CHAPTER – 5

FINDINGS AND SUGGESTIONS

5.1. Finding of the study

5.2. Suggestions:

(A) Suggestions for large cement plants
(B) Suggestions for mini cement plants
(C) Other suggestions
5.1. FINDINGS OF THE STUDY
5.1 FINDINGS OF THE STUDY

The major findings of the present study on 'Industrial Relations Strategies And Practices In Cement Industry – An In-depth Study Of Cement Manufacturing Units In Gujarat' are summarized as follows.

5.1.1 There are more than 10 large and 30 mini cement plants engaged in manufacturing of different varieties of cement in Gujarat. Among them Gujarat Ambuja Cement Ltd., L & T Cement Ltd. and Tata Chemicals Ltd. are pioneer cement manufacturing units. They contribute a lot in the economic development of the state and the nation.

5.1.2 Cement industry in Gujarat plays an important role in the economic and infrastructure development of the State. It also provides employment to thousands of people.

5.1.3 Limestone is the basic raw material required to manufacture cement. The reserves of limestone are more on coastal areas; therefore concentration of cement units, particularly large units, is more near coastal areas of Gujarat. Mini cement plants are scattered over Gujarat. However, more mini plants are nearer to the coastal areas. The biggest limestone reserve is 19,482 mt. in Andhra Pradesh, while the smallest limestone reserve is 112 mt. in Nagaland. Gujarat has 11,107 mt. Limestone reserve as against total reserve of 79,731 mt. It amounts to 13.9% of the total reserve in India.

5.1.4 India is the fourth largest cement producer in the world. The first three being Russia, Japan and the U.S.A. In India, Gujarat is the
fifth largest state in terms of installed production capacity. Gujarat has 11.25 million tones install capacity as against 125.40 million tones of the country. Further Gujarat has 66% utilization capacity.

5.1.5 The first cement unit was laid in 1914 by the Indian Cement Company Limited at Porbandar in Gujarat. Thus Gujarat is the first to initiate establishment of cement industry in India. The latest, largest and most modern cement plant has also been recently established in Gujarat, namely Sanghi Industries Ltd. Kutch.

5.1.6 More than four lakh people are directly employed in the cement industry of India. While in Gujarat more than ten thousand people are employed directly and an equal number of people employed indirectly in the cement units.

5.1.7 The cement industry was liberalized hr 1980 and the wind of liberalization swept aside technological barriers and age old monopolistic practices, introduced healthy competition in the market and above all, has given the consumers a wide range of choice.

5.1.8 The per capita consumption of cement in India is the lowest in the world. It was 68 kg. in 1994-95 as compared to 700 kg. in Japan, 650 kg. in Germany, 600 kg. in France, 120 kg. in China and 98 kg. in Pakistan. Further per capita cement consumption in 2002 of Western region of India was 124.3 kg. in as against 102 kg. in South region, 54.2 kg. East region and 92 kg in North region of the country.

5.1.9 Cement Industry in India has tremendous potential for economic development, as limestone of excellent quality is found almost throughout the country and per capita demand for cement is also
increasing. The year 1995-96 witnessed a whooping 12% increase in demand, the highest ever in the last decade. Following table highlights the growth of cement production and dispatch.

TABLE: 5.1
CEMENT PRODUCTION AND DISPATCH [Lakh Tones]

<table>
<thead>
<tr>
<th>Month</th>
<th>Production</th>
<th>Dispatch</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2001</td>
<td>85.20</td>
<td>85.90</td>
</tr>
<tr>
<td>May 2001</td>
<td>90.00</td>
<td>90.10</td>
</tr>
<tr>
<td>June 2001</td>
<td>89.60</td>
<td>90.10</td>
</tr>
<tr>
<td>July 2001</td>
<td>73.60</td>
<td>71.30</td>
</tr>
<tr>
<td>August 2001</td>
<td>73.80</td>
<td>75.10</td>
</tr>
<tr>
<td>September 2001</td>
<td>82.80</td>
<td>81.80</td>
</tr>
<tr>
<td>October 2001</td>
<td>83.30</td>
<td>83.80</td>
</tr>
<tr>
<td>November 2001</td>
<td>83.40</td>
<td>83.70</td>
</tr>
<tr>
<td>December 2001</td>
<td>82.40</td>
<td>83.50</td>
</tr>
<tr>
<td>January 2002</td>
<td>87.60</td>
<td>87.70</td>
</tr>
</tbody>
</table>

Source: Gujarat Samachar Dated 11-3-2002.

The demand in the 10th Plan is expected to grow at the rate of 8 to 9% annually to reach 160 million tones by 2006-07. At present India is ranked as fourth largest producer of cement in the world. The country's present per capita consumption is 71 kg. as against
the world average 250 kg. This leaves a large scope for rapid growth in coming days.

