CHAPTER-IX : SUMMARY, CONCLUSION & SUGGESTIONS
The main purpose of the study was to find out whether the collective agreements help in improving the productivity and to find out the problems & impediments in the process of implementation of these agreements apart from other objectives viz. to study different areas of improvements in productivity, to study the productivity improvements at plant level & department level, to study the impact of productivity improvement on IR scenario in the plant etc. In order to achieve these objectives related information & data were collected from secondary (published and unpublished records) and Primary (field survey through questionnaire, personal interview etc) sources. A well structured questionnaire & interview schedule were administered to the Non Executives, Executives as well as Trade union functionaries. A total of 450 questionnaires were distributed to non executive employees which is about 2 % of the total population. Out of this, 432 responses could be collected. Similarly 84 questionnaires were given to executives and all of them responded. The response from the union side was 45 out of 50. Eight questionnaires could not be considered due to same responses on all items.

From secondary sources, the agreements for last 14 years of departments like Coke Ovens, Blast Furnace, Steel melting Shop, Plate Mill, Hot Strip Mill, Cold Rolling Mills, Spiral Welded Pipe Plant were studied and the main terms and conditions were analysed. During interactions with key players in the matter these terms and conditions were also discussed to know the status of particularly productive clauses. The findings with respect to the objectives and various hypotheses which were developed during the research have already been discussed in chapter VIII and these are summarised below:

1. Steel is the backbone of economy of our country. This is the basic industry for the growth of nation. Steel plant needs a large pool of resources of many kinds. In India where literacy rate and economic condition of people is low and the main aim of any big industrial project was employment generation, it is very difficult to devise a specific method of productivity measurement. Any
productivity method will only be indicative as productivity largely depends on the state of mind of the employees. If the willingness and awareness is there with the employees, the techniques for improving the productivity can be mastered and applied. Hence it is inevitable that the economic needs, the environmental and other conditions of working, expeditious redressal of grievances, settlement of disputes and above all skill development etc. are given top priority so that employees are in a proper frame of mind to improve production and productivity. However labour productivity can be used as a tool for measuring the levels of improvement particularly in Indian steel industry.

2. The role of management and unions in the industry is like two wheels to a bike. One without other is meaningless as far as improvements are concerned. From the field study in Rourkela Steel Plant it is revealed that a layer of suspicion is there between the two parties. Each is not willing to blame himself for failure but tries to blame the other party. When two parties suspect each other, their commitment to their joint declaration is bound to be ineffective. The easy terms can only be implemented without any effort but the real terms for improving productivity which need joint effort by both the parties take the back seat. As revealed through direct questions and interviews, hardly efforts are made by the parties for implementation. Hypotheses I holds good.

3. Over the years, average earnings per employee per month have gone up. From Table 2.4 it is seen that from Rs. 9466/- in the year 1997-98 it has gone up to Rs. 14499/- in 2000-01. Labour cost per tonne of saleable steel has also gone up from Rs. 3046 in the year 1997-98 to Rs. 3717/- in the year 2000-01.

Similarly employment cost has also gone up considerably over the years. The total employment cost was Rs. 35983 lakhs in the year 1997-98 which has gone up to Rs. 48108 lakhs in the year 2000-01 i.e. a growth of 134 %. The average employment cost per employee per annum is Rs. 173983/- in 2000-01 which was Rs. 113593/- in the year 1997-98 i.e. 153 % high in cost. Expenditure
on social amenities has also gone up except a little downward trend between the years 1999-00 & 2000-01. This is due to some measures taken for cost control.

However all the above indicators point out that the company has been investing a lot of money on employees for their benefits & well being. It must contribute to the improved productivity. Collective bargaining has been very useful in SAIL, Rourkela Steel Plant as far as wage and improvements in other terms and conditions of employment are concerned. The wage and other employment condition enhances the potential of the employees for higher productivity. In other words, productivity potentiality improves with higher wages and benefits.

It is found during the study that there is phenomenal growth in wage of employees in terms of money value from 1970 to 1997. The minimum wage has increased 20 times from Rs. 200/- in 1970 to Rs. 4000/- in 1997. In 1974 the growth was 150% compared to 1970, then 133% growth in 1978, then 138% in 1982, then the growth was 245% in 1989. In 1995 the growth was 156% and in 1997 the growth was 190%.

