CHAPTER VIII

FINDINGS AND SUGGESTIONS

In the preceding chapters it was noted that the textile industry holds a prominent position in the economy of the state of Uttar Pradesh by virtue of its size, employment potential, contribution to domestic product, exports earnings etc. But for the last several years, the industry has been in doldrums due to low productivity and low capacity utilization on account of inadequate and uncertain supply of raw materials, increase in the prices of power, fuel and cotton, increase in interest charges, sluggish cloth production, lack of modernization, credit squeeze, lack of consumer's demand etc. The low productivity has enabled the mills to incur continuous losses due to which a number of mills have been declared sick or are on the verge of sickness. Thus the problems of labour relations have aggravated due to low productivity and idle capacity utilization.

The present study was undertaken with a view to make an assessment of problems of labour relations in the textile mills of U.P. which are related to the degree of job-satisfaction in workers. Besides a number of formal aspects of labour relations, it also attempts to study the attitude of workers, trade union
leaders and managerial personnel in two sample mills to make a comparative study.

Chapter I deals with the conceptual framework of labour relations. This chapter has been split up into two parts. In the first part of the chapter, it has been brought out that labour relations is a resounding phrase, bridging the past and future. The concept of labour relations has been interpreted differently. At one end, it is seen as encompassing all activities connected with human resource utilization. On the other extreme, it is restricted exclusively to relations with organized labour and employees.

The second part of the chapter discusses the practice of labour relations in India. It reveals that the problems of labour relations in India have been existing from primitive stage to modern industrial system. But it assumed importance only in 20th century with the establishment of large scale industries.

The labour relations are determined through the degree of unionisation, the pattern of collective bargaining and the trends in industrial disputes. Industrial disputes in India were rare before first World War, because labour class was ignorant of their rights and suffered from class consciousness as they lacked organizations among them. Industrial disputes increased since
the establishment of ILO and indeed, the industrial disputes posed a serious threat to industrial peace and harmony till eighties. But with the efforts done by the Government in the plan documents, National Commission on Labour and Industrial Policy Resolutions with a set of legal enactments in nineties, the labour relations situation in the country appears to the cordial and satisfactory. Improvement in labour relations promises healthy growth of industrial sector.

The second chapter entitled, 'Survey of Literature' has been devoted to review the various studies conducted in the field of labour relations. It has been brought out that several studies in the field of labour relations have been carried out but only after late fifties. No doubt researches have been conducted on different aspects of labour relations but hardly any work has been carried out on the problems of labour relation in the textile mills of Uttar Pradesh.

In the third chapter the problems of labour relations in Uttar Pradesh have been discussed. A brief idea of the socio-economic background of the state reveals that Uttar Pradesh with its large area and population, vast and varied physiography, variety of agricultural, forest and mineral product, plenty of water resources and well developed transport system is the heart of the country. If the heart is weak, the whole country will
remain weak. It is rather depressing that after 40 years of planning, the economy of the state is mostly agrarian. As per 1991 Census, almost 75 per cent of the state population was engaged in agricultural and allied activities.

But, now the state is attaching greater importance to the growth of the industrial sector by allocating huge amounts for the industrial sector. The problems of labour relations in the state of U.P. are as old as the beginning of the modern industry in the state. The progress of industrialization with the development of unionism, and interference of the government has changed the pattern of labour relations in the state. In recent years, the labour relations situations in Uttar Pradesh as also at All India level appears to be satisfactory with a decrease in the number of disputes.

The scientific machinery for the settlement of industrial disputes as provided by the U.P. Industrial Dispute Act, 1947, consists of conciliation, arbitration and adjudication which is available in the state, contributes in its own way towards better labour relations. The working of the adjudication machinery has not been encouraging, voluntary arbitration as a means of settlement of disputes is not very popular, labour legislations are unhelpful in encouraging collective bargaining as a means of resolving disputes. Thus the working of collective bargaining in
industries in Uttar Pradesh is not an active force in labour relations. Even the labour unions which are supposed to be important agencies for changing the respective attitude of labour and management, are not safeguarding the interests of labour force as a whole but their leaders are interested in individual motives since the unions are dominated by outside leaders.