5.1.10 In recent time, the Government of India has given encouragement to the cement industry. The indirect benefits have been in the form of demand push, by giving priority to infrastructure and housing sectors. Besides, the Government makes imports of cement unviable and there is no fear of dumping of foreign cement in India.

5.1.11 Most of the large plants in Gujarat have adopted democratic leadership style, while mini cement plants have adopted both autocratic and democratic leadership styles. More and more units now prefer democratic leadership style. This is considered as a good symptom for the promotion of industrial democracy in the country. Further it is also seen that large plants of Gujarat have started thinking to use free-rein leadership style for research and innovation. The prospects of industrial relations thus seem brighter in coming years. Of the tally of cement plants in India, 60% units have adopted democratic leadership approach and 5% units have adopted free-rein leadership approach in cement industry of Gujarat.

5.1.12 There is no clear-cut formula available to determine the term for human resource management. Different units have different terms for planning their human resources. It ranges from 1 to 5 years. The term of Human Resource Planning largely depends on the size of unit, market factors and philosophy of management of respective units.
5.1.13 Cement manufacturing units of Gujarat have provided direct employment to over 10,000 people, of which 10% are employed in mini cement plants. Mini cement plants fear labour laws and mostly keep away from application of The Factories Act 1948. As a result just 10% people are employed here. Further, continuous manufacturing processes of mini plants, which use PRL-VSK, CRI-VSK and SABOO-VSK technologies demand less manpower.

5.1.14 Promotion is a dream for employees. When dream comes true, it boosts-up industrial relations. Large cement plants under the present study do not believe in seniority policy for promotion. They also do not follow the promotion policy based on merits only. Most of the large cement plants have promotion policy based on ideal combination of both, seniority and merit. The object to combine both is to gain advantages of both and drawbacks of none. As far as mini cement plants are concerned, they use seniority based promotion policy. As a result mini cement plants fail to attract talented employees. Of the total, 40% companies use seniority as criteria for promotion, 10% use merit and 50% use a combination of both-seniority and merit. During the period 1997-98 to 2001-02 large cement plants have promoted 1214 employees and mini plants have promoted 201 employees.

5.1.15 Economic reward associated with promotion is found to be inadequate. This element has disappointed the employees and has become a matter of their grievance. Certain cement companies have recently postponed giving employees promotion. It is believed that this may add fuel to fire in industrial environment of cement units in Gujarat.
5.1.16 All large and mini cement plants accept the fact that training is costly but absence of training proves to be costlier. Most of units under study prefer on the job training method to train their human force. The duration and timings for training are different for different categories of employees, within and among the units. Training programmes also include computer training, behavioural and yoga training. Behavioural and yoga training have helped in developing and understanding interpersonal relationship and attitude development in employees, which in turn has very good impact on the prevailing industrial relations of the industry. As far as training methods in cement units are concerned, they all use on the job training methods only. No cement units, whether large or mini, use off the job training methods. During 1997-98 to 2001-02 7046 employees were trained in large cement units and 323 in mini cement units.

5.1.17 There exists a significant difference in the wage and salary structures between large plants and mini plants of Gujarat. As compared to mini plants large cement units have a fairly reasonable and systematic wage and salary structure for their employees.

5.1.18 Poor and inadequate wages and salaries are paid to employees of mini cement plants, and this is often on consolidated basis. There is no consistency within and between the plants in the payment of wages. While most of the large cement plants have adopted the CMA award for the payment of salaries, as a result uniform and consistent wage and salary structures are seen in large plants. It is also observed that CMA is going to recommend revised wage
policy for the member plants. It is obvious that consistent and uniform wage policies in large plants have helped in building better employee-management relations, while employees in mini plants are not happy and satisfied with the wages and salaries they receive. Their salary structure is exploitable to them. In large cement units bottom level employees draw salaries ranging from Rs.3000 to Rs.7000 per month against the salary drawn by the same category employees in mini plants, which is Rs.2000 to Rs.3000 per month. In large cement plant emoluments for managerial positions ranges from Rs.15000 to Rs.30,000 per month.

5.1.19 Cement plants in Gujarat evaluate the performance of their employees during they work. The term used is different. However, most of the units under study measure performance of their employees on yearly basis. A few units do not stick to this yearly term. According to HRD executives yearly term is logical, relevant and convenient considering the issues of employees, such as working conditions and work conditions.

