CHAPTER -I
INTRODUCTION

PREAMBLE:
The purpose of this study is to identify the factors which are fundamental for industrial relations dynamics and to modalise the pattern of Catastrophes that could occur in such dynamics. This, the researcher found it necessary since the general understanding of these factors in practical terms still calls for refinement. At the same time, when a valuable method like "Catastrophe Theory" is available for depicting the qualitative changes in social dynamics, the researcher thought it must be tried for its application value in the field of Industrial Relations.

DEFINITION OF CONCEPTS AND TERMS:

'Industrial Relations' is basically 'Human Relations' in industry.

When we speak about Industrial Relations, invariably we mean Labour Management Relationship and such affairs that relate to employee demands and the employer resistances and vice versa. We cannot however afford to simplify the definition of Industrial Relations to this alone, although, Labour Management Relation plays a vital part in understanding the concept of Industrial Relations.

The Law book of our country has so far chosen to define only the industrial conflict or 'Industrial Disputes'. The Industrial Disputes Act of 1947, defines the Industrial Disputes as follows:

"SECTION 2(k)

'Industrial Dispute' means any dispute or difference between employers and employers, or between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment or the terms of employment or with the conditions of labour, of any person;"

This definition gives us a lead to conclude that wherever the so called industrial dispute is absent there must exist industrial relations. This again is a too simplified approach.

contd....
From time to time, different bases or tests have been suggested for determining the existence of Industrial Relations. They include absence of strikes, or resort to government machinery for settling disputes, attitudes of parties (workers and management) towards one another, number of grievances and arbitration cases, efficiency of operation and extent of workers participation at all levels of management in labour relations.

The Relationship of the Industry with the society should be included the definition of the Industrial Relations. Some Authors have identified the collective bargaining exercise alone as Industrial Relations. Similarly, the Legislative Machineries which take all efforts to bring about various legal obligations on the employers and employees must also find a place in the definition of Industrial Relations.

The nature and scope of Industrial Relations consist of an analysis of how people get on together, at their places of work, an estimation of differences that arises among them and an evaluation of how their relations are regulated and an examination of organisational arrangements for the reconciliation of different interests.

On the basis of the above considered opinions, it would only be appropriate to understand the term as a situation where

1) the employers and employees,
2) the employees and the employers,
3) the employers and the employers,
4) industry and the Government,
5) industry and political entities
6) the industry and societal forums like consumer forums
7) industry and the members of the employees families,
8) Trade Unions and its affiliates

interact and express their claims culminating into a peaceful or disturbed atmosphere.
It is submitted, however, that this is too wide a term for a Researcher to work with and therefore for the purpose of this study, by Industrial Relations, we mean the relationship between the employers and employees leading to harmony, depicting a peaceful atmosphere resulting in normal working without any deviation from normal discipline.

We have used certain other terms which are mostly relevant to the Industry and so, the definition of each of these terms is given below:

1) "Award" generally means an interim or final determination of any industrial disputes or any question relating thereto by any Labour Court, Industrial Tribunal or National Industrial Tribunal and includes an arbitration award.

For our purpose, this term is used to refer any decision of finality given by any forum in respect of working conditions of employees and it includes the following:

a) The first Central Wage Board for Cement Industry constituted in the year 1959.


c) The first Arbitration Award in 1979.

d) The Second Arbitration Award in 1972.

e) Tripartite settlement before the Chief Commissioner of Labour (Central) dt.10.5.89.

Whenever the employees referred as Award Category, it means such of those employees who are coming under the coverage of Industrial Dispute Act 1947, that is, those employees in skilled or unskilled, manual, supervisory technical or clerical workers and are basically eligible to become members of trade union. This excludes those who are employed mainly in a managerial or administrative capacity and those in supervisory capacity drawing wages exceeding 1,600/- per month. The Cement Wage Award/hovern includes the categories of Foreman, Asst Foreman and Chargehand by conventon.

* Detailed treatment of the Industrial Relations Dynamics is given in Annexure I to this report.

contd.....
A Trade Union Official is one who is holding Office bearership in any of The Registered Trade Unions. It also includes those who have held those position in the past. For brevity, the pronouns used in this report are all masculine, however, it would include female members wherever appropriate.

