Chapter 1

INTRODUCTION

Labour relations in recent years have been changing quite rapidly in terms of the emphasis on various issues arising out of the interaction of the three main actors as well as the relative power position of these actors. This is especially becoming more and more evident in the period of turnaround phase, through which our nation is at present passing. In the wake of New Economic Policy (NEP) and liberalization measures, many "grey" areas have emerged due to lack of clarity on many issues affecting labour management interaction in public and private sector industries. The policy has been in operation for more than 7 years but apart from many economic freedoms being granted to entrepreneurs, no major change has been brought about in specific labour legislations. The industry is being gradually liberated from economic restrictions and bureaucratic procedures, but what kind of legislative changes are called for on I.R front is regarded as a volatile issue with many political repercussions. This has created a confused climate.

TRADE UNION RESPONSE

In spite of being cornered and pressurized, the major trade unions of this country have failed to present a united front as far as their protest against apprehended exit policy. The organized sector unions have been somewhat vocal in representing their resentment against forced reduction in the size of public sector work force. The establishment of National Renewal Fund was intended for helping those who must suffer the consequences of the Structural Adjustment Programme (SAP), initiated as a part of the NEP. So far the fund has been utilized mainly to finance only the voluntary retirement schemes for the employees of the Central Public Sector enterprises. The objective of retraining and redeployment is not given the priority at the scale at which it was originally planned. The whole of the economic restructuring and corrective measures are progressing with the help of a fragile political support system.

The approach of all the major parties to the I.R. system is expected to change. The unions with heavy political bias are confused but their tone is no longer aggressive. A good deal of literature advising change of tactics to the unions and asking them to concentrate on constructive aspect of trade unionism has started appearing.
deteriorating economic conditions forced the strong unions of Britain to agree to consultative management of Industrial Relations with the Government and the employers. The economic pressures in our country with its trade union movement nowhere near that of the British has shattered the rosy dreams of evolving healthy and balanced I.R. system. The trade unions are increasingly put to the defensive role against the other partners and it also creates alienation between unions and the workmen.

THE CHALLENGE

The change in the management approach to Labour Relations is evident from more and more professional managements opting for the replacement of unions by their own humanistic models of participative management with increasing emphasis on HRD OR HRM functions. The change in the socio-economic profile of the Indian worker has increased the social mobility of the work force as the image of the new worker is that of a relatively young educated middle class man, with greater access to different occupations and information sources, making him less and less dependent on trade unions for his requirements. Added to this, unions are confronted with substantial decrease in their power position vis-a-vis the management in terms of the number of unionized labour force. With casualisation of labour force on the increase, the real power of the organized sector unions - their permanent work force - is receding fast.

The constant and the sudden changes in the global markets, to which the Indian industry is being gradually subjected to, requires constant watch over cost of production and quality control or else face closure. At no other point of time after independence the Industry was subjected to such harsh realities of closure as it is now. This very real threat to the survival of a union pressurizes it into a collaborative bargaining with the management in the matters of productivity and rationalization. This increases feelings of alienation amongst the workers from the unions.

Trade union movement in India has been subjected to various pressures and problems, but so far, the state, in the name of welfarism, had assumed the role of protector. It is now generally accepted by all that the State, with no resources left, has to restrict its role in economic activity and its interference in labour management relations.
From this, some of the important fundamental questions that arise in the present context as discussed above can be summarized as follows:

1. What are the areas which require urgent deliberation, policy formulation and concretisation of policy measures in terms of legislation, rules, regulations etc. This means, (a) Evaluating the consequences of labour relations policy so far pursued, which areas require Government action and where the Government should not interfere (b) what role labour laws can and should play in shaping I.R. system.

2. What is the status of trade unionism in our country in terms of (a) bargaining strength (b) member involvement in union activity and (c) legislative protection to trade union movement.

3. How will the management respond to changing economic forces in terms of their response to (1) all aspects of labour management relations (2) Government interference and (3) responsibility to the society in general and the consumers in particular.

THE SCOPE OF THE STUDY

This study is an attempt to focus on a critical area of industrial relations system in the electricity industry in the city of Ahmedabad, the 6th largest city of India, most important commercial centre of Gujarat and a national centre for the textile industry. Ahmedabad occupies a very significant place in the labour relations history of this country. Some of the unique features of Indian I.R. system like the concept of trusteeship and voluntary arbitration have developed here. Unique organizations of labour like the Textile Labour Association(TLA) as well as the Self Employed Women's Association(SEWA) are Ahmedabad's contribution to the diversified labour movement of this nation.

