of increasing complexity and involvement.

2. Mediation and Arbitration

"Mediation is sometime referred to as conciliation. Mediation is the more common term, referring to the process whereby a third party attempts to bring the disputants closer to agreement through persuasion"\textsuperscript{10}. As a neutral third party he, listens to both parties, focuses the problem area before both sides. Finally he may recommended a solution as in fact finding. On the other hand, "Arbitration is a process of disputes settlement in which the contending parties submit the issue to a third person or neutral tribunal, which makes an ultimate and binding decision on the


\textsuperscript{9} Miner and Miner : op. cit. 565

\textsuperscript{10} McFarland, Dalton E., op. cit. 581.
matters in disputes\textsuperscript{11}. As compared to mediator, arbitrators are more professional, well qualified and experienced in dealing with these issue, arbitrator generally follow an orderly method of settling disputes. As the common choice of both parties the arbitrator conduct a judicial process holds hearings, get facts, call withness, entertains briefs from the parties and makes binding decisions.

\textbf{Trade Unions and Trade Unionism}

Industrial Relations are closely linked with trade unionism. Trade unionism is the result of the growth of modern industrial establishments involving the employment of a large number of workers in conditions which make them helpless in bargaining individually for their terms of contract. In words of V.V. Giri "Trade unions are voluntary organizations of workers formed to promote and protect their interest by collective action\textsuperscript{12}. Section 2 (B) of Indian trade unions act of 1926 defines a trade union as "any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and workmen or between employers and employees or between workmen and employers or for imposing restrictive conditions on the conduct of any trade or business, and it includes and federation of two or more trade unions\textsuperscript{13}.

Different authors have defined trade unions in different ways. However, the various definitions exhibit certain important common features. Trade union has been defined in terms of the functions it is expected to perform. Though there is a diversity of opinion with regard to the roles of trade unions in the working class movement. Yet all agree to the fundamental purpose of trade unionism, viz. the pursuit of the interests of its members. Further this term has been confined to workers alone as it promotes the workers interest and welfare. According to J.H. Richardson,

\textsuperscript{11} Ibid, p. 582.
\textsuperscript{12} Giri, V.V., Labour Problems in Indian Industry, p. 1.
\textsuperscript{13} Trade Unions Act, 1926, p. 7.
"a trade union is essentially an association of workers formed to safeguard and improve the working conditions of their members and more generally to raise their status and promote their vocational interests"\textsuperscript{14}. Thus the trade unions are the organizations of the workers for the purpose of maintaining and improving their conditions both of working and living.

\textbf{Labour Welfare and Social Security}

Welfare means fairing or doing well. It is a comprehensive term, and refers to the physical, mental, morale and emotional well being of an individual. Moreover, the term is a relative concept, bearing a different interpretation from country to country and from time to time and even with in one country its context may differ from region to region. According to oxford dictionary, it includes "efforts to make life worth living for employees". The international labour organization (I.L.O.) defined welfare as "Such Services, facilities, amenities, which may be established in the vicinity of undertakings to enable persons employed therein to perform their work in healthy and congenial surroundings and to provide them with amenities conducive to good health and good morale"\textsuperscript{15}. The textile labour Enquiry committee has quoted the U.S.A. Bulletin of the Bureau of labour statistics which says that "Welfare is anything for the comfort and improvement, intellectual and social, of the employees over and above wages paid which is not a necessity of the industry, nor required"\textsuperscript{16}. It is an organic part of the industrial body. According to the Royal commission on labour, "Welfare is one which must necessarily be elastic, bearing a somewhat different interpretation in one country from another, according to different social customs, the degree of industrialization and the educational development of the workers"\textsuperscript{17}. In the opinion of labour investigation

\textsuperscript{14} Richardson J.H. : An Introduction to The Study of Industrial Relations, 1961, p. 137.
\textsuperscript{17} Report of the Royal commission on labour, p. 261.
committee, "Welfare activities includes anything done for the intellectual, physical, moral and economic betterment of the workers, whether by the employer's, by Government, or by other agencies over and above what is laid down by law or what is normally expected as part of the contractual benefits for which the workers may have bargained"\(^{18}\). The committee on Labour Welfare included in labour welfare, "Such services, facilities and amenities as adequate canteens, rest and recreation facilities, sanitary and medical facilities, arrangements for travel to and from work and for the accommodation of workers, employed at a distance from their homes, and such other services, amenities and facilities including social security measures, as contribute to an improvement in the conditions under which workers are employed"\(^{19}\). These are various labour welfare schemes as recommended by I.L.O. (Indian Labour Organization) these are (1) Health and facilities (2) Canteens, (3) Creches (4) Recreational facilities (4) Transport facilities (5) Educational facilities etc. Government of India also passed several act on these welfare plans. Some of them are:

1. The Industrial Disputes Act, 1947
3. Employees Family Pension Scheme, 1971
4. The Factories Act, 1948

Welfare encourages and is a spur to action. Without adequate amenities, the employee will have little interest in his work. To keep the ship of industry a float, it is necessary to adopt, among other measures, welfare activities. They affect the health and happiness of the workers. And happiness, as everybody knows, is clearly associated with efficiency, it makes the workers want to stay on. It gives them the will to work. In other

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words, welfare deals immediately with proper working conditions and wholesome environment in the work situation and as such, includes adequate ventilation, cleanliness and sanitation, proper lighting, health precautions, accident prevention, limited working hours and necessary rest period. A further set of welfare provisions deal with rest rooms and shelters, canteen, medical facilities, cloak rooms, washing places and lockers. What may be called economic welfare measures include maternity benefits, provident fund, workmens compensation and benefits derived from social insurance. In India, all the above measures are the subjects of legislation. There still remains in welfare, what may be called a completely voluntary sector, which has been developed by the more enlightened industrialists, but the provisions of which necessarily are neither uniform nor universal. They deal with industrial housing, recreational and cultural programmes, social education, educational facilities for worker's children, reading rooms, indoor and outdoor games, saving schemes, bonus, profit sharing, cooperative societies, grain stores, picnics, conducted tours, annual celebrations and free transport.

Labour welfare is thus one of the basic factors that provide happier life to workers. Prof. H.S. Kirkaldy rightly observes :"The whole field of welfare is one in which much can be done to combat the sense of frustration of the industrial workers to relieve him of personnel and family worries , to improve his health, to afford him a means of self expression, to offer him some sphere in which he can excel all others, to help him to a wider conception of life. If within the field of welfare and particularly that past of it which comprises sport and games a large measure of self Government can be left to the workers, even in the management of facilities provided by the employer, a sense of responsibility, initiative and cooperation can be fostered and often among those whose daily tasks
afford them the least opportunity of developing characteristics so essential to industrial enterprise and wise citizenship"20.

Social Security Measures

It is the security or protection provided by the organization against the risks and uncertainties encountered by persons of limited income i.e. workers, who by themselves are incapable to bear the losses or damages due to happening of such risks, i.e. sickness, invalidity, maternity, old age, death, employment injury etc. The term social security has been defined by several authors in different ways but the theme of all the definitions is the same. To I.L.O. "The National Commission on Labour has also observed that "Social security envisages that the members of a community shall be protected by collective action against social risks causing undue hardship and privation to individuals whose private resources can seldom be adequate to meet them"21. Social security is "the security which the society furnishes through appropriate organization against certain risks to which its members are exposed. These risks are essentially contingencies against which an individual of small means can not effectively provide by his own ability or foresight alone or even in combination with his fellows"22. Thus social security measures are "those organized activities that are primarily and directly concerned with the conservation, protection and improvement of human resources"23. It includes services that give a basic income in case of invalidity of work, old age, inability to obtain remunerative work or death of earner, assistance to dependents and comprehensive medical care.

In the words of William Beveridge it includes, "the security of an income to take the place of earnings when they are interrupted by unemployment, sickness or accident, to provide for retirement through old

20 Kilkaldy, H.S. : The Spirit of Industrial Relations, p. 77-78.
22 International Labour Organization, Approaches to Social Security, p. 80.
23 International Labour Organization, Social Securitry and Reconstruction in Canada, p. 13.
age, to provide against loss of support by the death of another person and to meet exceptional expenditure concerned with birth, death or marriage ... The purpose of social security is to provide an income upto a minimum and also medical treatment to bring the interruption of earnings to an end as soon as possible. Giri has observed "It is the security that the state furnishes against the risks which an individual of small means cannot, today, stand upto by himself or even in private combination with his fellows. Thus social security is a sort of insurance against all types of foreseen and unforeseen events in human life which may put a man in difficulties.