We have also used the following terms drawn from Catastrophe Theory:

a) 'Normal factor' and 'Splitting factor' are two control factors promoting and distracting any behaviour in a given situation.

b) They are referred as 'Conflict ing factors' in certain situation.

c) 'Bias factor' is the third control factor that causes the behaviour more aggressive.

d) 'Butterfly factor' is the fourth factor finding place in any given situation which modifies the behaviour catastrophically.

PURPOSE AND OBJECTIVES OF THE STUDY:

It is our concern to identify the elements that are attributable to harmonious Industrial Relations and the mechanisms which cause disturbances to such harmonious industrial relations. It is also the attempt of this study to present a precise model which would depict such causation of sudden disturbance to smooth function of Industrial Relations.

* The fundamentals of this theory are given in the Annexure II to this report, for quick reference.
To structure this purpose properly, the following objectives are taken up:

i) To identify the factors that are normally attributable for building good relationship.

ii) To identify the factors which cause split in maintaining such good relationship.

iii) To identify factors which accelerate the above causative factors which might result in sudden disturbances in the normal function.

iv) To identify factor that might balance the system so that such sudden disturbances are controlled to the minimum.

v) To recognise the pattern of such disturbances if any and to find out if such pattern can be brought into easily understandable models.

HYPOTHESES

In order to accomplish the above objectives, we have made certain assumptions, which are formed into the following Hypotheses.

HYPOTHESIS -1

Trust is a ‘Normal factor’
Management neglect is a ‘Splitting factor’.
Trade Union dynamics is a ‘Bias factor’ and
Third party intervention is a ‘Butterfly factor’

—influencing harmonious industrial relations resulting in catastrophic changes in industrial relations dynamics.

contd....
HYPOTHESIS - 2

2.1. Clear management policy increases trust.
2.2. Professional management increases trust.
2.3. Concern for people increases trust.
2.4. Sharing gains of productivity increases trust.
2.5. Career growth for people increases trust.
2.6. Employment security increases trust.
2.7. Outstanding achievement of the organisation increases trust.
2.8. Socially responsive attitude of the management increases trust.
2.9. Quality consciousness increases trust.
2.10. Well defined wage structure increases trust.

HYPOTHESIS - 3

3.1. Delay in making decision is management neglect.
3.2. Ineffectiveness in grievance settlement machinery is management neglect.
3.3. Disparity of treatment in discipline is a management neglect.
3.4. Favoritism in employee recognition is a management neglect.
3.5. Failure to take disciplinary action is a management neglect.
3.6. Allowing corrupt practices in recruitment is a management neglect.
3.7. Not monitoring full flow of related information to employees is a management neglect.

contd.....
3.8 Not providing good working condition is a Management neglect.

3.9 Not providing appropriate designation/nomenclature is a management neglect.

3.10 Wide disparity of treatment between management staff and workers is a management neglect.

**HYPOTHESIS - 4**

4.1 Trade Union dynamics is favourable when only one union represents the workers

4.2 Trade Union dynamics is favourable if the leadership in the union is effective.

4.3 Trade Union dynamics is favourable if the leadership is free from corruption.

4.4 Trade Union dynamics is favourable if the leadership is able to get things done with the Management.

4.5 Trade Union dynamics is favourable if the leadership enjoys the trust of the workers

4.6 Trade Union dynamics is favourable if the workers perceive Union to be friendly with the Management.

4.7 Trade Union dynamics is favourable if the Union has political backing.

4.8 Trade Union dynamics is favourable if the Union is affiliated to a central body.

4.9 Trade Union dynamics is favourable if the Office bearers are united and unified in approach.

4.10 Trade Union dynamics is favourable if the union is conforming to its constitutional requirements.

contd....
HYPOTHESIS -5

5.1 Third party intervention is inevitable if a crisis situation arises.

5.2 Third party intervention is normally through the machineries laid down under the Industrial Disputes Act.

5.3 Third party intervention is initiated mostly through political power influenced by women.

5.4 Third party intervention mostly brings out compromise situation.

5.5 Third party intervention is initiated by the Management.

5.6 Third party intervention is mostly helpful to settle the issue.

5.7 Third party intervention mostly sets the direction to normalcy in any issue.

5.8 Third party intervention is effective when it is through arbitration.

5.9 Third party intervention is effective if the higher level of conciliation machinery is involved.

5.10 Third party intervention is normally encouraged by the Union.

METHODODOLOGY:

