CHAPTER I

INTRODUCTION AND RESEARCH DESIGN

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A harmonious relationship between the employer and the employee is very essential for accelerating the pace of industrial development in India. Cordial industrial relations in various industries would lead to a higher level of productivity, greater efficiency and the prevalence of industrial peace in the country. On the other hand, poor industrial relations would give rise to hurdles and impediments in the smooth and speedy development of industries in the country. In a developing country like India, industrial unrest is considered undoubtedly as a great hindering factor for the growth of both the industry and the economy as a whole. Industrial unrest is due to the failure of the basic human urges or the motivations, which ultimately takes the form of industrial disputes. Unless industrial disputes are contained within reasonable limits, there is very little scope for promoting industrial peace in any country. Industrial unrest affects almost all the sections of the economy, namely, the working class, the employers and the general public. If suitable measures are not evolved and implemented effectively, the industrial development and ultimately the economic development of the country is likely to be jeopardised.¹
For sustainable growth, India requires a favourable climate of industrial peace, a harmonious labour-management relationship with a minimum level or the absence of industrial disputes along with all the beneficial inputs. In order to promote industrial peace, the labour disputes should be settled amicably and quickly. Depending upon the parties involved, the disputes could be settled either through self settlement attempts or through assisted settlements or through imposed settlement of the disputes. In spite of the various methods adopted for the settlement of disputes by the private as well as by the government agencies, the industrial disputes still continue to remain at an alarming level in India. Therefore methods of settlement should be adopted systematically and quickly so that strikes and lock-outs could be avoided or at least kept at the minimum level so as to ensure industrial harmony.

In respect of the cement industry also several measures for dispute settlements had been adopted by both the Government and the private agencies to ensure the prevalence of industrial peace. These are machineries such as wage boards, the voluntary arbitration procedures and the National Settlement methods. Two national wage boards were constituted by the Government of India for settling the industrial disputes during the period 1958-1977. Thereafter voluntary Arbitration methods had been adopted until 1991 for settling the industrial disputes in the Indian Cement industry. Since 1992, The National Settlement method had been adopted in settling the industrial disputes. This method had been adopted in the Indian cement industry
for four times so far. The cement industry is one of the key industries in India, and ranks second only to that of the iron and steel industry and employs about 1.35 lakhs of persons provides indirect employment to about 12 lakhs of persons in handling, transporting and for distributing and selling cement. It also accounts for nearly 5 per cent of the excise revenues of the Union Government. There are over 125 large sized cement plants in India owned by some 50 cement companies, which accounts for nearly 93 per cent of the total installed capacity of over 150 million tonnes of cement per annum in the country.

The cement industry in India seems to be a highly dispute prone industry albeit its significant position in the realm of industrial and economic development. Hence, it is not only relevant but also very necessary to critically analyse the industrial relations in the cement industry in India. Of the earlier studies conducted so far in this regard, the cement industry in Tamil Nadu had received only very little attention and the cement industry, particularly in South Tamil Nadu, had received practically no attention so far as the industrial relationship was concerned. For this reason, the present study had been undertaken as a modest attempt to analyse the industrial relationship in the cement industry in South Tamil Nadu region.
1.2 STATEMENT OF THE PROBLEM

The industrial relations scenario in India in the last few years had been quiet and peaceful and cordial. But in traditional industries like textile industry and the cement industry, the industrial relations had not changed much, despite the changed environment.\(^4\) One of the major problems in the Indian Trade Union Movement, an important player in maintaining industrial relations, had been the existence of several unions. Invariably, each trade union in India is closely associated with a political party. This multi-unionism factor had posed a serious threat to the industrial harmony in India.\(^5\) The cement industry in south Tamil Nadu is no exception to this general feature. The Government is another important player in the industrial relations scenario. The changes in the policy of the Government of Tamil Nadu had affected the industrial relations system in Tamil Nadu. Krishnamoorthi\(^6\) had stated in his study that the economic reforms had affected the industrial relations’ patterns in the textile industry in Tamil Nadu. It tempts us to infer that it might be so in the case of the cement industries in Tamil Nadu also.

The state of labour-management relations in Tamil Nadu had disclosed neither a rising trend nor a declining trend judged by the number of industrial disputes that had occurred during the years 1990 to 2000. The dominant causes for the industrial disputes had been payment of wages and the bonus payments.\(^7\) The number of mandays lost due to the occurrence of industrial disputes in Tamil Nadu had
disclosed ups and downs. During 1991, the number of mandays lost were of the order of 72.79 lakhs and it had declined to the level 9.11 lakhs of mandays in 1995, registering a decline of nearly 64 per cent; but again it had started rising till the year 1998 when it had touched 30.55 lakhs of mandays. As the public policy was changed, the challenge for the industrial relations was to encompass the new areas of policy and the new levels of analysis which had made it a relevant field of study. The labour unions were becoming more defensive and were more concerned with the protection of the jobs for their members. The multiplicity of unions and the inter and intra-union rivalry among the unions continue to be the characteristics features of trade unionism in India.