5.1.20 As far as methods to evaluate performance of employees are concerned mini plants use traditional methods, while large cement plants use an ideal combination of traditional and modern methods. Further large plants have comparatively more scientific policy and practice than mini plants. Performance evaluation has direct relevance to career opportunities and development of an employee. Therefore, industrial peace and smooth functioning is observed in large plants, as they have sound performance evaluation policies and practices.
5.1.21 Employees are human beings. They have tendency to remain absent on their job for various reasons. In cement units of Gujarat following observations were made for absenteeism.

(i) Average absenteeism rate is below 5%.

(ii) Employees of large plants remain absent on their job seeking prior permission, while in mini plants occasionally permission is taken and granted for the leave demanded.

(iii) More absenteeism is on days prior to and following holidays.

(iv) Demand for leave is more and acute during school vacation period i.e. during Diwali and Summer.

(v) Absenteeism is seen for personal, social and religious reasons.

(vi) Alcohol and indebtedness have also been observed for absenteeism in mini plants.

(vii) Absenteeism in mini plants disturbs the existing work schedule.

(viii) Of the total absenteeism, 15% is for individual causes, 25% for both individual and social, 30% for both individual and religious and 20% for individual, social and religious reasons.

5.1.22 The industrial relations scenario in cement manufacturing units of Gujarat is reasonably good. In all during the last five years, there were only five strikes observed in the industry. These strikes were for a day or two only. Men days lost were tolerable. Average strike in cement industry of Gujarat is one per year as against national average of 2.5 per year. At present cement industry has no major
burning problem. Grievance, if any, is resolved by strong grievance handling procedure to avoid possible strikes. In mini plants, there was no strike at all during the last five years. Employees used to resolve their grievance by direct personal contact with the management. Further they do not have bargaining power. Nor do they have a trade union. As there are no strikes in mini cement plants, it does not mean that employee-management relations are highly cordial.

5.1.23 Strikes have direct impact and effect on industrial relations. The number of strikes and industrial relations are correlated. The probability of strike in cement industry of Gujarat is 0.14. The industrial relations situation observed at present in cement units of Gujarat is quite peaceful and cordial.

5.1.24 ‘Workers’ Participation in Management’ - this concept is widely accepted and used in large cement plants. It has no longer remained a concept but has become a practice in large plants. While such concept is absent in mini cement plants large cement plants believe that promotion of industrial democracy is essential for the development and growth of the industry. Industrial democracy can be enhanced by employees’ participation in management. Out of 20 cement units under study 45% units have employees’ participation in management system. Of them all 7 large and 2 mini plants have this system. 65% mini plants do not have such system of employees participation in management.

5.1.25 In large cement plants under the study, workers’ participation in management is based on scientific schemes introduced from time to time. At present, Joint Committee and Joint Management
Council (JMC) are widely used forms for employees’ participation in management. Workers’ participation in management allows both parties to protect and promote not only their interests but also the interest of the industry at large.

5.1.26 As far as management ideology for cordial industrial relations is concerned, management of mini cement plants strongly responded to the practical approach based on reality. Contingency based practical approach is the ideology for cordial relationship in mini plants. According to the management of large cement plants, for cordial industrial relations there must be certain ideological principles to follow and practical ways to implement. In other words large plants have idealism as a policy and realism as a practice.

5.1.27 Regarding industrial relations practices, management of cement units in Gujarat believe that:

(i) The main reason for poor industrial relations is the prejudice and biases of people against each other.

(ii) Training to employee can do little to improve industrial relations. Also other factors can influence good industrial relations.

(iii) Effective collective bargaining process is required for harmonious employee-employer relations.

(iv) Punishments to employees on any ground de-motivate them and deteriorate the existing relations.

(v) In the changing liberalized economy of our country, maintenance of good industrial relations in an organization is now a big challenge.
(vi) Employer-employee relationship has nothing to do with plant size. Industrial relations are independent of size of the unit.

(vii) Industrial relations can be enhanced by good job analysis, job evolution process and intra-extra company relationship.

5.1.28. Management of both large and mini cement plants believe that existing industrial relations in their organizations are at a reasonably fair level. They have termed the present industrial relations practices as 'Good' and 'Very Good'. Managements foresee that in the coming days the present status of industrial harmony will be maintained. Management of 43% large plants believe that employee-management relationship in their units is 'Very Good' as against 54% of mini plants. Only in 5% units, Management viewed industrial relations in their organizations as average.

5.1.29. In order to protect and promote their interests, employees of large cement plants have formed trade unions. In mini cement plants no such trade union exists. Trade unions of large plants are politically associated with two main parties, namely Congress and BJP. Membership in trade unions depends on the size of the employees in the plant.

5.1.30. In order to protect and promote their interests, managements of cement plants in India have also formed an association called "Cement Manufacturers' Association" (CMA). All seven large plants under the present study are the members of this CMA. Similarly mini cement plants have their association called "Gujarat
Mini Cement Manufacturers’ Association”. All 13 mini cement plants under the present study are members of the above association.