Social security is a very comprehensive as well as dynamic term. Though its coverage may vary from country to country yet the benefit of social security may broadly be divided in three ways which are discussed below:

1. **Social Insurance** ;; Social Insurance, is based on compulsory mutual aid and can be traced back to family relationship but, in its present form, it is nearer to mutual benefit. It is contributory form of benefit. There are three parties to the pool of insurance (a) Employees, (b) Employers (c) the state. This fund takes care of all the benefits paid in cash or kind. The state and employers make a major contribution to the fund while the employees pay only a nominal amount. In the event of total or partial loss of income, these benefits ensure a minimum standard of living, without taking into account the beneficiary's needs or means test. These benefits cover, on compulsory basis, all those who are sought to be covered. Social insurance includes schemes like provident fund, group linked insurance scheme etc.

24 William Beveridge : Social Insurance, Allied Services, 1942, p. 120.
2. **Social Assistance**: Social Assistance is provided as a supplement to social insurance which is rendered by the society to poor and needy persons voluntarily, without placing any obligation on them to make certain contribution for becoming entitled to relief. The general revenue of the government of community provide finance for social assistance. Social assistance covers programmes like unemployment assistance, old age assistance etc.

3. **Public Service**: Public service programmes constitute the third main type of social security. They are financed directly by the Government from its general revenues in the form of cash payments or services to every member of the community falling within a defined category. This kind of service may be in the form of National Health Service, pension for invalids survivor pension to widows or orphans etc.

"In short social security measures provide the following benefits:

1. Reduction in absenteeism and labour turnover.
2. Labour is efficient, satisfied and happy.
3. High morale leads to higher productivity and prosperity.
4. Freedom from want particularly to poor population from the cradle to the grave.
5. Best utilization of manpower resources"^{26}

**Industrial Relations and Social Security Measures in Selected Undertakings**

The study of industrial relations and social security measures in selected tyre units has still remained untouched by the academicians and researchers as it is very complex area of tyre unit. Though, there is no statutory provision which has outlined a definite structure or a laid down

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26 Sherlekar and Sherlekar: op. cit, p. 891.
basis for the formation of employer and employee relation in tyre units, there have been different basis and a variety of structures followed by selected units. In order to have an idea of the procedure being followed in these selected tyre units, an attempt has been made to give a brief account of the procedure, in various units, in the subsequent paragraphs.

Apollo Tyres Ltd.

The experience of the Apollo also has not been a happy one. There have been frequent strikes, slowdowns and stoppage of work which has effected production adversely. Table 8.1 shows the period of lock out, negotiation and reasons behind them.

**Table 8.1**

Analysis of Strikes, Lockouts and Negotiations in Apollo Tyre Ltd.

<table>
<thead>
<tr>
<th>Year</th>
<th>Reasons</th>
<th>Negotiations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994-95</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1995-96</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1996-97 (April-Sept.)</td>
<td>Bonus</td>
<td>Labour union - management</td>
</tr>
<tr>
<td>1997-98</td>
<td>Pending long term settlements</td>
<td>Continue with trade union</td>
</tr>
<tr>
<td>1998-99 (April-July)</td>
<td>Pending long term settlements</td>
<td>Continue with trade union</td>
</tr>
<tr>
<td>1999-2000</td>
<td>Workmen / labour unrest due to long term renewals</td>
<td>Settled with trade union</td>
</tr>
</tbody>
</table>

*Source: Annual Reports and Personal Records.*

From the above table, it is evident that there have been a number of strikes and lock outs during past several years. During 1996-97, there was loss of production for about 10 days at premier plant due to lock out following dispute in connection with bonus issue. During 1997-98 there was again a brief lock out at both the Kerela units due to industrial relation problem arising out of pending long term settlements and other related issue. The management had to declare lock out at company's plant at
perambra with effect from April 10th due to labour unrest, negotiations are being made to resolve the matter. During 1998-99, there was a lock out for 100 days at company's plant at Perambra from April to July 1998. Negotiation are continuing with the trade union at the company's plant at perambra and limda for renewal of the long term settlements for ensuring better productivity, optimizing output and harmonious industrial relations. During 1999-2000, there was a lock out at company's plants at Kochi, Vadodara and PTLs plant at Kalamassery in connection with renewal of long term settlements with workmen. But he settlements were concluded during the year.