A decline in the role of trade unions due to the reforms process had led to a simultaneous decline in the process of collective bargaining. Collective bargaining had lost its importance as an effective tool for offering solutions of employees’ problems by confining themselves narrowly to trivial or parochial issues or by restricting themselves to issues related to pay and working conditions. The participation of the employees in the trade union activities was also determined by their positive feeling and reactions towards unions, and the declining role of the unions might result is ineffective participation by the employees. Hence, industrial relations is an aspect that requires an ongoing and continuous research to explore the policies and to meet the challenges in the changing scenario of the industrial relations.
since the 1990’s. India in general and Tamil Nadu, in particular, is no exception to the problems that had erupted in the sphere of industrial relations, due to the changes in the global scenario. Therefore, the present study focuses its attention on the analysis of the labour-management relations in the cement industry in south Tamil Nadu with the aim of offering suggestions to promote the industrial peace in the area of south Tamil Nadu.

1.3 SIGNIFICANCE OF THE STUDY

Industrial peace is vital for accelerating the process of production of goods and other economic activities and hence industrial unrest could lead to disastrous consequences in respect of the overall economic growth of the country. Literally “Industrial Relations” refers to the means relationship between the organised labour force and the management in an industrial enterprise. Through an attitude of mutual trust and respect on the part of both management and labour, a state of harmonious industrial relations could be developed promoted and maintained in an organisation. Harmonious industrial relations might lead to higher productivity, peaceful working of the enterprise and might also promote the overall progress of the organisation. The poor industrial relations might generate industrial disharmony and friction and might lead to industrial disputes and hazardous industrial situations like the lay-off, the lockouts, the strikes, the gheros and the bundhs, or might even result in closures. It is therefore, the moral and social responsibility of the industrial partners to
maintain the harmonious industrial relationship and settle their differences by mutual negotiations, conciliations or by any other means as the case may warrant. The concept of industrial relations was a subject of vital significance to developing countries like India, as it helped in creating a socialistic pattern of society. It is a dynamic activity and takes place in the continuously changing socio-economic environment of the modern age. The aim of the present study of industrial relations is to assess the problems of the cement workers in order to achieve industrial peace through industrial democracy. To maintain industrial harmony, it is essential to apply the democratic principles to the industrial arena. In the industrial scenario, the roles of the three actors, that is, the employers, the employees and the government are very important to run the industry smoothly. As far as the cement industry in Tamil Nadu is concerned, there are lots of problems among the workers in respect of their service conditions and their working conditions. In identifying whether there were uncongenial conditions in the industrial relations, a pilot study was conducted through an actual field survey. Some of the workers, union leaders and managerial personnel were interviewed with regard to the industrial relations’ problems. For obtaining more information about the physical conditions that were prevailing in the cement industries, the observation method was also used. The researcher came to the conclusion that there were a number of problems which were quite enough to undertake a detailed research study on industrial relations in the cement industry in South Tamil Nadu.
Of all factors of production, labour is the most difficult to manage and yet it significantly contributes to the performance of an undertaking. The labour-management relations can make or mar the organisational climate. Sustained development of the economy requires stable growth of industries with peaceful labour-management relations. A high morale, active participation in organisational activities, motivation, job satisfaction, a team spirit, a sense of oneness with organisation are some reliable symptoms of a content labour force. Any result-oriented management should aim at creation of such labour force. A high level of absenteeism, strikes, lockouts, loss of production are obviously some negative symptoms. An understanding of what factors cause the distrust and disputes and of what best can be done to promote a conducive and hygienic industrial relations is much important. Hence, the present study on industrial relations in cement industry in South Tamil Nadu has a high applied value in evolving industrial relations policies by consensus and also it could lend its support in framing a national policies on a scientific basis in the field of industrial relations especially with reference to cement industries. Based on the significance of the problem, the researcher had chosen the topic for his research study.

1.4 SCOPE OF THE STUDY

The development of healthy industrial relations requires the co-existence of very strong and well organised Trade Unions and also an association of the
employers at the state level. In other words, the attitude of the management towards labour should be cordial, sympathetic, positive, humanistic and democratic in order to eliminate frustrations, animosity and poor industrial relations. Such an attitude on the part of the employers would provide job security to the workers and would provide also an opportunity for labour participation in management. This participation would enable the labour force to take an active part in those management decisions, which would affect the terms and conditions of their employment. The mutual association of the labour and the management would create a congenial atmosphere, free of animosity, for consultations, discussions and negotiations, which would ultimately lead to harmonious labour management relationships. Therefore, the scope of industrial relations is becoming more and more wider with the steady and speedy growth in the pace of industrial development. In this way, the management, the employers, the trade unions and the state might take a keen interest in maintaining good industrial relations by playing their respective roles in a responsible way which would go a long way in promoting industrial peace and in bridging and establishing good labour management relationships.

