CHAPTER III
PROFILE OF THE ORGANISATION

The Madras Refineries Limited is a pioneer public sector enterprise, in the business of refining petroleum products, located in Manali, Madras-600 068. It is one of the largest and the most complex refinery of its kind in India, accounting for 12% of the nation's total refining capacity. When it was floated in 1965, Madras Refineries Limited was a joint venture of the Government of India with National Iranian Oil Company and American Oil Company. During the course of expanding its activities and capacity from 2.8 million tones to 5.6 million tones, Madras Refineries Limited became a public sector enterprise.

Over a period of 28 years, the Madras Refineries Limited has served the society with a team of committed workforce, to become an exceptional performer in the Indian public sector enterprise.

Now, Madras Refineries Limited is in the business of hydrocarbons, their handling, processing and marketing, besides processing and marketing a wide variety of petro-chemical intermediates and end products for supporting rapid economic development.
All-round development of human resource and encouragement of individual growth will be the main planks of Madras Refineries Limited future corporate growth, Surianarayanan (1990).

Performance

Philip and Narayanaswamy (1990) appraised the consistent financial growth of Madras Refineries Limited and commented that they are on the road to excellence, particularly considering the performance level and general image of public sector enterprises in India.

The financial performance of Madras Refineries Limited has been consistently impressive. The turnover increased from Rs.604.44 Crores in 1980-81 to Rs.1,1198.00 in 1987-88; paid up capital from Rs.12.87 crores to 98.25 crores; investments in fixed assets from Rs.47.35 crores to Rs.273.28 crores; net profits before tax went up from Rs.7.06 crores to Rs.30.08 crores, during the above period. The company has been maintaining a 15% rate of dividend and 20% bonus to employees.
"Mosaic Culture"

In the first few years of Madras Limited functioning, the Americans along with the Iranians, had introduced into the company management certain important features, which are often identified with typical private sector management. The ethos and procedure brought in by American and Iranian management were withdrawn by 1972, and the organisation became a typical public sector enterprise. Though, the Indian style of management got penetrated into the system, the culture of the American and Iranian system deeply rooted in the behaviour and attitude of the employees.

The organisational leaders emerged into the system has brought a blend of "mosaic culture", which are appreciated and sustained. It is an interesting feature that the existence of certain specific practices which are often identified with private sector organisation, are clearly included in this public sector enterprise practices. It goes to the credit of the organisational leaders who brought such a blend of culture into the industrial relations system of Madras Refineries Limited.

It would be fascinating to make a deeper study of this aspect because of the fact that some of the
unique, strengths of Madras Refineries Limited seem to be, i.e., existence of certain values of performance, team work and camaraderie, that were, built into the system early enough.

Suri anarayanan (1990) views that Madras Refineries Limited had established its own professional management system and practices as part of its unique culture.

Labour Relations

In line with the thinking of Government of India, the Madras Refineries Limited, right from the inception promoted the concept of "one union in one industry". The management of Madras Refineries Limited rendered all the support for establishing a trade union based on this concept. The Madras Refineries Employees Union is the only Trade Union having 100% membership representing all its unionised category of employees. It was started in the year 1970, when the organisation was in its infant stage. Since then, they are continuing to be the only union in their organisation with democratically elected internal leadership with no political affiliation whatsoever. They have the election annually through secret ballot system.
Sigamani (1990) observes that the union had never assessed its strength in terms of its membership alone: it has its achievement in view of the immediate responsive attitude of the management in recognising them without any inconvenience to the founding members of the union, who in the hands of the management neither had any harassment nor any victimisation in stabilizing their movement. The trade union learnt a lesson that they are primarily for the organisation and organisation means people.

The Madras Refineries Employees Union, settles most of the differences through collective bargaining mechanism. This exemplifies the fact that the Union's fervent belief and hope of sorting out the issues through "bi-partitism".

The trade union is represented in various forums such as safety council, plant council, suggestion schemes and so on. The management and union believe that sharing of information in almost all aspects of the unit is a must and their constant belief in participative style of management enables them to create trust and confidence over each other. They, also pay much attention over the social obligations and assure that the near by villages, hamlets in and around Manali are benefited in many ways.
Surianarayanan (1990) correctly observes that the inbuilt trust and mutual confidence amongst the union and its members on the management enables the management to give more emphasis on human resources development. It is to be recorded that union had never approached the management on disciplinary matters however stray they may be, because union believes that a disciplined work force is a must and they take it as part of their culture.