From the above it is evident that there is growth in earnings of employees due to collective agreements which would have contributed to the productivity improvement in the plant, had there been efforts to channelise this productive potential to convert it into improved productivity. However the research revealed that a sizeable number of people are unable to understand this growth in wages which enhances their productive potentiality. Their potential is to be harnessed through proper guidance. Hypotheses V that the NJCS agreements help in improving the potential of employees to be more productive which would contribute to the improved productivity of the plant holds good. But in reality as the financial statistics do not reveal the same, it is clear that the potential is not converted into the result.
4. If the employee is not induced by the incentive system, then the system is not powerful. Hence they can be thought as incentives only. If the worker considers the incentive pay too low, management may make it an incentive system but worker won't consider it as such. Where incentives do not induce those to whom the system is directed, performance won't improve despite having an incentive system. It is seen from the earlier study of the researcher that most employees are not aware of the incentive and reward schemes in detail. In the present study, most of them feel that the agreements on incentive and reward helps in improving production and productivity, team work and curbs absenteeism. It indicates that employees are very positive on these schemes but they are not aware of the schemes in details and i:s targets are not known to them which is the main impediment in proper application of these schemes. However of late the management has initiated some steps like briefing the schemes to the members of Departmental Production Committees and other joint forums for members.

Thus it is clear that although the incentive and reward schemes are good schemes, it is not achieving the objectives as envisaged. Hypotheses III is proved.

5. The responses indicate that in individual departments the Union Management Relations & Collective Bargaining is cordial & successful but while commenting on the Union Management Relations of total plant as a whole, the response is little cautious. Employees feel that in the department level, management and union are positive to Collective Bargaining but when it comes to implementing the agreements the situation is not encouraging. Similar is also the feeling of executives and union functionaries. The majority of respondents agreed that cluster agreements have been implemented but they agreed that the clauses for improvement of production and productivity is not implemented. Majority of employees do not feel that production and productivity improves on
signing the agreements and department-wise productivity index also confirms the same. However majority feels that the agreements have positive effect on controlling absenteeism, improved team work. Hypotheses IV is not proved.

6. Regarding awareness of agreements, the respondents agreed marginally. Almost half of people (both Executive & Non-executive) are not aware of the agreements. If people are not aware of the agreements, its implementation is difficult. From chapter - VIII, on various factors also it is clearly evident. Hence agreements are not effective. All the respondents feel strongly that both management and union are not serious in implementing the clauses of the agreements. The same is also evident from views of union leaders and Senior officials of management. Probably this is the main cause of non-implementation of agreements. Hypotheses II is not proved.

7. The personnel or HR department plays a pivotal role in integrating the individual as well as organisational objectives. The collective agreement is one of the important means and tool to accomplish this. Therefore from the stage of problem identification, analyzing the same, drafting the related collective agreement to implementing the same, it is the prime responsibility of HR professional in the entire process. Involvement of line management and the concerned employee is of paramount importance for effectiveness of such agreements which would contribute to the production and profitability of the company.

However it is seen from the responses received on the related statements that 65% of the executives feel that the personnel department do not consult with the line management before agreement is signed and this is one of the reason for failure of implementation. The unit personnel executives during their interaction with the researcher revealed that the executives who are directly responsible for getting the job from the workforce are not insisting on the
workforce to comply with the various productive clauses of the agreements. This generally happens due to either lack of awareness of the agreement terms for poor communication from their higher ups in their line or fear of adverse reaction from the employees / union. This amply shows that there is mistrust between the various agencies of management as well as union.

10. Bipartite forums in Rourkela Steel Plant have been successfully conducting its meetings as has been indicated in Table 2.13 to 2.19 of bipartite forums. During discussions with Unit Personnel Executives it is also revealed that in departmental production committees, departmental safety committees and 1st Tier meetings there is hardly any reference to the productivity clauses of collective agreements. Whereas both parties could have discussed about implementation status of all clauses of the agreements atleast in 1st tier meetings. There is no initiative for review of the status of the agreements in any bipartite fora.

11. In earlier days finance department was used to give their concurrence before the agreements were signed in view of the financial implications involved on implementation of agreements. Although this might have caused an obstacle in arriving at an agreement in the form of delays, but this was quantifying the end result. Once how much was to be spent is known, then there will be a compulsion to know how much should be the return. And effort would be there to know the status of return. This financial implication part should be taken care of by the personnel department itself and while proposing the terms this financial implication should be analysed and told to the union seeking their co-operation. This exercise will prompt to take stock of the situation from time to time while implementation.