From a careful review of the recent literature in the field of industrial-relations in the cement industry and in other related areas, the researcher found that the scientific study is scant in the field of industrial–relations in the cement industry in South Tamil Nadu. Therefore the researcher had decided to undertake a study on
“Industrial Relations in Cement Industry in South Tamil Nadu”. There are only three cement manufacturing units namely, Tamil Nadu Cements Corporation Limited (TANCEM) a public sector undertaking located at Alangulam in Virudhunagar District and two other private cement factories namely, India Cements Limited (ICL) located at Sankar Nagar, in the Tirunelveli district and Madras Cements Limited (MCL) located at Ramasamy Raja Nagar, in the Virudhunagar district. All these three factories are taken into consideration for the purpose of present research work.

In this study, the descriptive, the analytical and the explorative methods had been made use of. Descriptive methods had been used to evaluate the Trade Union movement in the Cement industry in south Tamil Nadu. The analytical methods had been used to assess the settlements, the trade union memberships and the like. The explorative method had been used to find out the causes for the industrial disputes prevailing in the cement industries. This study covers all the three major players in the field of industrial relations, the workers, the trade unions, and the managerial personnel of all the three cement factories in South Tamil Nadu. The study had also reviewed the various labour legislations and the work of the labour department with regard to the promotion of industrial relations. It had also dealt with the industrial relations in the study units in respect of working conditions, wages, safety measures and the welfare facilities provided.
1.5 OBJECTIVES OF THE STUDY

The general objective of the present study is to analyse the industrial relations situation in the cement industry in south Tamil Nadu. However, the present study also includes five specific objectives. They are:

1. To study the socio-economic conditions of the workers working in the three cement factories in South Tamil Nadu.
2. To evaluate the labour welfare facilities provided in the study units.
3. To identify the factors which had influenced the industrial relations in the cement industry in South Tamil Nadu.
4. To examine the role of the trade unions, the management and the government in the promotion of industrial peace in the study units.
5. To offer suggestions from the findings of the study to improve the industrial relations in the cement industry in South Tamil Nadu.

1.6 REVIEW OF LITERATURE

In order to analyse the industrial relations in the cement industries of south Tamil Nadu, the related recent literature had been reviewed to get an insight into the problem.
Giri\textsuperscript{14} (1955) in his work on “Industrial Relations”, had stated that where the state intervention was minimum, the co-operation between the employers and the employees would be maximum.

Srivastava,\textsuperscript{15} (1955) in his article on “Industrial Peace and Labour in India”, had analysed the causes for the industrial disputes and the mechanism for the settlement of disputes. He had also emphasised on the need for industrial harmony to protect the workers’ rights, their wages, their employment and their working conditions.

Bose\textsuperscript{16} (1956) in his study on “Gandhian Technique and Tradition in Industrial Relations” had highlighted the ways and means of peacefully securing the co-operation between the labour and the management. He had suggested that both the labour as well as the management should be educated well on labour and industrial relations so as to promote industrial peace.

Tripathi,\textsuperscript{17} (1969) in his article on “Industrial Relations in Public Sector Enterprises – An Analysis”, had highlighted the following as the causes for industrial disputes:

i) Multiplicity of trade unions;

ii) Inter and Intra trade union rivalries;

iii) Indiscipline among the union members.
iv) Irresponsible union leaders;
v) Hostility of management towards the trade unions;
vi) Absence of legislative measures to recognise the trade unions.

Patankar,\textsuperscript{18} (1969) in his study on “Industrial Relations in Selected Public Sector Undertakings in Madya Pradesh”, had identified personnel policies, wages and the welfare measures undertaken as the factors affecting the industrial relations. He had suggested that a suitable machinery should be evolved for the prevention and settlement of industrial disputes. The role of the trade unions, the personnel management approach and the government had been identified as the instruments for promoting good industrial relations.

Prasad\textsuperscript{19} (1983) in his study on “Personnel Management and Industrial Relations” had identified the organisation and the legal environment as the factors affecting industrial relations. He had identified the various organisational problems that deteriorated the industrial relations, such as those of poor personnel management, failure to enforce legal enactments, and the poor general economic conditions and the like.