The Madras Refineries Limited also has an association for officers called Madras Refineries Officers' Association. It started functioning from 1973, with an objective of rendering full support for all the activities connected with the growth plan of the company. Right from the inception, the Madras Refineries Officers Association has taken a very positive role of identifying itself as part of the company without losing its identity. The Madras Refineries Officers Association, has membership from the lowest first level officers to the level of Deputy General Managers.

Ranganathan, (1990) states that the association had always rendered constructive support in terms of providing improvement, quality assurance, and in all
other activities pertaining to boost up the image of the organisation and largely in fulfilling the social obligation of the company.

Surianarayanan (1990) has found that never in the history of the Madras Refineries Limited, the union or the management had resorted to any legal methods for finding solution to their problems.

Loyola (1992) states that Madras Refineries Limited since its inception in 1958, had woven a concept of 'productivity' and 'welfare' as the warp and woof of the texture of industrial relations. He further observes that the industrial relations is understood to be a process of "painful adjustment for a hopeful beginning in the day-to-day dealing between the management and the union; whereas in Madras Refineries Limited both the management and union add a new dimension to this, by evolving it as a system of policies and procedures, collectively always ahead of industries of its size".

Training

The Madras Refineries Officers Association and Madras Refineries Employees Union play a pivotal role in the training programmes organised by the company and make the training realistic, and useful to the
employees. In general Madras Refineries Limited lays much emphasis on training and development of human resources, i.e. in creating a committed workforce through a variety of training programmes. Besides the training programmes specially designed to meet the need of the company at its training centre, managers are deputed to attend the programmes offered by various training Institutes in India and abroad. The union leaders too are deputed to participate in programmes like leadership skills for trade union leaders, environment and industrial safety. Also, they conduct leadership development programmes, workers education schemes etc. for the benefit of non-supervisory staff.

As a part of the Madras Refineries Limited human resources development activities, Industrial Training Institute, Polytechnic, and Refinery Engineering School of Training are started for catering to the needs of distinct cadre of personnel.

The Madras Refineries Officers Association, in line with the thinking of the International Labour Organisation, believes that continued training in almost all the facets of the company’s life should be given to its members, to them, training is a life long process.
Industrial Co-operative Service Society

The Madras Refineries Limited major contribution towards industrial peace is the establishment of the Industrial Co-operative Service Society known as 'Indcoserve', which has accommodated the erstwhile contract labour as a member of the society, ensuring a reasonable regular monthly wage for them.

The Indcoserve started in 1983, after the abolition of contract labour system in Madras Refineries Limited, has won the Tamil Nadu Government's shield for the best co-operative for the three consecutive years 1984-85, 85-86, 86-87. The workers of this society, apart from extending their services to Madras Refineries Limited, continue to undertake community welfare programmes such as adult education, health and recreation.

The unskilled workers of the society, by enrolling themselves in the full time/part time course of ITI promoted by the company within the refinery premises, have acquired the additional skill and knowledge; are given opportunities to serve in Madras Refineries Limited as trade apprenticeship trainees and firemen trainees. They also earn their share from the profit of the society. The system of 'Indcoserve', has attracted many of the neighbouring companies; it functions as a model for others.
The Social Obligations Of Madras Refineries Limited

The Madras Refineries Limited, has been serving the community in several ways such as education, health, employment, sports, and other general contributions.

Madras Refineries Limited enjoys the image as a model employer and a good neighbour.

Surianarayanan (1990), views that the industrial relations system of Madras Refineries Limited refers to the mechanism and institution that are utilised to create, develop and maintain an effective employee force.

Sigamani, (1990) is confident that the Government of India will one day appreciate the union, for its successful management, for its cordial relationship, for its contribution towards productivity, and for its share in the development of the neighbouring society by projecting image of Madras Refineries Limited through some form or other.

The researcher hopes that this study would be an eye opener to recognise the Madras Refineries Employees Union in its correct perspective.