5.1.31. At present Indian economy is passing through a sea change process of liberalization, privatization and globalization. In this respect, India has already become a member of the World Trade Organization (WTO). Under these turbulent circumstances, management of cement units believe that:

(i) The Government should now amend present obsolete and outdated labor laws. Government has started acting in this direction to enact labour laws consistent with liberalization process. Under these circumstances maintenance of industrial relations will be a tough job.

(ii) The present productivity of an Indian worker is very low as compared to international standards. WTO has imposed certain conditions on India to improve workers’ productivity. These conditions are not acceptable to workers and their unions.

(iii) To produce international quality standards product at competitive cost, now employees of Indian industries have to sharpen their tools to improve efficiency and productivity of man machine and materials.

5.1.32. At present, not only managements, but also the employees of cement manufacturing units of Gujarat were of the opinion that cordial and harmonious industrial relations existed. They concluded that reasonably fair employee-employer relations are
prevailing because of mutual understanding and co-operation. Following table gives a comparative study of views of both management and employees regarding prevailing industrial relations in cement industry of Gujarat.
TABLE : 5.2
COMPARISON OF VIEWS OF BOTH MANAGEMENT AND EMPLOYEES REGARDING PREVAILING INDUSTRIAL RELATIONS.

<table>
<thead>
<tr>
<th>Nature of Industrial Relations</th>
<th>Management</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Large Plant(%)</td>
<td>Mini Plant(%)</td>
</tr>
<tr>
<td>Very Good</td>
<td>03 (43)</td>
<td>07 (54)</td>
</tr>
<tr>
<td>Good</td>
<td>03 (43)</td>
<td>06 (46)</td>
</tr>
<tr>
<td>Average</td>
<td>01 (14)</td>
<td>00 (00)</td>
</tr>
</tbody>
</table>

Source: Based on compiled and analyzed data collected through fieldwork.

Employees of 57% large plants believe that their relations with management is ‘Very Good’ as against 30% of mini plants. Only in 15% units, employees viewed industrial relations in their organization as average. Of the 20 units under study ‘Very Good’ industrial relations are viewed by managements of 10 units as against employees of 8 units. Managements of 3 units viewed ‘Average’ industrial relations as against employees in one unit. In 9 units both management and employees believe equally that ‘Good’ industrial relations prevails in their units. According to Industrial Relation Rating both managements and employees of cement units believe that ‘Good’ industrial relations do exist in cement industry. Chi-Square statistical test at 5% level of significance reveals that there is no association between views of
management and those of employees about industrial relations that prevail in their units.

5.1.33. Occasional grievances and small conflicts are routine occurrences. They are addressed properly from time to time. Such happenings also indicate healthy practices to resolve and maintain harmonious industrial relations in cement industry.

5.1.34. Tendency to react is a human element. In an organizational set-up, where superior-subordinate relationship exists, people show their grievance. Following table exhibits the factors responsible for employee grievance in cement units under the study.

| TABLE : 5.3 |
| FACTORS RESPONSIBLE FOR EMPLOYEE GRIEVANCE |

<table>
<thead>
<tr>
<th>Factors</th>
<th>Large Plants (%)</th>
<th>Mini Plants (%)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor wage</td>
<td>02 (28.6)</td>
<td>05 (38.5)</td>
<td>07</td>
</tr>
<tr>
<td>Poor working conditions</td>
<td>03 (43.8)</td>
<td>04 (30.7)</td>
<td>07</td>
</tr>
<tr>
<td>Personal Prejudices</td>
<td>06 (85.7)</td>
<td>13 (100)</td>
<td>19</td>
</tr>
<tr>
<td>Other</td>
<td>01 (14.3)</td>
<td>01 (07.7)</td>
<td>02</td>
</tr>
</tbody>
</table>

Source: Based on compiled and analyzed data collected through fieldwork.

In cement industry, it has been found that the main factors responsible for employees' grievance are (i) wage system (ii) working conditions and (iii) preference and prejudice of people.
Employees of most of the units were of the opinion that biases and prejudices of people play a key role in getting dissatisfied, which result in grievance.

5.1.35. Discipline has been a matter of some concern for the cement industry. At present 5 out of 20 units have been concerned with the problem of indiscipline in their organization. The main causes of such indiscipline have been found to be (i) the absence of motivation, communication and co-ordination and (ii) inadequate and untimely welfare measures.