Ganju,\textsuperscript{20} (1977) in his study on, “Industrial Relations in the Paper Industry of Andra Pradesh - A Study of Worker-Management and Union-Management Relations”, had discussed in detail about the indiscipline, the absenteeism and the
poor commitment of the workers as the indicators of the poor health of an organisation. He had also analysed the welfare measures, the personnel policies and the pay scales of the workers of the paper industry. The role of the labour unions had also been assessed in terms of the inter union and the intra-union rivalries.

Shukla\textsuperscript{21} (1975) in his study on, “Workers Participation and Industrial Democracy (A Sociological Study of the Workers in the Printing Presses of Lucknow)” had analysed the social factors influencing the workers’ participation in management, such as family, caste, tradition and the like.

Gangathara Rao\textsuperscript{22} (1978) in his study on “Industrial Relations in Indian Railways” had examined the personnel and union management relationships with special reference to the post-Independence period. The study had revealed that the operational efficiency of the Railways had increased over a period of time and the labour productivity had gone up on account of the introduction of the various incentive plans. He had also emphasised on the necessity for maintaining the harmonious relationships between the workers and the Management.

Arya\textsuperscript{23} (1982) in his study on “Labour Management Relations in Public Sector Undertakings”, had highlighted the nature, the extent, the desire and the capacities of workers to participate in the decision making process. He had also explained the structure of the trade unions in the public sector undertakings and the workers’
involvement in the trade union activities. He had advocated the collective bargaining approach and the other available legal methods for the prevention and the settlement of industrial disputes.

Bhabani Rath\textsuperscript{24} (1985) in his study on “Industrial Relations and Participative Management”, had discussed in detail, the concept of the workers’ participation in the management of industries in India.

Memoria and Mamoria\textsuperscript{25} (1985) in their book on “Dynamics of Industrial Relations in India”, had discussed the emergence of industrial labour as a major industrial force. They had also discussed in detail the origin, the structure, the growth and the role of the trade unions in promoting industrial relations. They had suggested a systematic grievance procedure approach to satisfy both Labour and management. In order to promote good industrial relations, they had advocated workers participation in management, collective bargaining, arbitration and adjudication procedures.

Murthi\textsuperscript{26} (1986) in his study on “Profiles of Indian trade unions (a study in Orissa)” had pointed out that the growth of the labour strength has led to the growth of trade unions to protect the employees and to get for them better wages, bonus payments, better working conditions and the like. According to him the growth of the trade unions had led to marked changes in the industrial relations in the State of
Orissa which had resulted in the intervention by the State Government to regulate the labour management relations.

Mohanty\textsuperscript{27} (1986) in his article on “In Search of Industrial Relations in Small Scale Industries”, had evaluated the state of industrial relations in the small scale industries. He had pointed out that the industrial relationship in the small scale industries was between the individual worker and that of his employer. He had concluded that this direct relationship had created an industrial climate which was free from industrial unrests or industrial strains.

Giri\textsuperscript{28} (1987) in his study on, “Industrial Relations in Printing Industry in Orissa”, had analysed the possibility of the enforcement of labour legislation in the commercial printing industry at Cuttack. He had also analysed the industrial relations in the context of the pressures flowing from the technology, the product, and the labour markets, the strength of the trade unions and also that of employers associations. He had identified, wages as an important cause for the industrial disputes. He had stressed on the need to replace the piece rate system by introducing the time scale system for the workers.

Gani\textsuperscript{29} (1988) in his thesis on “Labour Management Relations in Textile Industry in the Jammu and Kashmir State – Since 1971”, had examined the labour-management relations in the context of the living conditions of the workers, their job
satisfaction and the working of the dispute handling machinery. The extent of participative decision making in the textile industry in the Jammu and Kashmir state had also been discussed by the author.

Michel\(^{30}\) (1991) in his book on “Industrial Relations in India and Workers Involvement in Management (Analysis and Cases)” had discussed the industrial relations against its historical background. He had analysed the problem of industrial relations through various approaches, such as, the psychological, the sociological, the human relations approach and the ethical and the redemptive approaches. According to him, political factors, grievance procedures, labour welfare activities, the trade unionism, multi unionism and collective bargaining had been the factors that had affected the industrial relations. He had concluded that effective management of human resources was possible only when there was a co-ordial industrial relationship in an organisation.

Nandakumar and Ravishankar\(^{31}\) (1994) in their article on “Empirical Study of Membership Participation in Trade Union Activities: An Indian Perspective”, had analysed about members’ participation in the trade union activities. According to them, the commitment of the workers to the trade unions was the single factor that had influenced the members to take an active participation in the activities of the trade unions.
Kesar Singh Bhangoo\textsuperscript{32} (1995) in his study on “Dynamics of Industrial Relations”, had explained the attitudes of the workers, the trade union leaders and that of the managerial personnel towards promoting industrial relations. He had examined in detail about the nature and the extent of the industrial disputes and the working of the disputes’ settlement machinery. He had also discussed about the working conditions, the welfare facilities offered to the workers, the extent of the workers’ participation in the decision-making process and the role of the trade unions in resolving disputes. According to him, personnel policies, poor working conditions, poor welfare facilities offered to workers and the ineffective workers’ participation had all contributed to the poor industrial relations in India. He had also stated that the low levels of wages and the bonus payments continue to be the most important factors that affect the industrial relations in India.