The modern industry is a cooperative venture. What is indeed required in the interest of industrial peace and state's economy is a new worthy approach to the problems of labour relations. Therefore, maintenance of industrial peace and tranquility is the call of the day. Most of the problems at the labour front emanate from the government which is the law maker and the bigger employer in the country. Since labourers are economically weak, government is supposed to be more sympathetic towards labour and should be a model employer so that others can emulate them for fairness and objectivity.

The fourth chapter entitled, 'Textile Mills in U.P. - A Study of Performance and growth is devoted to study the various aspects of textile industry of India in general and of U.P. in particular. The textile industry in India is one of the oldest, largest and the most organized industries. It provides around 20 percent of total employment in the country and accounts for about 10 percent of the annual foreign exchange earnings. It has a sizeable weight in the country's index of production and
significantly contributes to the Gross National Product (GNP).

Today the number of textile mills has considerably increased to 1051 of which 770 are the spinning mills and 281 are composite mills.

Textile industry of Uttar Pradesh holds a prominent position in the economy of the state. It is the second largest organized industry next to sugar only. At present, the number of mills in the state stands at 54, out of which 39 are spinning mills and 15 are composite (spinning-cum-weaving) mills accounting for 1792 thousand spindles and 12068 looms. The productivity of textile mills of U.P. is generally low. The current state of labour relations in textile mills of U.P. is also at a worsening position. More and more units are becoming sick or are on the verge of sickness. Therefore, it is culminating into the closure of sick mills.

A few suggestions can be put forward for improving the working of these mills in Uttar Pradesh.

Firstly, the textile industry in U.P. is continuing to face a crisis on the raw material front particularly in cotton, in terms of high prices and availability. The state government should ascertain the supply of raw materials and also work on stabilising raw material prices. To overcome this problem more
cotton should be grown and more land should be brought under
cultivation for cotton crop.

Secondly, there are severe power cuts, the mills are
hit by frequent peakload restrictions, trippings and break
downs which disrupted the working of the mills and caused
unnecessary wastage and loss. This problem may be solved by
the efforts of State Government as well as by mill owners
themselves.

Thirdly, the industry needs to be modernized. Moderniza-
tion does not only mean replacing old machinery by new machinery
but also includes the re-orientation of management and labour
to this process. Attention of management and trade should be
focussed on re-orientation of workers, re-definition of work
loads and work norms so that the interests of both workers and
the industry are furthered.

Fourthly, the interest charges in our country have steadily
increased and are the highest if compared with most of the
countries. If the industry has to be modernized and asked to
compete in the international market, then interest needs to be
scaled down both for working capital and term loans to stimulate
modernization.
Fifthly, the excise duty should be shifted from fabric stage to fibre stage. This would help to avoid the evasion of payment of duty which has been estimated to be more than Rs. 62 crores by Indian Cotton Mills Federation. In addition, a review of the credit needs of the industry should be undertaken. The units affected severely should be dealt with on a preferential basis.

Sixthly, the presence of industrial sickness is an open signal to investors about the sick units for withdrawal of capital. The National Textile Corporation being the sole statutory corporation has to step in to initial measures to reverse the declining state, styled as economic non-viability, in a bid to serve better the overall objective of its operations, social welfare. Further, one more solution to the ills of the industry lies in the merger and amalgamation of units. Stronger units should be allowed to take over sick mills.

Finally, one way to improve the productivity of the textile industry which is also needed, is to increase the per capita consumption of cloth so that the textile industry can produce fabrics of different product mix which would be needed and all the three sectors i.e. composite handloom and powerloom can harmoniously co-exist and prosper. Many positive measures have been taken as envisaged in the Integrated Textile Policy but many more are needed.
Even in those areas where it has been taken, it has not been adequate and effective in terms of implementation and calls for being carried out in a time bound framework. In textile industry, the export potentials are high despite competitiveness and there are inbuilt advantages on which we have to encash. There is a need for a more pragmatic approach by the Government and a dynamic approach on the part of textile industry which could exploit our natural advantages and installed capacity to optimum levels and better productivity and quality and at reduced cost so that we could be more export competitive. This will besides earning substantial foreign exchange also open up more employment avenues and promote harmonious labour relations.