5.1.36. The prevailing industrial unrest is the result of not handling employee grievance properly. It is a wider form of employee dissatisfaction and proves to be a demotivator for the employee. Poor working conditions, poor personnel policies and lack of career advancement are the main causes found responsible for industrial unrest in cement manufacturing units of Gujarat. Further industrial unrest is found to be comparatively more in mini plants than in large units under the study.

5.1.37. Cement manufacturing process is noisy, dusty and full of effluents. Employees are found to be tired working for long hours on such plants. Therefore, industrial fatigue has been an issue for the cement industry. Fatigue has also effect on physiological changes in the body. [The nerves and muscles fail to function normally]. Of the total 20 units 45% units stated excessive control by management as responsible factor for industrial fatigue and 2% stated job complexity responsible for employees’ fatigue.
5.1.38. According to the present study, it was noted that collective bargaining power, with respect to employees were found to be weaker than employers. It has been observed that employers in the cement units of Gujarat dominate collective bargaining process. In mini cement plants employees' collective bargaining power is nil because they have no voice.

5.1.39. As far as personnel policies are concerned, they are very poor and traditional in nature in mini cement units, while they are professionally managed reasonably good and implemented effectively in large plants. These policies are amended from time to time to absorb positive changes and changes required by the governments.

5.1.40. These are no single factor that determines the industrial relations in cement industry. It has been observed that determinant factors for industrial relations in cement units of Gujarat are (i) personnel policies and practices (ii) government policies and practices and (iii) inter-personal relationship existing in the units. Therefore it has been seen that industrial relations are the web of relationship among three actors i.e. employers, employees and government. Employees of 92.3% mini cement plants agreed that wage and salary administration policy of human resource management is poor, while 42% of large plants agreed that training and development policy of human resource management is found to be poor.

5.1.41. Regarding industrial relations practices, employees of cement units in Gujarat believe that:
(i) Job security strengthens industrial relations and in mini cement plants there is hardly job security as in large plants.

(ii) Their management is reasonably satisfied with the present performance they have shown.

(iii) Prevailing harmonious industrial relations has been attributed to mutual trust, co-operation and understanding people in the organization.

Of the total, 85% large plants believe that leadership, communication and motivation are the main factors which affect industrial relations, while 57% large plants and 77% mini plants stated that personnel policies affect management-employee relations.

5.1.42. No trade union has been found in mini cement plants of the state. Mini cement plants are mostly small in size, employing few employees, most of them on adhoc basis. These employees have no voice in management and the autocratic leadership style of the management prevents the employees from forming trade unions in mini plants.

5.1.43. All seven large plants under the present study have their trade unions recognized by their respective Managements. The role of unions is found to be creative and co-operative with the management. No trade union has played conflicting role with the management. Trade union leaders believed that through negotiations across the table problems have been solved. Of the total, trade union leaders of 71% units were of the opinion that
their role is creative and co-operative to strengthen industrial relations.

5.1.44. Trade unions of cement units are functioning on democratic principles. It has been found that, while negotiating with the Management, trade union leaders discuss the issue with members of the council and members of the union. Sometimes ex-leaders of unions and legal experts are also consulted for effective presentation and negotiation.

5.1.45. The primary source of income for the trade unions in the large cement plants is the membership subscription only. The other sources like donations, contributions, etc. are not used to raise funds. Unsound financial position is found because of low rate of membership fees. The government has not accepted the recommendations of National Commission on Labour for the increase of rate of membership subscription.

5.1.46. Trade unions in large cement plants perform varieties of activities within their jurisdiction. The main focus has been to provide monetary benefits regularly, such as payment of wages, salaries and bonus, and employees’ welfare by providing maximum facilities at their doorsteps. Trade union leaders in 72% units of large plants have concentrated their activities to provide reasonable and fair wages, bonus and monetary benefits and to protect and promote the interest of member employees.

5.1.47. Following observations have been made from the present facilities provided to employees by the cement units in Gujarat.

(i) Out of total 24 facilities available in 7 large plants under the present study, 16 facilities have been found to be excellent,
20 good, 17 average, 10 below average and 12 poor. A few facilities do not exist in cement plants.

(ii) Most of the facilities provided are reasonably satisfactory.

(iii) Housing, transport, stores and education of the children are the preferential facilities for the employees.

(iv) Yoga, meditation programmes and prayer help employees to work more with better efficiency and that has made positive impact on the employees' behaviour.

(v) In mini cement plants, employees are deprived of facilities like large plants. Employees in mini plants have been exploited in terms of welfare facilities.

(vi) Satisfaction Quotient based on facilities provided to employees indicates 'Average' as against Management's opinion, which indicated 'Good'.