Sodhi\textsuperscript{33} (1995) in his article on “Issues, Trends and Developments in Industrial Relations in India and other South Asian Countries”, had analysed the issues, trends and developments in the industrial relations in India and in the other South Asian Countries. He had highlighted the importance of the factors connected with industrial relations and their implications in respect of the industrial relations’ policies. He had suggested various measures to promote sound industrial relations and the attainment of industrial peace. He had also recommended that the workers should be involved in the decision-making process, particularly at the time of
introducing changes in technology and that the employers should follow the people–oriented style of management.

Pinto\textsuperscript{34} (1995) in his article on “The Role of Management and Trade Unions in Bringing about a Positive Work Culture”, had outlined the roles of the management and that of the trade unions for promoting a better understanding and a better relationship among them. He had suggested that the salaries of the workers should not be linked to their experience, but their skills alone should be taken into consideration for fixing their salaries. He had also suggested that the ownership of the company should be extended to the workers through stock options.

Pinto\textsuperscript{35} (1955) in his article on “The Role of Management and Trade Unions in Bringing out a Positive Work Culture”, had remarked that union apathy or lack of participation in union activities was a universal feature and that demographic variables were found to be important adjuncts to of union participation. The important reasons cited by the workers for not participating in the union activities were, time constraints, fear of victimisation by the management, lack of interest in union activities and politically biased activities of the trade unions.

Surendra Nath,\textsuperscript{36} (1995) in his article on “Developing New Perspectives on Industrial Relations – Role of Government”, had emphasised on the need for the various industrial laws for a growing industrial economy. He had also focused the
attention on the inadequacies of the Indian Industrial laws and had recommended the adoption of pragmatic and practical industrial laws. He had suggested that the industrial laws should be able to meet the growing needs of a fast growing industrialised economy. He had emphasised on the need for equality in the enforcement of the laws to promote industrial relationships.

Viramani\(^{37}\) (1995) in his article on “Redefining Industrial Relations”, had analysed the various aspects of collective bargaining. He had concluded that collective bargaining and workers’ participation in management need different types of attitudes and hence could not co-exist. He had also suggested changes in the roles of management, trade unions and that of the Government in promoting Industrial relations.

Somnath Ghose\(^{38}\) (1995) in his article on “Industrial Restructuring and Labour Relations – Emerging Patterns, Implications and Strategic Choices”, had stated that strategic choices available to labour and management like bargaining or casualisation had proved themselves to be inadequate in the wake of fundamental changes in the work practices and employment relations. According to him, industrial restructuring was of great significance to organised labour, as the provider of competitive advantage in respect of organisational functioning. He had also stated that industrial re-structuring revolved around the granting of autonomy and the empowerment of the workers.
Biswaś 39 (1995) and two others in their article on “Productivity and Industrial Relations – A Case Study in Alloy Steel Plant”, had analysed the problems of industrial relations in the Alloy Steel Plant. According to them, among the various factors that had contributed to increased productivity, the two important factors were technological factors and the human factors. According to them, the human factors had a greater influence on productivity and improvements than the technology factors. They had also explained about the relationship between labour productivity and industrial relations. Labour productivity had been measured in terms of value-added labour per employee. Poor Industrial relations had been measured in terms of three basic parameters namely, labour turnover, absenteeism and misconduct. The authors had pointed out that the management should not ignore the aspect of human resource management. According to them, the performance of any enterprise could be improved without developing good industrial relations.

Ratna Sen 40 (1997) in his article on “Industrial Relations: Patterns and Trends” had traced the evolution of the industrial relations in India from the eighties and had vividly described about the emerging patterns of industrial relations in India. He had identified ten types of industries and had explained the trade union and management relationships in those ten industries.
Mohanan\textsuperscript{41} (1999) in his article entitled “Some Aspects of Industrial Relations since New Economic Policy”, had stated that the management considered the trade union as a necessary evil of the industrial system while the trade unions considered that the challenging and the opposing decisions of the management was their main problem. The scope for collective bargaining was considered to be very weak owing to the basic disagreement in the view points of the political parties who controlled the different trade unions.

The ideological orientation of most of the Indian trade unions was highly conservative in its nature as compared to the moderate approaches of the European and the American Trade unions. But since the adoption of the economic reforms process radical changes had taken place and the approach had moved towards one of co-operation from that of confrontation.