Chapter fifth examines the problems of labour relations in EMC Ltd. In order to understand the development of labour relations, it is necessary to bear in mind certain aspects of company operations and management. The company was established in 1861 at Kanpur as private concern. Latter on it became a government company under the management of British India Corporation. The financial position of the company is not sound enough due to incurrence of continuous losses. The main factors contributing to this state of affairs are; decrease in the value of production; steep increase in the prices of raw materials; fuel and power; increase in the interest charges old and obsolete machinery; under
utilization of capacity; low productivity per worker and per loom etc. At the same time, the management is making continuous efforts to make the company economically viable. An action plan involving capital expenditure of Rs. 78 crores has been submitted to the Ministry of Textile for modernization and voluntary retirement scheme. On the approval of this plan, there seems a ray of hope that financial condition of the company shall improve. Personnel policies and practices like recruitment, selection, training, transfer, promotions etc. are no doubt appreciable in reducing the labour turnover and developing a feeling of job satisfaction among workers. Degree of satisfaction regarding employees' earnings was also high in the company since the company implements the wage awards in time. Labour welfare facilities, financial and non-financial were reported to be quite good excepting housing. The workers of Elgin Mill No.2 complained that they are not provided any housing facilities. Facilities related to medical, education, recreation, canteen, contributing Provident Fund, loan and advances, first aid, safety, security etc. exists in the mills and majority of the workers are satisfied with these amenities. Working conditions which includes hours of work, shift arrangement, leave and holidays, illumination, ventilation, temperature, humidity, dust, smokes and fumes, noise, cleanliness, overcrowding, machinery etc. are suitable for workers and they are happy with the environment in which they are working.
There are ten unions in each mills. Out of which most of the unions have been organized unit-wise. Yet there is multiplicity of unions. As a consequence, utter confusion has arisen among workers to whom they should join and lend support. Thus, it was noted that quite a good number of workers are members of more than one union which reveals the absence of union consciousness amongst workers. The unions have not paid much attention towards conducting the welfare activities or properly leading the workers. Thus a good number of workers are against the activities of unions. Whereas the same people reported that the management is hostile to their unions.

Regarding industrial disputes, it can be said that very few strikes have been organized by the workers of the company, on the matters of wages, bonus or any other economic/non-economic causes. Most of the strikes had been at Kanpur textile mills level causing little loss to production. The company has unequivocally accepted the principle of collective bargaining. At all levels of labour relations from top level negotiations to day to day grievance procedure, the unions are associated with the management and the company's attitude has been to encourage greater association. Procedures for taking disciplinary action and redressing grievances are quite acceptable and contributes significantly towards the better labour relations. The experience
shows that these procedures are popular among workers and trade union leaders.

On the basis of evaluation of policies and practice of labour relations and opinions of workers, that have developed is that labour relations can be summed up as good from the viewpoint of any overt conflict as well as high level of satisfaction revealed by the empirical study. The following suggestions would be of greater importance for the management to take realistic and proper decision and maintain labour relations much better than existing now. In EMC Ltd. no modernization has taken place since inception. To improve the productivity per loom and per worker, to improve the quality of cloth, to utilize fullest capacity, to convert the loss making company into a profit earnings company, the management is suggested to modernize the mills through replacing or renovating the old and obsolete machinery. Further what is required to promote much better labour relations can be suggested as healthy organization of labour and effectiveness of the negotiating process in a spirit of cordially. The use of conciliation and adjudication machinery should be resorted to only when all possibilities of amicable settlements have overcome. Workers are also suggested to form strong unions and especially one union in a mill. However, they may form a single union unit-wise. This will reduce inter-union rivalry and hostility of management towards the union.
Chapter sixth discusses the problems of labour relations in MSWMC Ltd. The main conclusions emerging from the discussion exhibit some very undesirable aspects due to which the labour relations in MSWMC Ltd. were not cordial. To ascertain the development of labour relations, it is necessary to have an idea of organization and personnel management policies and practices in the company.

