CHAPTER-VII

CONCLUSION
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Healthy industrial relations are vital prerequisite for industrial peace and harmony. It signifies mutual trust, understanding, a positive cooperation between labour and management. Obviously, the primary objectives of any scheme of industrial peace should be to reconcile mutually conflicting interests of employees as well as the employers, while taking into consideration the supreme interest of community as a whole. Accordingly, it will emulate feelings of destructive union rivalries and also develop a relationship in rendering services to working class. Moreover, maintenance of industrial peace requires constant endeavour to prevent industrial strikes. Even the best industrial relations machinery cannot achieve this laudable objective, and hence the importance of both preventive and curative methods of industrial relations is necessary to check industrial unrest. Therefore, the essential prerequisites of success in the field of industrial relations are proper assessment of industrial unrest, review of preventive as well as settlement machineries and evaluation of trade union activities which will provide information for the effective working of the industrial relations system in an enterprise.
In this backdrop, the present study has been devoted to review the industrial relations scenario in IDCOL, a pioneer state undertaking of Orissa, with the following objectives.

i) To study the trend of industrial unrest in IDCOL in terms of strikes, lock-outs, Gherao and go-slow etc along with their causes and consequences;

ii) To make an assessment of the existing machinery for the prevention and settlement of industrial unrest in IDCOL;

iii) To examine the role of trade unions in maintaining industrial relations and to investigate into the problems of trade unions in IDCOL.

The hypothesis of the study are:

(i) Good industrial relations in IDCOL helps in enhancing the volume of business in different areas in the State.

(ii) Bad industrial relations in Public Sector (IDCOL) may lead to privatisation.

(iii) Trade Union contribute a grate deal for healthy industrial relations.
Industrial relations in this study refers to the issues like industrial unrest, its prevention and settlement along with the role and problems of trade unions. The study covers a period of thirteen years from 1980 to 1992, to examine the industrial relations in IDCOL.

This empirical study is based on both primary as well as secondary data. The secondary data have been collected from various publications of IDCOL and Government Publications both at the State and Central levels. The primary data for the purpose are obtained from the direct field survey with the help of three sets of schedules and structured questionnaires administered on sampled workers, union leaders and managers of different units of the corporation selected on random basis.

The data collected from both primary and secondary sources are suitably classified and tabulated for the purpose of analysis. The statistical analysis has been made on the basis of percentage, average, annual growth rate, correlation and content score etc.

7.1. MAJOR FINDINGS

IDCOL, a state public sector undertaking of Orissa, having different units, sparsely situated in
different parts of the State, has associated itself with the production of variety of items including cement, pig iron, Ferro Chrome, Alluminium conductors, rerolled products, spun pipes and cotton yarn etc. By the end of March 1993 it has generated an employment opportunity for 9557 persons directly through its units, subsidiaries and joint sector projects and 3300 persons indirectly through contractors. The contribution made by IDCOL to the central and State Exchequers in the form of excise duty, sales Tax, royalties and others since its inception (till 1992-93) stood at 30650.26 lakh rupees on an average of 2189.30 lakh rupees per annum.

In the field of export too, IDCOL has been successfully entered into the international market by exporting their products to Thailand, Philippines, Japan, Australia, Netherlands, Italy, Iraq and has earned promising foreign exchange for the nation. In the year 1988-89 it could able to earn foreign exchange worth over 22 crores of rupees.

While recognising its social responsibility, IDCOL has been active in providing funds for educational research and public welfare. Thus, in short IDCOL, has not only become a prominent patroniser and promoter in the industrial and infrastructural development of Orissa but
also in the field of socio-economic and culture of the State.

In absolute terms, the aggregate turnover of IDCOL has registered a rising trend from Rs. 501246 lakhs in 1980-81 to Rs. 17096.74 lakhs in 1992-93. In relative terms and particularly the ratio of capital employed and sales (turn over) has registered a fluctuating trend signifying a mixed efficiency of IDCOL (Table-3.7). Similarly, sales as a percentage of net worth has not only shown an almost increasing trend throughout the period of study, but also has remained always 100 per cent. This, in one hand indicates a good sign of improvement particularly for a growing business establishment like IDCOL and on the other, advocates for the requirement of additional capital fund in order to meet the corporation’s current demand for production.