Das\textsuperscript{42} (1999) in his article on “Trade Union Activisim – Avoidable or Inevitable?”, had pointed out that the intensive growth of the strikes as a weapon had compelled the employers to indulge in lockouts more intensively to counteract the militancy of the trade union activities. Trade unionism had been faced with a paradoxical situation of a declining trend in the number of strikes coupled with a declining trend in the growth of trade union membership. The current situation was the outcome of such factors as that of like poor finance, influence of political parties, dominance of outside leadership for effective negotiations, multiple subscriptions for
union membership and finally inter-union rivalries arising out of the multiplicity of unions. All these were structural in their nature and as long as this structural system was allowed to continue in its present form without a review, trade union activism was bound to be inevitable and non-avoidable.

Leelavathi (2000) had stated in her article on “Industrial Relations in India: Challenges and Strategies” that the industrial relations were mainly the human relations that existed in the production system and it had a definite impact on the efficiency and productivity of the organisation. It involved a complex web of relationships between the employer, the employees and the government. The economic and political system of a country usually shaped the nature of the industrial relations system in the country. Also, the nature of the industrial relations system went on changing and was in accordance with the changes in the socio-economic cum political environment of the country.

Neelakanda Raj (2000) in his article on “Role of Government in Labour Related Issues”, had asserted that multiplicity of unions was a matter of concern for both the workers as well as for the employers as it was counter-productive in its nature and not conducive to the promotion of competitiveness in the present context of things.
Venkata Ratnam\(^{45}\) (2001) had found in his study entitled “Globalisation and Labour Management Relations: Dynamics of Change”, that traditionally wages and working conditions were usually under the domain of collective bargaining. Over a period of years, however anything and everything had come under the purview of collective bargaining, such as staffing arrangements, workforce and composition, work norms, incentives and overtime payments, job and income security arrangements, technology and other changes, working tools, techniques and practices, staff mobility including transfers and promotions, rewards and punishments, individual grievances, matters of discipline and the like. In fact everything from recruitment to post-retirement benefits had become a part and parcel of negotiations between the management and the workers.

Ganesan, Samuel Rajkumar and Saravanan\(^{46}\) (2002) in their article on “Determinants of Employee Relations Climate in Public Sector Undertakings” had stated that the factors like working conditions, level of supervision, communication, facilities, workers’ participation, inter-personal relationships and the like induce the conducive relationship climate in the organisation. By improving these factors a more favourable climate could be created. Effective and frequent counselling for the employees and frequent meetings at all the levels of the organisation would result in improving the conducive climate and improved productivity.
Karim and Arya\textsuperscript{47} (2003) in their article on “Industrial Relations in Public Undertakings in Jammu and Kashmir”, had analysed the various aspects of industrial relations in the public sector undertakings in the State of Jammu and Kashmir. They had also recommended various direct and indirect measures to secure and maintain the harmonious relationships between Labour and Management.

Das\textsuperscript{48} (2004) in his paper entitled, “Collective Bargaining For Improvement of Organisational Productivity, Product Quality and Labour Flexibility”, had made an attempt to identify the issues in respect of collective bargaining agreements that provide for improvements in respect of organisational productivity, product quality and labour flexibility. In the process of explaining the need for collective bargaining to ensure an enhancement in the productivity levels, in the changing globalised era, the author had made a fruitful discussion about the relationships that exist between collective bargaining and productivity. Hence, he had suggested that the ideas borrowed from the different parts of the world should be suitably adjusted for their successful application to the firms in India.

Mamta Panda,\textsuperscript{49} (2004) in her article on “Industrial Relations Environment and Work Culture in Public and Private Sector Organisations: A Case Study,” had pointed out that intensive training programmes should be organised for making the employees aware of the need for the adoption of a normative approach, for collaborative orientation, for competency building and for developing the holistick
perspective. She had emphasised on shifting the focus from job security to that of employability in jobs. Retraining and redeployment of employees should be undertaken on a systematic basis for maintaining the high morale during the lay-offs and during the downsizing of production and also to address to the problems of the unions for the protection of the interests of the employees. She had also suggested that the collective bargaining approach should be based on an integrated rather than on a distributive approach.