Economic factors as the causes have dominated the scene of the industrial unrest at Apollo. Analysing the industrial relations situation at Apollo, it has been observed that the main demand behind any agitation has been better wages, bonus, allowance, etc. it is a common experience that there has rarely been a strike of any importance which has not been entirely or largely due to economic reasons. Trade union plays a decisive role in fostering and maintaining harmonious relationship between labour and management. There is only one trade union which exist at Apollo. The method which is adopted while setting disputes is collective bargaining.

The most commonly used device of communication at Apollo is face to face communication between superior and subordinate, which seems useful for decision making, problem solving, grievance settlement and suggestions.

**Labour Welfare and Social Security Measures at Apollo**

According to the provisions laid down under the personal manual and annual reports, the management at Apollo has taken the following measures to protect their employees. These are as given below:

1. **Group Hospitalisation Scheme** : The is provided both in head office and at the plants. The scheme would cover all confirmed
employees and their dependents up to a maximum of three. Dependents for the purpose of this scheme will be spouse and/or children below the age of 25 years who are not entitled for hospitalization benefits on their own. The objective of this scheme is to provide effective hospitalization covers to all ailments needing hospitalization except for plastic surgery for beautification purposes including:

(a) Reimbursement of Maternity expenses for first two children, expenses for miscarriage would also be reimbursed, after verification by the company doctor.

(b) Reimbursement of expenses under Ayurvedic and Homeopathic treatments, if carried out in a large and recognized hospital and approved by the company doctor.

(c) Specific ailments like dialysis etc which requires prolonged medical treatment and routine visits to the hospital without being admitted into the hospital.

(d) **Employees state Insurance Scheme**: The act covers all employees whose monthly salary does not exceed Rs. 6500/- per month. The contribution of the employer is 4.75% and that of the employee is 1.75% of the salary respectively. The benefits available to and insured employees are:

1. **Sickness Benefits**: The periodical cash benefits is paid to the employee, for the period of certified sickness. The amount of benefit payable is calculated with respect to the contributions paid during the relevant contribution period at the standard benefit rate.

2. **Maternity Benefit**: The benefit is payable to a woman employee, in case of confinement, miscarriage, sickness arising from pregnancy and death during her confinement etc.
for a maximum period of 12 weeks at twice the standard benefits rate.

(3) Disablement benefit: Disablement benefit is payable to an employee who is injured in the course of employment and is, permanently or temporarily disabled, in the form of cash in installments at specific rates.

(4) Dependents benefits: Benefits in the form of pension is payable to his dependents in case an employee dies as a result of an injury sustained in the course of his employment, at the specified rates.

(5) Medical Benefits: An insured employee and his family who requires medical treatment and attendance, in entitled to medical care in a hospital, dispensary or clinic.

(6) Funeral Expenses: If an insured employee dies, the eldest surviving member of his family or the person who incurs expenditure of funeral, in entitled to funeral benefits upto Rs. 1000.

(3) Group Insurance Scheme: The fund covers, employees in the non unionized category at Head Office, field, perambra and supervisory and above category or employees at limda. The insurance cover to Rs. 1,00,000 in case of death of an employee.

(4) Group Personal Accident: This scheme is cover under insurance scheme. The scheme includes employees at head office, field and perambra plant who are outside the purview of ESI. The scheme for Limda plant employees are under process.

<table>
<thead>
<tr>
<th>Location</th>
<th>Insurance Covers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Perambra plant employees</td>
<td>48 months basic salary</td>
</tr>
<tr>
<td>2. Head office employees</td>
<td>60 months basic salary</td>
</tr>
<tr>
<td>3. Field employee</td>
<td>100 months basic salary</td>
</tr>
</tbody>
</table>
(5) **Welfare Trust** : Apollo tyre ltd. has created a welfare trust for all employees at head office and in the field. Membership of the trust is voluntary and all confirmed employees are eligible to become members of the trust. The trust would be a contribution one, with both employees and employer making contribution to the trust. Contributions would be collected through salary of the eligible employees every month, with smaller contribution from staff level and higher contributions from senior executives. Presently the following benefits are being extended to the members of the welfare trust :