The broad theoretical setting for the study refers to a special legislative framework and the dynamics of trade unionism as created under that legislation. So far as labour laws affecting Industrial Relations are concerned, they can be divided into two broad categories (1) General Laws-applicable to all regions or all industries (2) Local Laws
- applicable to specific industries or specific regions

Again another division can be (1) Public—those aiming to benefit the community as a whole by protecting it from possible or apprehended dissension or disorder and (2) Private—in the sense of those laws directly aiming to protect the person from possible or apprehended effects of their weakness, when bargaining to enter into a legitimate contract of employment.

The term directly is used to denote the fact that though ultimately the aim of every law is to benefit the society but some laws directly address to this object, while others indirectly contribute to it.

The public laws refer to all those enactments which regulate the bargaining power of the parties to the I.R.system, more specifically the laws regulating strikes and lock outs, relating to settlement of industrial disputes and governing the trade unions and their activities. The private industrial relations laws include those laws which protect individual employee against victimization, unfair treatment or exploitation at the hands of the employer. More specifically this refers to law of termination of services, remuneration for his services, social security legislation in the event of certain personal disaster etc.

The Indian Industrial Relations law comprises of many enactments, but the three major enactments at the Central level constituting a broad theoretical framework are,

INDUSTRIAL DISPUTES ACT 1947
INDUSTRIAL EMPLOYMENT (STANDING ORDERS) ACT, 1947
TRADE UNIONS ACT, 1926.

Of these, the I.D. Act has been the single most crucial legislation having country-wide application and covering different aspects of industrial relations like strikes and lock outs, judicial and administrative set up to deal with disputes and grievances, law of retrenchment and lay off etc. It appears to project a major attempt to systematically deal with some of the critical areas of industrial relations but on closer examination, it also leaves out some of the important issues in Industrial Relations like collective bargaining methods untouched. The three Central enactments taken together define a number of such issues, but the crucial problem of trade union and their bargaining position, the conditions necessary to foster healthy growth
of collective bargaining is a very important problem left out of the ambit of I.D. Act.

It is this theme, with emphasis on creating a structure for systematic growth of collective bargaining by defining rights and obligations for both the union and the management, that makes one regional industrial legislation - BOMBAY INDUSTRIAL RELATIONS ACT, 1946 an important contribution to the field of industrial relations law. It has been claimed that this law is an attempt at building better industrial relations in toto and not merely a machinery for solving the industrial disputes. In this study an attempt is made to examine the dynamics of the principle "one union one industry". B.I.R. Act attaches great significance to this principle and the whole process of bargaining assumes a different dimension under this Act due to this special feature. The representative union under this law is the key role player on behalf of the workers against the management. What are the experiences of the concerned parties and can we experiment with less restrictive legislative framework with more emphasis on strengthening the bargaining power of the parties? This question is not new and two diametrically opposite viewpoints have been expressed since independence, due to variety of reasons. The model we adopted was highly biased in favour of adjudicatory framework and a separate judicial system to deal with labour disputes. This has resulted into "juridification of industrial relations."

Now the State is obliged to restrict its role in economic activity, the present legal set up has also come under scathing attack especially from management side. Though it was expected that the State will engage in some far-reaching changes in labour laws, it is interesting to note that so far the changes are confined only to economic measures and State and its political will has not shown any desire to make any drastic changes on labour laws front. But the question is, by maintaining status quo, does the relative power position of the parties to industrial relations also remain stable or with fundamental economic changes the equation goes against the weaker party i.e. the labour? Only the future can give a definite answer but examination of present position of parties may prove useful in giving some guidelines as to the shape and direction of change needed.

When we chose a particular model of I.R. we preferred to emphasize the role of the Government as more important compared to that of the other parties. It has not been successful in either directly conferring substantial benefits to all those belonging to the working class or it has not significantly equipped the working
class to engage in meaningful bargaining with the employer. With the shift in the policy no agency of the State seems to be in favour of adhoc favouritism for the working class. The judicial pronouncements after a spell of so called pro labour activism, are becoming critical of the earlier approach. More and more rights of employers are approved as managerial freedom or prerogatives. As the time and circumstances are ripe for a change, to work out the contents of the change, the following methodical approach will prove very useful.

1. There has to be contextual meaning to the change-the contents of the change should be worked out keeping in mind the series of events that have led to the need for such change. This calls for a historic perspective.