Shyam Sundar,50 (2004) in his article on “Industrial Relations in China” had stated that the Chinese industrial relations system was in a process of transition. The industrial relations system was sought to be designed to suit the drive towards the establishment of a socialist oriented market economy. The reform process had been gradual so as not to destabilize the social peace in the country. Social and industrial harmony had been placed at a very high level by the Chinese authorities. He had also pointed out that the industrial relations’ situation in China was characterised by the monopoly of the state-tied trade unions, suppression of the independent unions, harsh working conditions in the private and the foreign invested enterprises, absence of the right to strike, rising inequalities, huge unemployment situation, flexible labour markets (contract labour system), continuing powerful state interventions, softening of policies to attract huge amounts of private and foreign capital, poor implementation of labour laws and so on. The competition with China, and the
limitations of the Chinese model could lead us to race to the bottom. He had concluded that China’s success story was unique to its system, and it is hard and unwise to transplant its features in India or elsewhere.

Avinash Kumar Srivastava,51 (2004) in his article on “Proactive Industrial Relations: A Framework” had stated that the industrial relations approach should be transformed to emphasise the proactive industrial relations rather than being heavily tilted towards the reactive industrial relations. The study had also recommended the following principles for strengthening the proactive industrial relations approach:

i) Ensuring a favourable work environment,

ii) Implementing the formal systems and regulations to objectively manage the employees affairs,

iii) Formulating appropriate conduct and disciplinary regulations for the protection of the employer’s rights, and making them acceptable to the employees and implementing them properly,

iv) Promoting employees’ involvement and their commitment to work,

v) Maintaining an efficient internal communications system (regular, open and a two-way communication system).
Moorthy\textsuperscript{52} (2005) in his article on “Industrial Relations’ Scenario in Textile Industry in Tamil Nadu” had pointed out that the economic reforms had affected the industrial relations in the textile industry. He had also emphasised the need for a better co-ordination among the employers, employees and the Government for resolving the problems of the workers and for the promotion of industrial peace and for the overall development of the economy of the country.

Jacob,\textsuperscript{53} (2005) in his article on “Grievance Redressal Procedure and Labour Management Relations in State Level Public Enterprises”, had pointed out that the managements which desire the maintenance of a peaceful industrial environment had to implement the clearly laid down grievance redressal procedures in their organisations. If the grievances were not handled properly, it would result in an adverse reaction on the efficiency and productivity of the industrial workers. The study had also revealed the fact that the trade unions had played a significant role in the redressal of the grievances of the work force employed by the state public enterprises. He had also pointed out that the leading issues causing grievances among the workers in the public sector undertakings in Kerala had been wages and amenities, service conditions, working conditions and disciplinary actions.

Maria Jesili,\textsuperscript{54} (2005) in her article on “Industrial Relations in Tamil Nadu” had pointed out that the phenomenon of jobless growth was very much present in Tamil Nadu. She had pointed out that, a steeper rise in the number of lock outs, and
in the number of workers involved in the lock outs and the number of mandays lost due to the lockouts was a matter of grave concern and it had added to the already existing problem of unemployment. The trend of tripartism had slowly given way to bipartism in the various negotiations in respect of strikes, lockouts, wage revisions, bonus payments and work load adjustments. She had also mentioned that the State Industrial Relations Machinery had been averting major work stoppages through its conciliation proceedings. Mediation was also found to be very successful in resolving the industrial disputes in Tamil Nadu.

Raja Sekhar and Anantha (2006) had written an article on “Benefits to the Beedi Workers of Karnataka: Role of Trade Unions”. The study had revealed that production relations emerging from within the industry could explain as to whether a worker was able to get access to the benefits or not. It was argued that when the workers were highly unorganised, the role of the trade unions in ensuring that there was collective bargaining for the benefit of the workers would become either marginal or non-existent as trade unions would find it very difficult to change the strategies in view of the changing conditions.

Srivastava (2006) in his article on “Trade Union Response to Declining Membership Base: Best Practices from Mumbai based Trade Unions” had pointed out that there had been a substantial erosion both in respect of membership as well as in respect of the bargaining power of the unions. In order to remain relevant and
effective too, trade unions in many competitive economies of the world are becoming a “Part of the Solution” rather than being a part of the problem”. In such an environment, trade unions in India had also undergone marked change in their approach and activities towards a betterment of their work culture in relation to increased productivity.

From the above detailed review it could be concluded that though considerable efforts had been made in conducting research studies on the various aspects of industrial relations, the studies had been only partial in their nature in the sense that the different aspects of industrial relations, namely, trends in the intensity of industrial disputes, causes for the disputes, the settlement of the disputes, the role of the trade unions and the workers’ participation in the trade union activities had not been discussed in detail. It is against this background that the present study had been undertaken.

1.7 METHODOLOGY

1.7.1. Collection of Data

For the purpose of this study both primary and secondary data had been collected. This study is dependent on primary data to a very great extent. The secondary data had been collected from various books, journals, newspapers, annual
reports, articles, unpublished Doctoral Theses, reports, notifications of both Tamil Nadu State Government and that of Central Government.