We are mainly concerned with identifying the factors that build harmonious industrial relations and those which cause disturbance to the same. Since we are to develop a model to depict the pattern of discontinuities in the smooth function of Industrial Relations, a theory called Catastrophe theory, founded by the French Mathematician and a Field Medalist Rene’ Thom is relied upon.

contd....
Catastrophe theory simply states that the number of configuration of discontinuities that may occur depends not on the number of state variables which may be very large, but on the number of control variables which is generally small. In particular, if the number of control variables is not greater than four, then there are only 7 distinct types of catastrophes and in none of these are more than two state variables involved.

Since the researcher has hypothesised the factors Trust, Management Neglect, Trade Union dynamics and the Third Party intervention as four control variables, it would be possible for developing an operational model using this theory.

The study was undertaken to identify various dimensions of the above factors in an Industry where the Industrial Relations system is fairly well established. The Researcher has therefore selected Cement Industry for that purpose since most of the Industrial relations issues are consolidated and settled through a Wage Board and Arbitration Award for the Industry as a whole, and the study is undertaken in a unit which is established for over five decades. The unit maintains good record of Industrial Relations proving itself a model in Industrial Relations.

A detailed questionnaire was developed for testing the hypotheses and was applied on 15% of the population to arrive at the primary data connected with various factors influencing the Industrial Relations and their relative effects in causing catastrophes. The sampling was done using random numbers and it was further stratified into grouping Executives, Staff, Workers and Trade Union Leaders.

The various characteristics of the population surveyed are presented in Table 1 and from the facts presented we may arrive that the opinion is obtained from an evenly distributed group.

The researcher also collected secondary data through various records, study reports and statistical information available in the industry. He also interviewed senior Trade Union Leaders and workers to collect details about the history of the organisation.

contd....
Table 1

PROFILE OF RESPONDENTS:

<table>
<thead>
<tr>
<th>EMPLOYEE</th>
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<tbody>
<tr>
<td>MANAGEMENT CATEGORY</td>
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<td>AWARD CATEGORY</td>
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<td>OTHERS</td>
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<table>
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<td>51</td>
</tr>
<tr>
<td>40 AND ABOVE BUT BELOW 50</td>
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<tr>
<td>50 AND ABOVE</td>
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</tr>
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<td>Rs 3,000 AND ABOVE BUT BELOW Rs 4,000</td>
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<td>MARRIED WITH CHILDREN</td>
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<td>POST GRADUATION</td>
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<th>INVOLVEMENT IN TRADE UNION</th>
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<td>OFFICE BEARER</td>
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<td>75</td>
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<td>NON MEMBER</td>
<td>86</td>
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</table>
Initially the questionnaire was administered in another cement unit in Tamilnadu as a Pilot study and the approach proved satisfactory.

PRESENTATION:

The thesis is presented in 5 Chapters as follows:

Chapter I: Introduction, objectives, hypotheses Methodology and arrangement of chapters.

II: Cement Industry in India. A general profile of the Industry and its progress. Wage Boards, Awards and settlements. Formation and growth of Dalmia Cement (Bharat) Ltd., in which unit the study was undertaken. Industrial Relations scenario in Dalmia Cement (B) Ltd.

III: Elements in IR dynamics - Factors influencing the same - Trust, elements contributing to trust - Management neglect, actions and the inactions attributable to it. Trade Union dynamics - its elements, the Third party intervention and its contributions.

IV: Analysis and findings of the study and the models evolved.

V: Conclusions:

The thesis will also have the following annexures:

1) Industrial Relations - concepts, structure and practices - Industrial relations history of the Cement Industry.

2) Catastrophe theory and its various models - its application areas.

3) The questionnaire used.

4) Bibliography

contd.....
v) The job descriptions of Labour department officials.

vi) A case in Industrial Relations observed during the study.