The profitability ratios of the corporation, in relation to its manufacturing, selling, administrative and other activities, do not show any specific trend. More specifically, the net profits of IDCOL exhibits (Table-3.6) fluctuating trends both in absolute as well as in relative (i.e. as a percentage of sales) terms.
Strike is considered as the important outcome of poor industrial relations in an organisation. The study reveals that in IDCOL strikes have taken place only for twenty times during the period under study. So far as the frequency of strike is concerned, it is 0.3848 per thousand employees (Table-4.4). Regarding the participation of workers in strikes, no significant trend is apparent during the first half (1980-81 to 1984-85) of the study period. However, during the second half, it presents a rising trend (Table-4.5) from 58 workers per thousand employees in the year 1984-85 to 343 workers per thousand employees in the year 1990-91. The total number of workers involved per strike does not reveal any consistent trend. When the loss of mandays is taken into consideration, (Table-4.6) no definite trend is found to be present. But, a remarkable increase in the mandays lost per thousand employees and also in terms of mandays lost per strike is noticed in the years 1986-87 and 1987-88. As is evident from the analysis, the number of mandays lost per thousand employees in the years 1986-87 and 1987-88 stood at 4,436 and 13,807 respectively and the mandays lost per strike during the concerned years found respectively to be 7,163 and 23,787, which is considerably high. This abnormal increase in the loss of mandays is simply due to prolonged strike continued for more than a year in one of the units (BSM) of the corporation.
It is further observed that the incidence of strikes in IDCOL has been very casual and confined to limited units only. The unit wise analysis shows that Baripada Spinning Mills alone accounted for a major share (45 per cent of the total number of strikes) in the strike activities of the corporation followed by Re-rolling mills (25%) and Aska Spinning Mills (15%). The other units such as HIW, FCP and BPAW had only one strike each during the period under study.

As observed, the industrial unrest situation in BMS affected the performance of the unit in terms of loss of production, capacity utilisation and mandays. In RRM, though there was an increase in the number of strikes (5 Nos) during the period of study, its impact on production and capacity utilisation was insignificant (Table-4.8).

The correlation coefficients of strikes, mandays lost, production and capacity utilisation indicate that the production is negatively correlated to strike (-0.15) as well as mandays lost (-0.34). The negative correlation in each case indicate the adverse effect of strike and loss of mandays on output. But the poor result of correlation coefficients are however indications of lesser intensity of their influence on output. The cause for such insignificant
impact of strikes and mandays lost on IDCOL's production and capacity utilisation may be the less number of strikes (20 NOs.) and mandays lost (10,4,788) during the period (13 yrs.) under study. This has lead to expansion in the volume of business along with installation of new industries during the period under study (Table-3.1). This proves the hypothesis that good industrial relations in IDCOL helps in enhancing the volume of business in different areas in the State.

Cause-wise analysis of strikes reveals "wage rates and other financial benefits including bonus" to be the most significant cause responsible for the industrial unrest. As observed, this particular cause accounts for 40 per cent of the total number of strikes that the corporation has confronted with. Personnel matters, disciplinary actions and dissatisfaction regarding welfare measures are found to be the other prominent causes of strikes, each contributing about 25, 20 and 15 per cent respectively (Table-4.7).

The opinion of the workers and union leaders indicated that 'economic factors', 'disciplinary measures', 'personnel matters' and 'improved welfare measures' were the causes of strikes in order of their importance (Table-4.9). But the management assigned more emphasis on
"disciplinary actions" (1st rank) as the most important cause of strikes followed by "economic factors" (2nd rank), and 'union rivalry' (3rd rank).