The MSWMC Ltd. was set up in 1946 by Modi Group of Industries at Modinagar. The financial position of this company is also not at all satisfactory. Till 1983, it was incurring huge losses but after the transfer of companies to subsidiaries it started earning profit. But again since 1988, the company became a loss making concern mainly because of increase in cost of production, shortage of working capital resulting in non-utilization of the full plant capacity, sluggish general market conditions, heavy interest burden etc. The company has also been declared as sick industrial company. In view of the accumulated losses, the management is not capable of paying the dues of ESIC, UPSEB etc. Due to which the authorities at UPSEB have disconnected the power connection and ultimately the management had to lay off all the workers of weaving and Spinning Departments with effect from 1st April 1992. Thus, the company is passing through a period of financial crunch and on its own, the company would not be able to get reversal of the situation. The management
of the company is done mostly by members of Modi family. The company has also set up a separate personnel department. But the personnel department now plays a very insignificant role. No real authority rest in the hands of personnel manager and the functions of the personnel department are just nil. Personnel policies regarding recruitment, selection, training, transfer, and promotions are unsatisfactory. Especially, about recruitment and selection workers opined that in the last ten years none has been recruited rather thousands of workers have been placed out of job due to closure of four mills. Workers are also not aware of definite transfer and promotion policy. It was reported that the management has not adopted seniority-cum-merit or merit-cum-seniority but flattering management as a criterion for promotion.

Trade unions in MSWMC Ltd. can not be said to be running on very sound lines. There are four registered trade unions affiliated to central organisations. But the management has given recognition to only one union out of four registered unions. The leaders of three unions are clamouring around the management for getting recognition and representation in management. Apart from this management provided no facility to these unrecognised unions. These unions are no doubt strong but they are not in a strong bargaining position. The management has adopted a hostile attitude and is anti-union and anti-labour.
The management has provided a number of financial and non-financial facilities like bonus, P.F., loan and advance, housing, canteen, educational, recreational, medical facilities etc. But all these facilities have contributed little towards promoting better labour relations. Because when the workers of MSWMC Ltd. compare these facilities and wages with the textile mills of Kanpur, Ahmedabad etc., they feel envious and some sort of discontentment prevails in their minds. In addition, the working conditions in the mills such as illumination, ventilation, humidification, sanitations, etc., are quite tolerable since a large majority of workers is satisfied with the existing working condition in MSWMC Ltd.

Regarding industrial unrest it was observed that it reached a critical stage since 1978 with the establishment of Kapra Mazdoor Mill Union affiliated to HMS. Since then strikes, go slow tactics, lockouts, gheraos, misbehavings, assaults on officers have become regular feature. The labour relations situation in MSWMC appears to be very unsatisfactory and disturbed. The disturbance at present is not mainly on account of wages, D.A., bonus etc., but for the retrenchment and laid off, however, in the past the majority of disputes were attributed to financial causes. The main cause of dharna which has been staged since April 1992 is to start the company operations and a number of strike notices are also served to rehabilitate the workers of
closed mills. But the management does not pay any heed to these demands and is involved in the development of other industries. Thus on the basis of main conclusion emerging from the discussion what is required is to promote cordial labour relations. Procedure of taking disciplinary action, handling employee's grievances, settlement of disputes should be such which may be acceptable to workers and also must be utilized speedly and effectively. At the same time no discrimination should be observed by the management regarding any matter. The management should appoint a labour welfare officer because this is a strong violation of the rules for which the company does not seem to have been prosecuted. The hostile and uncompromising attitude of management towards unions should be changed at earliest possible since it will also help development of strong trade union to guide the workers by diverting their energies towards progressive and constructive works and reduce the existing inter-union rivalry. Matters pertaining to all causes of disputes especially to wages and bonus should be discussed in a mutual trust and confidence of both the parties. Thus, the schemes of worker's participation in management should be implemented in the proper spirit. Apart from this, main causes of dissatisfaction are; disparities in their wages and welfare facilities as compared to textile mills of Kanpur, Ahmedabad etc. In order to secure the cooperation of workers and instill in them more confidence, management is required
to maintain parities in the wages and welfare facilities and to recognise their dignities. At the same time management should also enforce Government orders and awards properly in the company.