(a) **Marriage (self)** : A gift of Rs. 3000 for self or child (upto two only)

(b) **Birth of child** : A gift of Rs. 3000 on the birth of a child (upto two children)

(c) **Long term illness of employees** : Financial assistance is provided to employees and their families who are no longer covered under the company's group hospitalization scheme in view of revision in ESI unit. The assistance is provided for prolonged illness and in accident cases of self and dependents (wife and children) and limited to 50% of hospitalization expenses subject to a ceiling of Rs. 5000. The trust is administered by a governing body consisting of employees appointed by the trustees.

(6) **Medical Check up** : The policy on medical check up has been framed to enable employees to take care of their health care needs. In order to facilitate this process the company has an arrangement with selected medical centers for a regular medical check up of employees. For employees in the field, local district in-charges will arranges for similar tie ups
with local nursing / hospitals for regular medical check up of employees.

(7) Birthday Greetings: There is a system of conveying birthday greetings to employees on behalf of the Apollo family by presenting a card on their birthday.

J.K. Tyres

Industrial relations are very cordial and harmonious at J.K. Tyres. Various forms of communication have been adopted in the unit, such as notices, orders and annual reports. Effective grievance committee is run by the management in plants, which help to know the views of labours. This committee works in the advisory level only, right to make decision is handled by the management. There is only one trade union which runs in the unit and which participates in every matter concerning labours. Inspite of all these points, J.K. has faced numbers of disputes in their plants which have lead to strikes and lock outs.

**Table 8.2**

<table>
<thead>
<tr>
<th>Year</th>
<th>Reason</th>
<th>Negotiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998-99</td>
<td>Official high, handedness</td>
<td>Through reconciliation</td>
</tr>
<tr>
<td>March</td>
<td></td>
<td>and collective bargaining</td>
</tr>
<tr>
<td>1998-99</td>
<td>Lack of under standing of employees</td>
<td>Controlled in Nov.</td>
</tr>
<tr>
<td>June</td>
<td>problems</td>
<td></td>
</tr>
<tr>
<td>1998-99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oct.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Personal Records of J.K.*

There was a major dispute during 1998-99 which lead to shut down in production thrice in a year. But the situation was effectively controlled in Nov. after workers were able to ditacte terms. The basic cause of disputes was official highhandedness, lack of under standing of employees problems. The settlement was done through reconciliation and collective bargaining.
Welfare Measure at the J.K. Tyres

According to the provision laid down in factories Act and Rules, the management at J.K. Plants have taken measures to protect the health of the employees by installing sanitary and washing facilities, to ensure cleanliness and suppression of dust fumes, to ensure adequate ventilation and lighting and have conformed to standard to prevent overcrowding of the work place etc. Statutory provisions relating to safety such as sound construction and proper maintenance of buildings and machinery, fencing of dangerous machinery and institution of safe work practices etc. have also been implemented by the J.K. plants. In all the divisions and departments with in the plants an adequate number of first aid boxes equipped with prescribed appliances has been provided and the workers have been trained in rendering first aid. Moreover, a full fledged medical post functions round-the-clock inside the plant. Statutory regulations concerned with the welfare and health of the workers call for the provision of toilets, urinals, drinking water, cloak room accommodation, spittoons, washing facilities and rest rooms etc. all of which have been provided by the management of J.K.

Ceat Tyres

The Ceat Ltd always shown that they have very dedicated and dynamic labour force which is contributing a lot in achieving the goals of the organization.

As general information available regarding the labour welfare, the workers are enjoying better facilities and there are no labour disputes.

Modi Tyres

The labour relations continued to be cordial. The workmen, staff and management's commitment to achieve the common goal of "Discipline, quality and production" set by the management continued unhindered throughout the year review. Show in table 8.3
Table 8.3
Net Worth of Modi Tyres (in lacs)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-3-92</td>
<td>7650.40</td>
</tr>
<tr>
<td>30-6-93</td>
<td>11728.57</td>
</tr>
<tr>
<td>30-6-94</td>
<td>16356.03</td>
</tr>
<tr>
<td>30-6-95</td>
<td>16161.48</td>
</tr>
<tr>
<td>30-6-96</td>
<td>17277.37</td>
</tr>
</tbody>
</table>

Source: Annual Reports of Modi Rubber Limited

The table depicted that during several years the net production statistics of Modi was increasing year by year. There were no strikes and lockouts but only small disputes at Modi which were mainly contributed to weak management policies. These disputes were caused due to the following reasons:

1. Problem of rational wage policy
2. Problem of Workers participation
3. Problem of Labour disputes / labour unrest
4. Problem of long term settlements.