2. There has to be an analysis of beneficial and detrimental aspects of the present system.

3. There should be an endeavour to formulate a pragmatic change plan generally acceptable to all the parties.

An attempt is made in this study to review the institution of the trade unionism in the context of the working of the dispute resolution legal framework of the Bombay Industrial Relations Act and its fundamental institution - a representative union. The study entails review of the following issues:

1. The ideology and anticipated role of labour laws in shaping industrial relations system, meaning of Industrial Relations System, Objectives of Trade Unionism in India.

2. Historical background of the functioning of the industrial relations system in India.


4. A case study of the Electricity Mazdoor Sabha - the representative union of Electricity Industry in Ahmedabad with special focus on the following issues:

   a) Workers perception of the necessity of the union, effectiveness of the union, union management relations, leadership profile of the union, law governing union.
b) Extent of participation by the workers in trade union activity

c) Perception of the union leaders about the success of the union, level of workers' involvement in the union and legal framework prevailing in the IR System.

OBJECTIVE OF THE STUDY

Indian industrial relations scene has been characterized by a weak trade union movement due to multiplicity of unions and resultant inter-union rivalries. High degree of politicisation of trade union activity results into high level of union rivalry further weakening of labour movement. Fragmentation and disunity in labour movement are direct outcomes of multiplicity of unions. Unfortunately, the legal setup in India affecting the trade union activity directly - The Trade Union Act of 1926 has been instrumental in furthering the problem of multiplicity of unions rather than curtailing it.

In such a situation of fragmentation of labour movement any situation at any level that signifies unity of labour is worth studying. In an institution like a trade union which works for more than one objective at a time it is difficult to evolve a united front of labour against the stronger management power especially for countries like India where the mass of the working class is characterized by illiteracy and poverty. Only legalized formal methods of uniting the workers can prove to be effective as workers lack the resources as well as education and training in collective bargaining methods and tactics. Spontaneous growth of strong labour movement results from long periods of participatory training in IR methods and processes, aided by supportive institutional structure. As industrialization in India started only after independence in its true form, till today there is no consistent labour policy being followed by the State. Indian labour class has not been able to organize itself except in a small number of public sector industries. In such situation of capitalist domination, strengthening the labour movement requires active State support, hence role of legislation becomes imperative in contributing towards this objective. More over the history of efforts of labour unity in Indian labour movement bears out the fact that the federations of trade unions in India have only paid lip service to trade union unity and whatever unity they have achieved was only issue based and as measures of expediency which reverted back to its original disintegrated form once
the issue was resolved. Therefore the study was undertaken to examine dimensions of trade unionism in a single union industry characterized by bilateral monopoly that is the electricity industry in Ahmedabad.

The broad objectives of the study are.

I. The study is micro level attempt to study socio-economic background of the members of a representative trade union. This includes study of age group, religion, marital status, length of service, length of period of membership of the trade union, education level, income level etc.

II. This case study attempts to evaluate workers' perception of the necessity of the union as a party to collective bargaining and its effectiveness in performance of its role. It also attempts to examine workers perceptions about union management relations in the context of the law governing the status and functions of the representative union.

III. A very important objective of this study is to find out the extent of workers participation in union activities. Success and effectiveness of the trade union over a long period depends to a large extent on the workers participation in union activities and therefore this study attempts to measure the extent of participation through certain variables.

IV. The study also examines in detail leadership profile of the union in terms of social and economic background of leaders like age group, religion, educational qualifications etc. Nature of leadership of the union is another significant aspect which determines dynamism of the trade union. With a view to understand the strategies of a trade union, view of leaders of the union on different aspects of unionism like extent of workers involvement, union-management relations, law governing union-management relations have been covered under this study.

METHODOLOGY

Various studies in the field of IR especially concerned with trade unions and trade unionism have been by and large historical in nature. They are more concerned with
the history of trade unionism in India rather than a detailed study of grass root level trade unionism. Moreover there is a dearth of qualitative in depth study of the sociological aspects of trade unions in our country. Macro level quantitative studies show general trend of increasing or decreasing membership of the unions and strikes and lockout statistics. However, unless the structure and operations of a trade union and inter relation between union and its members is studied at grass root levels changes in worker union profile cannot be grasped easily.

Social science study can be qualitative as well as quantitative. The present study aims at understanding worker union relationship under the special legal set up. Qualitative aspects of the problem under study are more important as they can provide a holistic picture of the subject matter under study. Within the qualitative frame work case method has been adopted as a appropriate method for the following reasons:

1) A case study involves in depth study of a single unit which permits a close touch with a reality and helps catching the shades of reality within the time and resource constraint that any individual researcher has to face.