As regards to the effects of strikes, the responses of union leaders showed that "rift among workers" (1st rank) was the most important outcome of strikes followed by 'loss of income' (2nd rank), and 'strained relationship with management' (3rd rank), 'improved welfare measures' was the only positive outcome of strikes as percepted by the union leaders (Table-4.10). Contrary to this opinion, management viewed "loss of income" (1st rank) to the workers as the most important effect of strike. They assigned second and third rank to "strained relationship with management" and "rift among workers" respectively.

The analysis also reveals that workers and unions are hesitant to take frequent recourse to strikes in order to ventilate their grievances. The management is also found to be in better frame of mind to cooperate with workers and their unions for the development of mutual understanding to resolve disputes without stoppage of work. About 56 per cent of the executives had expressed their utmost satisfaction on the adequacy and implementation of measures to avoid strikes and establish cordial industrial relations.
It is observed from the views expressed by the respondents that workers (78%) and union leaders (33.5%) have strongly felt that Gherao is not at all justified to redress their grievances. At the same instance 52 per cent of the union leaders advocated for Gherao and Go-slow tactics for the redressal of the grievances 'to some extent'.

The opinion of workers and union leaders indicated that 'disciplinary action' (assigned first rank) taken by management was the most important cause which inflicted mental desperation and agony on workers leading to an immediate action (Gherao) to ventilate their reactions. The attitude of workers, union leaders and managerial personnel was found to be indifferent towards Gherao and Go-slow. As such neither 'Gherao' nor 'Go-slow' activities have got very deep root in IDCOL units during the period of study.

In IDCOL the incidence of lockout was found to be very rare and infrequent. The corporation witnessed two cases of lockouts during the period under study involving only two spinning mills (BSM & ASM). Both management and union leaders had agreed that lock out is a direct blow to the organisation and has devastating effect on the livelihood of the workers which can turn the corporation sick. Moreover a feeling of bitterness percolates and spreads to all sections as viewed by the respondents.
Taking into account the hugeness of the organisation in terms of number of units and size of work force, the extent and consequences of industrial unrest in IDCOL can be claimed to be very marginal. To have a climate conducive to better industrial relations, the management of IDCOL has adopted both preventive and curative measures to tackle the problems of industrial unrest.

A clear cut grievance procedure has been evolved and is being followed in IDCOL for redressal of the grievances of workers. A thorough analysis of the responses of the workers, union leaders and managers revealed that, among others, the demand for increased wages, quick disposal of outstanding dues, facilities for promotion, medical benefits, better working conditions, provision for staff quarters and safety measures were the main issues concerning the workers grievances. So far as the awareness among the workers about the existing grievance procedure was concerned, it is found that about 58 per cent of the workers are fully aware of the procedure. It was further revealed that in respect of more than 50 per cent of the cases, workers had directly approached trade union leaders for the redressal of their grievances. It shows that workers have more confidence on union leaders. Although a majority of workers, union leaders and managers are satisfied with the existing grievance procedure, still the
prevalence of some sort of dissatisfaction was marked due to 'indifferent attitude of management', 'time consuming process', 'non-co-operation of union leaders' and 'political interference' (Table-5.3).

On investigation it was found that collective bargaining was one of the most important instruments used in IDCOL for preventing and settling industrial disputes. During 1980-92, 91 per cent of the issues were settled through collective bargaining. Of the settled issues 83.7 per cent were bipartite and rest were tripartite in nature. This clearly indicates that both workers and management have cultivated a rich culture of respecting the interest of each other during the negotiation.

The responses from a sizeable portion of union leaders (72.8%) and management (85%) indicated that the successful working of collective bargaining may be considered as a pathway to cordial industrial relations. The response analysis also revealed that a greater number of respondents were unanimous to consider collective bargaining as the most preferred method of resolving disputes which conveys the existence of a sound industrial relations in the corporation. As regards to the attitude of workers and management towards collective bargaining, it was evident that the workers' attitude was more favourable
than the management's attitude. But all sampled respondents have a strong belief that encouragement of collective bargaining will certainly lead to a better industrial relations in IDCOL.