Despite all these the labour relations continued to be harmonious because of effective welfare and social security norms of Modi Rubber Limited. The detail of each items are narrated as follows:

1. Medical Facilities: The employees state insurance scheme has not been extended to the plant. They provides their own medical facilities to their employees. The management at Modi runs well equipped hospitals in their townships in modipuram and modinagar supplemented by health centers and dispensaries in different residential localities. Modinagar main hospital has also clinical and pathological facilities, a blood bank and family planning advice centers.
There is separate medical unit within the plant which looks after the needs of industrial hygiene and taking prompt care of industrial accidents cases. The unit conducts medical check up of all persons working in hazardous areas. Medical aid is provided free to all employees, their children and dependents in the plant at Modinagar.

2. **Educational facilities**: Modi Rubber Ltd. has provide education facility to the employees children in the form of exemption from tuition fees, free supply of uniforms to school going children, free or subsidized meals, subsidized transport, free supply of books and stationery and scholarships for poor children are among the facilities provided in the schools at Modi Tyres.

3. **Housing facilities**: Housing facility is provided to the Modi employees. 75% of the workers and officers are provided accommodation at Moduram and in Modinagar townships. There are at present 10000 houses of different categories within the township. Besides there are markets, schools, hospitals, health centers, hostels and guest house, clubs, community centers etc. Generally, all the houses are provided with modern amenities like laid on water supply, electricity and sanitary fittings etc.

4. **Transport Facilities**: In the Modi plant these are subsidized transport facilities for the workers for their residence to the work place and back. The townships are generally situated 5 to 6 miles from the plant sites. Hence the necessity of providing transport facilities to the employees from the townships to the plants arises.

5. **Cultural and Recreational Facilities**: The management of the modi plant have provided recreational facilities to the employees and their families through, clubs and community centers etc. organized by separate department entrusted with this work. President, secretary and treasures of the community centers
nominated by the management. The centers have facilities for indoor/outdoor games, cinema shows, library, reading room etc.

6. **Activities Relating to Cooperatives**: consumer cooperative societies and cooperative credit societies are functioning in the plant. Financial aids in the form of loans to meet the needs of working capital is provided to all the consumer cooperative societies in the plant. Cooperative credit society have been organized for providing loans on reasonable terms and also to promote the habit of saving among, the employees.

**Goodyear India Ltd.**

There is all healthy industrial relations between the union and the Management which helps the company to achieve better productivity norms. During the several years, continued cooperation from the union has resulted in effective implementation of various changes in the manufacturing processes and other improvement programmes. The company's Human Resource Department has also been in full momentum to maintain harmonious relations between union and management. There is no history of strikes and lock outs for past 20 years at the Goodyear India Ltd. Last strikes was reported during 1978-79 due to bonus settlement issue which lead to 100 days lockout in the plant. But after that there had been no big strikes and lockouts. Small disputes occurs between superior and subordinate which some time leads to big dispute and involvement of union becomes essential. There is only one union which runs in the plant which is very effective. Around 90% of the employees of the Goodyear are members of the union. Union flight for following issues with management and settlement is made with collective bargaining. The issues are salary and wages, D.A., bonus, incentives, leaves, extra payment, overtime payment, misconduct by the employees etc.
Welfare and Social Security in Goodyear India Ltd.

1. **Canteen**: Under section 46(1) of the factories act 1948, the state government may make rules requiring that in any specified factory wherein more than 250 workers are necessarily employed, a canteen or canteens should be in place. There was four canteens in Goodyear during 1994-95 but after that these four were merged in one canteen, which aims to maintain team spirit in the plant. It provided subsidized food to the workers, subsidized tea etc.