12. The IR environment is severely affected which has a deciding contribution on signing and implementing the agreements. As seen from the Table-4.4 in every election the present major rival union is closing in with the recognised union in terms of votes received; from the difference of 8497 votes in 1995 to
2015 votes in 2000. The recognised union under this situation can not agree with management for any type of terms which would need a little extra from the employees without any tangible benefit in return. This is due to the Indian political environment where votes are attracted with populist moves and fear of anti-incumbency factor always looms large. During the discussions with the UPEs many UPEs have expressed that any move to introduce the productive clauses is always resisted even if agreed in settlements because of inter union rivalry and the politics involved there in. To add this woe, voting system further affects the whole situation. Although it helps in deciding with whom to discuss, but it is a problem in the form of obstacle to progress.
The study revealed that collective agreements signed by both management and union do not improve the productivity in spite of the fact that the agreements are aimed at improving productivity. This is mainly due to following factors:

- Lack of awareness about the terms of the collective agreements amongst executive and non-executive employees.
- Lack of initiative by management to implement the specific productive clauses of the agreements.
- Lack of co-ordination between line managers and personnel managers.
- Inadequate measures by the unit personnel executives in case of department level agreements and concerned senior personnel executives in case of plant level agreements to involve the line management while going for an agreement.
- Inadequate measures by the union to involve the employees while devising/deciding on an agreement.
- Lack of measures to evaluate the progress made on the collective agreements by management as well as union.
- Lack of support by recognised union for implementation of productive clauses due to:
  - Mindset of maintaining status-quo
  - Fear of losing votes
- Feeling of alienation by major rival union as they are not consulted before signing the agreement.
- Failure of district labour machinery to review the progress at least once in a year to provide guidance & support.

The ultimate responsibility for both the process and the outcome on the form of the result of the organisation lies with the line manager. Every line manager has to perform the basic role of HR & must achieve business goals. They are accountable to the stock holders of the company i.e. share holders with economic value, customers with product/service value and employees with
workplace value (Ulrich, 1998). They should endeavour to fully integrate HR into the company's real work. For this they must assimilate the intricacies and philosophy of personnel management. While doing all the above the line manager must hold HR accountable for delivering the result. However while doing so, instead of imposing the new agenda on the personnel managers a partnership must be formed between the line managers and personnel managers to understand their function and decide the joint actions so that concentration only on activities shall be changed to commitment to outcomes.

In this backdrop, the line management and personnel management in Rourkela Steel Plant should work in consonant to implement the collective agreements to its true letter & spirit. They must devise the strategy to involve the employees and union so that all these four players shall make concerted and committed effort for implementation of agreements.

People like to maintain status-quo as trying for any change may demand some effort from him and it may entail an amount of unpleasant situations that is tried to avoid. No change can take place unless it is realised that change is necessary for the benefit of the organisation and this realisation has to come in the minds of managers first who then in turn convince the union and employees. The prime responsibility for initiating the steps for implementation of productive clauses of agreements is on management cadre be it Line or HR. The top management must review the progress. But the review can only be feasible if there is consolidated document which would show what are productive clauses. This is presently absent in RSP. The authorities have no such data as has been revealed during interactions.

Then the next responsibility comes on the union leaders at the top. They should take the stock of implementation of productive clauses as they are following up the clauses related to the benefits to employees in order to gain popularity amongst employees. They have to realise that organisation can only
grow if productivity improves and implementation of productivity clauses of the agreements is one of the contributing factor to it.

The researcher forwards the following suggestions, based on his findings for implementation of the collective agreements for improving the productivity in Rourkela Steel Plant:

1. Collective agreements should be discussed in all joint forums with particular emphasis on implementation status in 1st tier meetings.
2. Top personnel management of the plant should periodically, at least once in a month, review the status of the implementation of agreements. Documentation of all agreements after summarising the same is required for this.
3. Top union leadership must instruct its field functionaries to brief the employees at shop floor and devise a system of review of status of agreements.
4. As certain issues are taken to employees directly by the union through pamphlets, the same interest is to be shown on the implementation of agreement matters. If required same technique is to be adopted by them for this.
5. Incentive and Reward targets should be prominently displayed and communicated at the shop floor level for implementation of those agreements true to its purpose since particularly these agreements have the direct effect on production and productivity.
6. While drafting the agreement, the financial implications should be worked out by the concerned personnel executive and should be told to union before agreement is signed.
7. A copy of the agreement should be displayed in concerned department notice board.
8. Before signing the agreements non recognised unions should also be consulted by the management along with recognised unions as involvement of entire workforce irrespective of their affiliation to any union is required.
9. State government has to devise alternative system of recognition method like proportionate representation by all unions for collective bargaining instead of secret ballot for electing one union to bargain particularly in large organisations. As this keeps the progressive attitude in the minds of union at the backseat. Vote politics takes the drivers seat.

10. Representation in NJCS should be re-examined and the productivity sub committee should carryout its function.

   To conclude it is pertinent to mention that the implementaion of collective agreements which is a part of entire collective bargaining process, must be considered as an integral management function (Mohanty, 1986). It calls for thorough preparation, intelligent planning and bold & fluid execution. This has to be the responsibility of both management and union.