The concept of Quality Circle has not rooted in IDCOL. The Quality Circle approach can only be traced from the functioning of the participative forum like joint Production Committee.

It was observed from the records that works committees have not been constituted in accordance with the Industrial Disputes Act, 1947 (Sec.3) since 1974-75. Hence, the contribution of such committee towards the prevention of industrial unrest in IDCOL does not arise. There are six different joint committees on production, grievance, Safety, Housing Allotment, Welfare and canteen managing committees were functioning in each unit of the corporation.

A review of the working of the joint committees revealed that committee meetings were not held regularly. There was 56 per cent of the scheduled meetings held on safety, as against 40 per cent on production, 35 per cent on canteen and welfare where as 20 per cent was on housing allotment committees.
On an average, nearly, 78 per cent of the recommendations of various joint committees were implemented. The rate of implementation was the highest (89%) for grievance committees followed by Housing Allotment Committees (87%). It was 77 per cent in case of welfare committees, 75 per cent each for safety and production committees, and also 70 per cent for canteen managing committees.

It was observed that the level of awareness among workers regarding the "workers' participation in management" in the corporation was considerably low (41%). This was because only 54 joint committees were functioning in IDCOL with 162 worker representatives (4% of the total work force) nominated by the recognised unions, which provided no scope for the involvement of rest of the workers in participative forums. A noticeable number of workers and union leaders had expressed their dissatisfaction on the functioning of the "Workers' Participation in Management Schemes". On investigation the attributable causes of the failure were found to be (1) lack of awareness, (ii) lack of mental preparedness on the part of the management to share authority, (iii) existence of inter and intra-union rivalry, (iv) delay in implementation of suggestions made by joint committees. At the same time the respondents were unanimous on the point
that effective encouragement of workers' participation in management will result in improved industrial relations in IDCOL.

Mutual negotiation and conciliation had contributed a lot to settle disputes in IDCOL. It was observed that negotiation alone could successfully settle 76% of the disputes out of 716 disputes before the negotiating body (Table-5.27).

It was found that conciliation as a method of settlement of disputes had been a great success in IDCOL. Out of 170 cases referred to the machinery during 1980 to 1992, 62.3 per cent (Table-5.28) cases were successfully settled. Among the different issues involved in conciliation, wage and other financial benefits dominate the scene by contributing 57.6 per cent of the total agreement followed by the issues like service conditions (18.8%) and disciplinary action (18%). The opinion survey also indicated a high degree of success of the conciliation machinery and both management and union leaders expressed favourable attitude towards its functioning.

Regarding the practice of Arbitration method of settling disputes, it was found that this machinery had no contribution for settling of industrial disputes in IDCOL.
It was also observed that, in IDCOL, the parties had not taken frequent recourse to adjudication for the settlement of industrial disputes. On an average, only two cases were referred to such machinery. It was found that out of 23 awards during the period 1980-1992; seven were in favour of workmen, four were in favour of management, eight cases were mutually settled and were accepted as consent award and four cases were dismissed due to nonpossession of merit.

The growth of the trade unions in IDCOL had been always associated with the establishment and addition of new units. A striking feature of the trade union movement in IDCOL was that the unions were never initiated by the workers themselves. The political parties and central trade union organisations were mainly responsible for creating union consciousness among the workers. It was found that the Presidents of all the 21 registered trade unions of IDCOL were outsiders and they belonged to the various political parties.

On analysis of the affiliation of trade unions to central organisations, it was noticed that out of twentyone unions functioning in different units of IDCOL, ten were affiliated to INTUC, two to AITUC, two to CITU and rest seven were functioning independently.
In IDCOL there were eleven recognised trade unions. The recognition was based on verification of membership of union claiming its majority. Enquiry made with the trade union leaders revealed that about 71 per cent of them were satisfied with the present method adopted for granting recognition to unions. Though a section of union leaders (29%) were not satisfied with the procedure followed to grant recognition, it never created problems for the management and there was no labour unrest on the issue of recognition during the period under study.