2. **Death Benefit Scheme**: The scheme started at Goodyear with the aims to provide financial assistance to the employee of the family of family or a deceased member.

3. **Transport Facilities**: Subsidized transport allowance is paid at Goodyear to the employees and the remaining are provided transport facilities.

4. **Cycle Stand**: Cycle stand is provided to the workers in the plant with the capacity of 5000 cycles.

5. **Car Parking**: There is separate car parking in the plant with the capacity of 50 cars, visitors are also eligible to use these car parking with the permission of Gateman.

6. **Safety training**: The training department conducts safety training courses for supervisors and other levels of management as well as for workers at regular intervals.

7. **Investigation of Accidents**: Immediate spot investigations of all lost time accidents are carried out by the staff of the safety department to find out their actual causes and suggest remedical measures.
8. **First Aid Facility**: First aid facility is also provided to the injured. Special training are also provided on first aid procedures. A first aid kit in all ways available with the equipment in each department.

9. **Rest Rooms**: There are 8 rest rooms at Goodyear plant, which aims to provide rest after a long tired unhygienic environment.

10. **Toilets and Bathrooms**: There are around 30 toilets and 10 bathrooms in the plant. Every morning toilets are washed by the sweeper and towels and soaps are weekly changed.

### Appraisal and Conclusion

There is no well structured and well organized industrial relation policy in each selected unit. Collective bargaining is the only way to settle disputes in the units. Disputes mainly occur because of wages, bonus, long term settlements, D.A. incentives etc. The negotiation is mainly made between union and management through bargaining. There is only one union in each selected tyre unit which are internally elected. The trends of industrial relations are not quite satisfactory in the selected units. Need is to maintain suggestion committee or separate committee which deal with labour, collect view and ideas and which finally helps in negotiation of disputes.

In tyre units, the practice of granting welfare amenities is very old and traditional. The practice developed gradually item by item with the rise in the property of industry under the progress of industrialization trade union and labour legislation. The suggestion committee is particularly important, since it required industries to arrange for several supplementary benefits. The need for adding welfare activities to the contractual relationship between an employer and the worker, hardly received attention in early stages but the system is changing. Effective welfare lead to harmonious and cordial industrial relations. Keeping this fact in mind, each units spent a huge amount in the welfare of their employees. Table 8.4
shows the analysis of expenditure spent on employees of each selected tyre unit.

Table 8.4
Comparative Analysis of Expenditure on Welfare in Every Selected Unit

<table>
<thead>
<tr>
<th>Year</th>
<th>Apollo (Crore)</th>
<th>J.K. (Lacs)</th>
<th>Ceat (Lacs)</th>
<th>Modi (Lacs)</th>
<th>Goodyear (Thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994-95</td>
<td></td>
<td>1013.07</td>
<td></td>
<td>567.66</td>
<td>19008</td>
</tr>
<tr>
<td>1995-96</td>
<td>7.26</td>
<td>1793.47</td>
<td></td>
<td>663.90</td>
<td>23310</td>
</tr>
<tr>
<td>1996-97</td>
<td>9.76</td>
<td>1838.97</td>
<td></td>
<td>651.27</td>
<td>24991</td>
</tr>
<tr>
<td>1997-98</td>
<td>9.16</td>
<td></td>
<td></td>
<td>835.35</td>
<td>31652</td>
</tr>
<tr>
<td>1998-99</td>
<td>10.47</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999-2000</td>
<td>11.36</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It depicts from the table that for past six seven years the amount invested on welfare and social security measures are increasing continuously. Now industries are realizing the fact that employees are important factor for industrial growth and performance. But few more measures are needed for better industrial relations, which attract the employee towards the industrial goal and helps in minimizing disputes.

The overall position of industrial relations and labour welfare in selected tyre industries of India may be treated as quite satisfactory. In fact, these units are working in the private sector and the management has attempted to maintain cordial industrial relations. These units have exerted to work as a family group and have succeeded in seeking the cooperation of the workers to execution of the production and marketing activities very efficiently and effectively. These units are not worried on the human aspects, they are mainly serious about the technological upgradation and international marketing competitiveness. In the changing business scenario, these units are trying to attain the international supremacy. Thus so far as the human side of the organization is concerned these tyre manufacturing units are in good positions and they are doing their best to utilize the human resource to the best to their capacity.