Finally, it can be said that the industrial tensions in MSWNC Ltd. can not be avoided completely but surely these can be minimized by the management, with a pleasing attitude, solving the basic grievances of workers, payment of wages and D.A., according to law and regular payment and increase in bonus. For the success of company and harmonious labour relations, the management is required to change its outlook to get full cooperation of workers as they are not merely wage earner, but co-partners of management but the foremost need of the day is to improve the financial position of the company. Workers at the same time should also feel their responsibilities towards the management and day to day working of the company. In this way change is called for not only in the attitude of management, but also in the outlook of workers to improve the control slightly beyond/labour relations in the company.

An attempt has been made in chapter seventh to compare the problems of labour relations in two textile mills of U.P. viz. EMC Ltd. a government mill and MSWNC Ltd. a private mill. Main conclusions emerging from this comparison reveal that
no doubt both the Mills are running in losses and financial positions are also at the worst. But the labour relations are quite cordial and harmonious in EMC Ltd. than MSWMC Ltd. In EMC Ltd, management has provided adequate welfare facilities, working conditions are quite satisfactory and wages are paid in accordance with the laws. As a result the company is securing a full cooperation of labour force on the other hand the management of MSWMC Ltd. is unable to secure the cooperation of workers.

At the end, on the basis of the study of problems of labour relations in textile mills of U.P. chosen from both the sectors i.e. public sector and private sector, it has been brought out that labour relations in the public sector textile mill are quite satisfactory as against the private sector textile mill. All the times in the public sector the industrial awards are implemented in time. Personnel policies and practices are quite appreciable and in other labour matters too the public sector has been acting as a model employer. Labour force has been attached greater importance in all matters despite of losses their demands are fulfilled. There is greater degree of satisfaction and job security among the workers. But when we examine the study of problems of labour relations in the private sector textile mills, it is found that there are private monopolies.
Employer is in a strong position than workers who have lack of strong unionisation. Neither workers are secure about their jobs nor satisfied due to indifferent attitude of management. They are not sure that how long they/in job and when the employer will say good-bye to them, (as it has happened in case of few textile mills of U.P. of which Raza Textiles Limited, Rampur is a recent example to close it operation putting out thousands of workers). At the same time, they are not happy with the payment of wages, policies, practices of personnel management etc. Workers are in greater distress in private textile mills of U.P.

In this endeavour, what is suggested for the private textile mill owners of U.P. is to provide maximum benefits to work force to attain their maximum cooperation. This will help them increase productivity per loom and per worker which in turn will promote harmonious labour relations. However, at the same time, the textile mills of U.P. run by the government should improve their productivity schedules to bring the companies on the list of profit making companies which will result in increasing worker's morale. The main finding of the study is the low productivity and low capacity utilization causing poor labour relations and low profitability which is common in both the sectors. There is urgent and greater need and the call of the day to improve the productivity of machines, men and materials along with full utilization of machinery in the textile mills of
U.P. to cope with the highly disturbed labour relations situation. It is now imperative to get a very small work force at their best all the time to ensure that the mill survives. The following measures would be of greater importance to improve substantially the labour relations climate of the past in the textile mills of U.P. Firstly, systematic training needs to be given to workers in those job categories where the conventional 'on the job' training is insufficient to give the better results; secondly, worker's education i.e. their awareness of consequence of their work practices and behaviour on the mills performance must be increased substantially, thirdly, training and education alone will not be enough to motivate the workers to give their best. The wage structure needs several reforms to ensure that the more skilled and the better performing workers are in fact paid more; fourthly, the wage needs to be linked with work-load of the workers and not with their assignment of duties or machines; finally, the wages should be linked with productivity in such a way that the workers get more if they exert more and their wages do not fluctuate because of factors for which they are not responsible.

Thus the above mentioned suggestions would go a long way in improving the productivity along with profitability of
mills which is necessary for their survival (even in Public Sector mills). In addition, this will also help in reducing the rampant sickness and increasing the employment avenues in the textile mills of Uttar Pradesh.