2) The data produced by the methods are descriptive - peoples own words and their observed behaviour which helps in understanding the total picture.

For any research in social science, direct contact with the field is a must as the researcher himself coming from a different sphere of social life has no first hand knowledge of the social and cultural background of the subject of study and hence he may run the risk of shaping the final outcome of the research in terms of pre-established images and bias. Qualitative analysis based on case study method has the advantage of actually entering the world of study in question and view the problem through the eyes of those involved in it. Since trade union in an industry is a special institution and play a very important role in labour management relations, understanding its behaviour involves understanding its structure, profile of its members as well as its leaders and processes that affects its functioning. To study these aspects, various methods have been adopted in the present study. The structure and frame work of rules within which the union functions are examined by personal visits to the head office of the union, meetings with its office bearers and thru' the documents made available by them to the researcher. A trade union is a dynamic social organization which functions thru' its office bearers and rank and file. Hence, a separate study of socio-economic profile of worker members and leaders of the union as well as their views, attitudes, identification
and involvement in trade union activity were examined in the present study. To understand this survey research method coupled with semi structured personal interview method has been adopted in the present study.

Procedure for Data Collection

The Electricity Majdoor Sabha, EMS is a representative union in the AE Company which claims to have about 3000 members from the total number of approximately 4000 employees in the AE Company. The distribution of work force in the company as provided by the company is as under:

| Table 1.1 |
| Distribution of Workforce in AEC - (As on 31.10.94) |

<table>
<thead>
<tr>
<th>Pay Scale Category Name of the Dept</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F1</th>
<th>F2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A &amp; P</td>
<td>9</td>
<td>2</td>
<td>0</td>
<td>5</td>
<td>6</td>
<td>12</td>
<td>6</td>
<td>40</td>
</tr>
<tr>
<td>Accounts</td>
<td>13</td>
<td>2</td>
<td>16</td>
<td>19</td>
<td>42</td>
<td>19</td>
<td>20</td>
<td>131</td>
</tr>
<tr>
<td>Amravadi</td>
<td>53</td>
<td>62</td>
<td>44</td>
<td>89</td>
<td>66</td>
<td>14</td>
<td>18</td>
<td>346</td>
</tr>
<tr>
<td>City Zone</td>
<td>88</td>
<td>125</td>
<td>55</td>
<td>140</td>
<td>87</td>
<td>23</td>
<td>26</td>
<td>544</td>
</tr>
<tr>
<td>Commerce</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>14</td>
<td>7</td>
<td>5</td>
<td>37</td>
</tr>
<tr>
<td>Mains</td>
<td>123</td>
<td>138</td>
<td>39</td>
<td>122</td>
<td>69</td>
<td>26</td>
<td>49</td>
<td>566</td>
</tr>
<tr>
<td>Naranpura</td>
<td>65</td>
<td>88</td>
<td>50</td>
<td>145</td>
<td>90</td>
<td>26</td>
<td>26</td>
<td>490</td>
</tr>
<tr>
<td>Secretarial</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Materials</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>7</td>
<td>3</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>358</td>
<td>419</td>
<td>209</td>
<td>528</td>
<td>384</td>
<td>135</td>
<td>153</td>
<td>218</td>
</tr>
<tr>
<td>Sabarmati Office</td>
<td>343</td>
<td>372</td>
<td>109</td>
<td>540</td>
<td>204</td>
<td>147</td>
<td>180</td>
<td>1895</td>
</tr>
<tr>
<td>Grand Total</td>
<td>701</td>
<td>791</td>
<td>318</td>
<td>1068</td>
<td>588</td>
<td>282</td>
<td>333</td>
<td>4081</td>
</tr>
</tbody>
</table>

As can be seen from the above table, about 45% of the total work force is employed at Sabarmati office or the main power house. The function of generation of electricity is carried out at this place and hence this office is the backbone of the entire company. Therefore the researcher considered it appropriate to concentrate the focus of research at this place. Moreover, the work force in Sabarmati office comprises of both skilled and unskilled, technical and non-technical categories whereas in other offices such
representation of all categories is difficult to find. As a more representative sample base was available at Sabarmati office employees a sample was selected from amongst the employees in that office.