In connection with the motivational factors behind the joining of workers in trade unions, it was observed that about 63.5 per cent of the workers had joined the union at their own will and 29 per cent had been influenced by the union leaders. The overall ranking of the opinions of the members on the basis of priority indicated that "to increase financial benefits", "to solve individual grievances", "to get better welfare facilities" and to "safeguard against victimisation", had been the important reasons for their self motivation to join unions.

It was further noticed that organised movements of workers were increasing vis-a-vis with the increase of disunity and multiplicity of unions. Out of nine units of IDCOL, six units were having multiplicity of unions. As a
result most of the workers were found to be the members of more than one union due to the pressure applied by rival union leaders. Workers, union leaders and management responded that "political interference" was the most important reason of multiplicity of unions. They were also unanimous in their ranking that "political ideology", "struggle for leadership", "personal rivalries" and "ineffective leadership" were the important reasons for inter-union rivalry in IDCOL.

Regarding intra-union rivalries, selfishness, struggle for leadership and political influence were ranked on priority basis to be the most important reasons by the workers. But union leaders assigned more importance on "ineffective leadership" and "occupational difference", for the same. The executives, on the other hand, emphasised on selfishness and personal rivalries as the prime causes for the intra-union rivalry.

It was found that most of the respondents were not in favour of outside leadership (Table-6.2). A section of workers (26.5%) and union leaders (27%) were in favour of the inclusion of outsiders as the Head of their Unions. They ranked the reasons for such favours as (i) they are more capable of bargaining, (ii) can promote the cause of workers and (iii) more committed to union activities. It
was also marked that all the management respondents were not in favour of outside leadership.

As regards to the involvement of workers in union activities, 56 per cent of them expressed to have taken active interest in Union activities. But the Union leaders expressed that "fear of victimisation", "indifferent attitude towards unions" and "lack of commitment" kept some of the workers aloof from the union activities. But, "time constraint" was stated to be the most important reason by the workers for the same.

Regarding contribution of trade unions in maintaining harmonious industrial relations, in IDCOL, large number of respondents from the workers (75.7%), union leaders (89.5%) and management (70.5%) had opined favourably. This indicates that the trade unions in different units of IDCOL, play a very significant role to create an atmosphere conducive to healthy industrial relations.

The opinion of the management about the trade union leaders revealed that the leaders had 'much influence' on workers, which was an indication of the efficiency of union leaders in controlling the activities of the unions. It was further revealed that management's perception about the conduct of trade unions in IDCOL was
quite positive and it helped to create a cordial industrial relations climate by extending their cooperation towards the policies of IDCOL. This proves the hypothesis that trade unions contribute a great deal for healthy industrial relations.

7.2 SUGGESTIONS

The following suggestions are offered for remedying the weaknesses identified by the study in order to improve upon the general effectiveness of Industrial relations in IDCOL.

1. It is desirable to take initiative by the management to constitute works committees in all its units in order to encourage team spirit and cooperation between the labour and management.

2. For the establishment of confidence among working community it is suggested that the management should take immediate steps to include worker's representation in the grievance committee functioning in each unit of the corporation.

3. The workers participation in management may be encouraged at unit as well as apex level of the organisation. This will increase professionalisation and
gradual reduction of bureaucratic norms of management and help in transplantation of culture of participation among workers in the organisation.

4. Activities of the Quality Circles are required to be introduced and climate of sound work culture be cultivated in the minds of the workers to go with qualitative products in order to cope up with the competitive market.

5. The management of IDCOL should take liberal view for necessary accommodation of views of worker’s representatives with different development/ crucial changes in IDCOL through different participation forums.

6. The IDCOL is having well educated, technically sound and culturally developed working population to lead further their own causes. The time has ripened to encourage the rank and file leaders who can understand, realise their problems and can have better communication for giving solutions of industrial disputes in view of the protection of organisational interest.

7. The agreements and settlements need to be implemented sincerely without any delay at any quarters which may lead to unhealthy industrial relations. Both the parties should have positive contribution and mutual respect for enforcement of the agreements.