5.1.48. Large cement plants also have been found to provide facilities beyond the statutory requirements. The objective has been to retain and maintain satisfactory workforce, and to work with natural cooperation and understanding. They believe that 'Organizations cannot grow unless they have satisfied, motivated and committed workforce.' Therefore, considering the importance of human elements, cement units of Gujarat give welfare benefit to their employees beyond statutory obligations.
TABLE: 5.4
BENEFITS GIVEN BEYOND STATUTORY REQUIREMENTS

<table>
<thead>
<tr>
<th>Name of Benefits</th>
<th>Number of Large Plant (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>05(71.4)</td>
</tr>
<tr>
<td>Transportation</td>
<td>05(71.4)</td>
</tr>
<tr>
<td>Sports</td>
<td>05(71.4)</td>
</tr>
<tr>
<td>LTC</td>
<td>03(42.9)</td>
</tr>
<tr>
<td>Insurance</td>
<td>04(57.1)</td>
</tr>
<tr>
<td>Bonus</td>
<td>04(57.1)</td>
</tr>
<tr>
<td>Medical</td>
<td>02(28.6)</td>
</tr>
<tr>
<td>Civil Amenities</td>
<td>02(28.6)</td>
</tr>
<tr>
<td>Education to children</td>
<td>02(28.6)</td>
</tr>
<tr>
<td>Rural Development Support</td>
<td>01(14.3)</td>
</tr>
</tbody>
</table>

Source: Based on compiled and analyzed data collected through fieldwork.

5.1.49. In order to resolve grievances and problems, employees through their union leader negotiate with the management. At present negotiation process in large plants has been based on merits of the issues, prevailing industrial environment and in a democratic manner. While in mini cement plants, in the absence of trade unions, employees express their feelings, grievances and dissatisfactions verbally to their employers, and convince them to the best of their knowledge and abilities.

5.1.50. Consequently employees’ unrest leads to industrial disputes. It has been observed that to avoid possible conflict both the parties have
to address such unrest immediately. Large cement plants have been using machinery for resolving conflicts, as provided under The Industrial Dispute Act 1947. The Act has provided preventive and curative measures. Large cement plants have adopted mutual discussions to resolve conflicts. It was observed that most of the problems had been resolved during the negotiation stage, across the table only. In case of acute needs, higher-level machinery like JMC has been used. For the cement industry court is opted for when no option has been left to resolve the issue.
5.2. SUGGESTIONS

(A) Suggestions for Large Cement Plants
(B) Suggestions for Mini Cement Plants
(C) Other Suggestions
5.2. (A) SUGGESTIONS FOR LARGE CEMENT PLANTS

5.2.1. Gujarat is one of the economically fastest developing states, having plenty of natural resources particularly for cement industry. Therefore, it is suggested here that present installed capacity and percentage utilization of existing plants should be increased so as to occupy first position in industrial development in the country. For this it is needed and suggested that both government and entrepreneurs should come forward with policies and proposals respectively.

5.2.2. India has become a member of the WTO, and it is expected that by 2020 India will be a developed country. In respect to achieve this goal, cement as well as other industries should adopt democratic and free rein leadership philosophy, irrespective of size and form.

5.2.3. Promotion policy as one of the key factors that affect industrial relations. Therefore, it is suggested for the cement units of Gujarat that:

(i) More and more units should combine seniority and merits of an employee for the promotion because it combines benefits of both and limitations of none.

(ii) There should be increased monetary and non-monetary incentives associated with promotion. Present incentives are inadequate. It is further suggested that these benefits, once granted, should be provided with immediate effect.

(iii) Promotion is the sole right of the employees. Once it is due and not given, it could create problems in the organization. Therefore, it is advisable not to deprive employees of their right to promotion.
5.2.4 Cement industry has no choice, whether to give promotion or not? Choice is for method only. It is, therefore, recommended that cement units, in order to grow mutually and for industrial harmony, should adopt such a method for promotion, which provides more growth opportunities for both employees and employers.

5.2.5 Cement is the basic and key industry in India and employs lakhs of people directly. Further India is the fourth largest cement producer in the world. At present no formal education in the form of degree or diploma available to train people connected with cement industry. It is suggested that:

(i) Universities should impart formal education especially for cement industry.

(ii) A special training center in association with government and cement manufacturers should be established for operational training.

(iii) Behavioral, yoga and computer training programmes should be arranged for cordial industrial environment.

5.2.6 For the performance appraisal function in cement units it can be suggested that:

(i) Term to evaluate performance of employees should have internal and external consistency.

(ii) Adopted method of performance evaluation should be communicated to the concerned employees in advance. Further they should be informed of the actual performance observed in a formal and understandable manner. Such steps will allow better understanding and promote efficiency of the employees.
5.2.7. At present, the industrial relations scenario in cement manufacturing units of Gujarat is reasonably good. However, one should not be satisfied with the present position of industrial relations. It is, therefore, suggested that all stakeholders of cement units should contribute maximum with the help of timely, corrective and collective actions and efforts to give a big push up to the existing employee-management relations.