Sample size and composition

As per information provided by the union, there are approximately 3000 members of the union. Hence, for the present study, a random sample of 299 workers was selected from the list of members provided by the union. However, the union does not maintain occupationwise list of its members but only a general list of members is prepared. Therefore it was not possible to take a stratified random sample from amongst different occupations but a wide range of occupations were selected from the sample study, the examples of which are described below:

1) Assistant Fire Man  2) Boiler Operator
3) Carpenter        4) Dresser
5) Electrician      6) Fitter
7) Fitter electrician 8) Instrument Mechanic
9) Instrument Technician 10) Junior Engineer
11) Khalasi        12) Labourer
13) Male Nurse     14) Mali
15) Master Technician 16) Mason
17) Plant Operator Incharge 18) Plant Technician
19) Ringer        20) Section Engineer
21) Sr. Boiler Operator 22) Sr. Electrician
23) Sr. Instrument Mechanic 24) Sr. Plant Technician
27) Sarang-cum-Operator 28) Shunter
29) Sr. Chemists   30) Sr. Overseer
31) Sr. Plant Operator 32) Sr. Turbine Operator
33) Semi Skilled Labourer 34) Technical Supervisor
35) Turbine Operator and Welder 36) Welder

Thus, the sample range covers a lowest paid labourer and semi skilled labourer up to the highest paid technical supervisor and Section Engineer. For selection of sample, pay scale categorywise list of employee provided by the company was used. The pay scale structure of the company includes 7 pay-scale categories for workers which were
divided into three broad classes by combining categories A, B & C into one group, D & E into another group and F1 and F2 in third Group. Also power station at Sabarmati works in three shifts. Hence sample workers were chosen from all these three shifts as per the following sample design

Table 1.2
Sample Design

<table>
<thead>
<tr>
<th>Pay Scales</th>
<th>Shifts</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I</td>
<td>II</td>
</tr>
<tr>
<td>A + B + C</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>D + E</td>
<td>37</td>
<td>25</td>
</tr>
<tr>
<td>F1 + F2</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>44</td>
</tr>
</tbody>
</table>

The total number of employees in pay scales A, B and C is 824. From these categories a sample of 101 from three different shifts was selected which comes to about 12.26% of the total. In pay scales D & E, total number of employees is 649 out of which 152 member employees from three different shifts which comes to about 23.42% of the total. And in categories F1 & F2, total number of employees is 327 from which 46 were selected from three different shift which is about 14.07%. Thus an attempt is made to represent maximum number of applications from different pay-scale categories as well as from different shifts so as to present a fair cross-section of all the workers.

The questionnaire:

The focus of the study is to examine inter relationship between the union and its members in the context of the Bombay Industrial Relation Act as well as in the context of a situation of bilateral monopoly of the two bargaining agents - the Management and the trade union being the monopoly holders on either side. Hence, two different questionnaires were designed for workers and union leaders to study worker union relationship, workers participation in union activities, workers attitude towards the union and its leadership, workers satisfaction with the achievement of the union etc. The following were the important themes on which responses were collected thru' questionnaires.
Questionnaire for worker

This included questions on the following issues:

1) General profile of workers in terms of age, education, level of income, length of experience, size of family, religion and sex.

2) Level of satisfaction of workers with respect to their pay scales, welfare facilities and working condition

3) Level of involvement with union activity by active role playing in union programmes, taking help of the union for personal problems, participation in union meetings and elections, regularity in payment of union dues, persuading non-members to become members, method of keeping in touch with the union or informing the union about dissatisfaction about its working

4) Reasons for joining the unions

5) Views on union management relations, on current industrial relations legislation, qualities of a successful labour leaders

Questionnaire for leaders

This questionnaire was intended to find out the profile of leadership of the union to study the determinants of the success of the trade union. Any union depends to a great extent on the leadership in formulation of policies, practices and programmes. The success or otherwise of the union depends on the leadership profile of the union. It is rightly said that leaders make the union. In the present study a separate questionnaire designed for the leaders examined the following aspects of leadership.

1) Socio-economic background of leaders in terms of age, religion, marital status, number of dependents, monthly earnings, education, job experience and experience as office bearers

2) Motivational factors for involvement in union activity

3) Necessity for affiliation of the union

4) Management's attitude and areas of agreement and disagreement with the management
(5) Workers involvement in trade union activity
(6) Areas where union has achieved success and reason behind the success
(7) Important functions of a trade union
(8) Qualities necessary for successful leadership
(9) Legal frame work and Govt. policy towards workers' problems.

The interviews with leaders were held at the head office of the EMS away from the place of work to give them opportunity to freely discuss their opinion about the above matters.