5.2.8. For cordial industrial relations it is suggested that every person working in the cement units, irrespective of their qualifications and level should understand each other to recognize human values. Recognition of human element at work removes most of the hurdles for promoting good industrial relations. It is also suggested that formal and informal, people to people contacts and superiors-subordinates contact should be promoted to understand each other better.

5.2.9. Indian economy is passing through a sea change of liberalization, privatization and globalization process. And the term 'Vibrant Gujarat' has recently been attached to the Gujarat State. Under such circumstances, to suit changes and globalize culture, it is suggested that employees of not only cement industry, but all should be provided education and training on the effects of LPG process, so that congenial industrial atmosphere is created.

5.2.10. The main causes for grievance were found to be wage structure, working conditions and preferences and prejudices of people working in the organization. To overcome such causes, it is suggested that:
(i) Existing, inelastic and traditional wage structure and system should be revised and new consistent and acceptable wage system and structure be adopted.

(ii) Employment conditions and working conditions should be improved to that of international standards, and

(iii) Full, free, frank, formal and informal interactions among people and particularly between superiors and subordinates are suggested for better mutual understanding, so as to reduce prejudices and biases.

5.2.11 Industrial discipline is essential for the growth of the industry. It is more essential for maintenance of cordial employee-management relations. Therefore it is suggested that:

(i) Motivation, communication and leadership should be made more effective to reduce and remove indiscipline, if any.

(ii) Existing welfare measures should be enhanced further and provided effectively to acceptable level, and

(iii) There should be a continuous monitoring system for maintenance of discipline.

5.2.12 Employee grievance, when not addressed properly it widens as time passes and results in employee unrest and conflict. Therefore, it is required:

(i) For each cement unit to establish efficient employee grievance handling machinery, so as to resolve grievance, before it spreads into unrest and conflict.

(ii) To develop and maintain straight and simple superior-subordinate relationship to minimize industrial unrest at possible lower level.
5.2.13. Cement manufacturing processes have been fatigue-oriented. In this respect, it is suggested that:

(i) Factors responsible for industrial fatigue should be studies and minimized.

(ii) Employees should be taught to quit certain bad habits such as smoking bidis, consuming alcohol and chewing tobacco and

(iii) Employees' personal problems, if any, should be solved.

5.2.14. In cement manufacturing units of Gujarat, it has been observed that only employers dominate collective bargaining power. Therefore it is recommended that:

(i) There must be a change in the attitude of employers and employees. They should realize that collective bargaining approach does not imply litigation, as it does under adjudication.

(ii) A truly representative, enlightened and strong trade union should come into being and should function on strictly constitutional lines.

5.2.15. Human Resource policies reflect the image of existing industrial relations. Hence, periodic review should be made in the policies. Further transparent personnel policies ensure good governance of the organization.

5.2.16. For the negotiation process of trade unions in cement units of Gujarat, it is suggested that:

(i) For and post negotiation discussions and decisions, trade union should constitute a permanent body of few representatives, including legal experts and experienced employees.
(ii) There must be a forum for trade union leaders of cement units for the purpose of strengthening their negotiation strategies and practices and

(iii) Trade union leaders should steer clear of dirty politics during their negotiation practices.

5.2.17. Financial position of trade unions in cement industry is poor and unsound. Financially strong trade unions can negotiate effectively with management. The financial position of trade unions can be improved through:

(i) Increase in rate of membership subscription

(ii) Rise in size of membership

(iii) Regular collection of subscription and

(iv) Collection of donations from various sources

It is also suggested that the Trade Union Act should be revised and amended so as to raise membership fees from 25 paise to Rs.100 per employee per year.

5.2.18. In order to widen the horizons of trade union activities, they can think in the line of countries like U.K. and the U.S.A, to provide their members insurance against sickness, accident, disablement, old age, death and unemployment. It is further suggested to develop machinery for funeral benefits to the widow of the deceased member, his young children and parents.

5.2.19. For welfare facilities to employees of cement units of Gujarat, it is suggested that:

(i) Maternity benefits should be made available to female employees and paternity benefits to male employees.
(ii) A system should be provided and maintained for interest free, short term loan facility to needy employees.

(iii) Career planning guidance centers should be opened in the plants, where career counseling is made available to employees.

(iv) A rich library should be provided to facilitate reading and

(v) People to people contact at plant level and among the plants should be increased. For this, inter plant and intra plants cultural and sports competitions should be organized regularly.

5.2.20. More and more large cement plants should come forward to provide facilities to their employees beyond statutory obligations, because employees are also now within the meaning of human asset and they should be appreciated by value-addition from time to time.

5.2.21. Machinery provided under the act for resolving industrial disputes is old, obsolete and outdated. To boost up the liberalization process, it is suggested that dispute-solving mechanisms should be made simple, quicker, latest and result oriented. Such machinery should be continuously monitored and revised from time to time, so as to suit the needs for the solution of the dispute. It is also suggested that court proceeding system should now use online-computerized way for giving timely justice.
5.2.22. Opening of the doors in Indian economy for multinationals has resulted in increased global competitions. Mini cement plants, under such circumstances are not able to compete with large plants. Therefore, there is need for the mini plants to up-grade their existing technology, so as to enable them to survive and compete in local market. In this way, they can also contribute in the economic regional development of the state.

5.2.23. Mini cement plants in India have employed just 10% employees of the total. Most of the mini cement plants keep themselves away from the coverage of The Factories Act 1948; hence they keep employee size below 20. Therefore, it is suggested that The Factories Act 1948 should be amended along with other labour laws. Fear of present labour laws is a major component for industrial relations issues in the mind of management of cement units.

5.2.24. For the promotion policy it is suggested for mini cement plants that now in the 21st century they should come forward with concrete and clear promotion policies, which should be made very clear to their employees. Further employees should be encouraged and convinced for giving due return to the organization for the promotion granted.

5.2.25. Wage and salary administration has direct relevance to industrial relations. Therefore, it is the need for mini cement plants to design and accept systematic and dynamic salary structure along with provisions of perquisites and career development for their employees.
Further, not only large plants but also mini cement plants should join the CMA and accept the CMA award for wage and salary structure.

5.2.26. In order to minimize absenteeism, mini cement plants should improve the existing working conditions and formulate leave policy.

5.2.27. Industrial democracy is needed for transparent governance of the cement plants, therefore, it is suggested that:

(i) ‘Employees’ participation in management’ concept should be introduced in mini cement plants.

(ii) Management of mini cement plants should come forward with broad and open mind to accept the contribution of employees and train them for further active participation in the management.

5.2.28. ‘Unity is strength’ and ‘United we stand, and divided we fall’ these principles are not seen in mini cement plants. To protect and promote the interest of employees, they should be united at their unit level to form their formal union and also form state level and national level association, so that they can bargain with the management and their problems can be resolved by single machinery. Similarly it is also suggested that cement industry should have federation of both mini and large plants to provide uniform platform to them. Such associations from both the sides should develop correlation, co-ordination and mutual understanding to solve their problems.

5.2.29. Personnel polices are very poor in mini cement plants. There is a need to have formal, written and systematic personnel policies and to implement them. Such policies should cover human resource
planning, procurement, development, maintenance, and compensation and separation issues. Further such policies should be reviewed and revised to absorb positive changes.

5.2.30. To protect and promote industrial relations in cement industry of Gujarat, government should formulate consistent, timely policies and laws particularly for mini cement plants, so as to boost up employee-management relations. Policies for employment conditions and working conditions should be imposed in mini plants by the government.

5.2.31. Mini cement plants besides statutory provisions can think in terms of providing reasonable health, welfare and safety measures on human ground to their employees. Government should intervene and help employees prevent themselves from being exploited by the management in this respect.
5.2.32. Promotion and maintenance of sound industrial relations in cement industry is a challenging job. Certain conditions should exist for the maintenance of harmonious industrial relations. They are as follows:

(i) There must exist strong, well-organized and democratic employees’ unions in both mini and large cement plants.

(ii) To protect the interest of weak employers and for uniform personnel policies among cement units, there must be sound, organized and active federation at state and national levels for both mini and large cement plants.

(iii) There is need for full acceptance by management of the collective bargaining process and of unionism as an institution. The cement units should consider a strong union as an asset to the management.

(iv) The demands made by the unions should be logical, rational and reasonable. Unions should recognize that the welfare of their members depends upon the successful operation of the business.

(v) Machinery for prevention and settlement of industrial dispute should be effective and dynamic.

(vi) There should exist mutual trust and confidence between the two parities. There should not be ideological incompatibilities between them.

(vii) Both union and management should not adopt legalistic approach to the solution of problems relating to relationship.
(viii) Maximum attention should be given to negotiation to solve day today problems.
(ix) Superior-subordinate contacts, both formal and informal should be increased for better understanding of each other.
(x) The Trade Union Act should be amended in order to avoid dual membership, raise membership fees and for other such measures.
(xi) Trade unions should form their own political party to give additional strength to the unions, both in the industry and parliament.

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