For collecting the primary data, three sets of interview schedules had been prepared separately; 1) for workers, 2) for trade union leaders and 3) for the managerial personnel. Before finalising the interview schedules, tentative schedules had been prepared for the purpose of pre-testing the credibility of the schedule, for which a pre-test was conducted in the field itself by asking questions and getting the responses from some of the respondents. Based on the responses of the respondents some of the unnecessary questions were deleted and some necessary relevant questions were added in the respective schedules and finalised the interview schedules had been used for collecting the primary data.

1.7.2 Sample Design

Having selected the study units, the next step was to decide on the sample size and the selection of the respondents in a systematic manner. There were three participants – the workers, the trade union leaders, and the managerial persons in the field of industrial relations’ scenario.

The sample size was fixed as 20 per cent of the total population with regard to workers; 40 per cent for the trade union leaders and 15 per cent for the managerial personnel. As the sample size increased, the result would approach near accuracy
situations when the generalisations are made. Hence, the researcher had decided to collect the data from 20 per cent of the workers, from 40 per cent of the trade union leaders and from 15 per cent of the managerial personnel. A sample of 20 per cent that is one-fifth of the workers population was chosen as the sample size just to ensure the accuracy of the results to the maximum extent possible.

**TABLE 1.1**

**SAMPLE DESIGN**

<table>
<thead>
<tr>
<th>Name of the Study Units</th>
<th>Workers</th>
<th>Trade Union Leaders*</th>
<th>Managerial Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Sample Size</td>
<td>No. of Trade Unions</td>
</tr>
<tr>
<td>TANCEM</td>
<td>543</td>
<td>108</td>
<td>10</td>
</tr>
<tr>
<td>MCL</td>
<td>499</td>
<td>100</td>
<td>3</td>
</tr>
<tr>
<td>ICL</td>
<td>458</td>
<td>92</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>1500</td>
<td>300</td>
<td>--</td>
</tr>
<tr>
<td>Sample as % of Population</td>
<td>20</td>
<td>40</td>
<td></td>
</tr>
</tbody>
</table>

* Two respondents from each union is selected.

Note: TANCEM - Tamil Nadu Cements Corporation  
MCL - Madras Cements Limited  
ICL - India Cements Limited

Table 1.1 reveals the break-up details of the sample size. Of the 1500 workers working in the study units put together, 300 workers (20 per cent) had been chosen as the respondents. The selection of the respondents was made using the simple random sampling technique. Further, to provide equal representation to the study units,
20 per cent of workers employed in each study units had been selected. In this process, 108 workers forming 20 per cent of the total workers (543) of the TANCEM had been randomly selected. By employing the same process, 100 out of 499 workers and 92 out of 458 workers had been selected respectively from the other two study units namely MCL and ICL.

As far as the trade union leaders are concerned, enough care had been exercised in the sample selection as to provide equal representation to the trade unions functioning in all the three study units. There are 15 trade unions functioning in the study units. Among them, 10 trade unions are functioning in TANCEM whereas only three and two trade unions are functioning respectively in MCL and ICL. In each trade union, there are five office bearers namely, President, Secretary, Vice-President, Joint-Secretary and Treasurer. The researcher has selected the Secretary and the President of each union functioning in the study units to form the sample size of 30 respondents.

This sample size had accounted for 40 per cent of the trade union leaders, that is, 30 out of the 75 trade union leaders. The selection of two respondents from each and every union was made to avoid any possible bias on the part of the respondents who were leaders of the different trade unions and also some of them are affiliated to political parties. In this process, 20 respondents have been selected from 10 trade unions functioning in TANCEM. Six respondents have been selected from three
unions functioning in MCL and four respondents from two trade unions functioning in ICL.

Among the 201 managerial persons working in three study units, 94 are found working in TANCEM while 55 and 52 are found employed in MCL and ICL respectively. To ensure equal representation of the study units in the sample size, 15 per cent of the managerial persons working in each unit had been selected as respondents. 14 respondents from 94 managerial persons working in TANCEM had been selected. Eight each had been selected as respondents from 55 and 52 managerial persons employing in MCL and ICL respectively. Hence, the sample size with regard to managerial persons stands as 15 per cent that is 30 out of 201 managerial persons.

1.7.3 Tools for Collecting Data

For collecting the primary data, the personal interview method with the help of schedule had been adopted in this study. The interview schedules had been finalised after conducting the pre-test.

1.7.4 Selection of Variables

For comparative analysis with reference to the factors causing mobility among jobs, labour welfare facilities, work environment, factors promoting labour
management relations, motive for and attitude over the strikes, causes and major context for industrial disputes and reasons for becoming member in union, the researcher has identified and selected the variables on the basis of the existing literature in this respect and a pre-test conducted before finalising the interview schedule.

1.7.5. Tools of Analysis

1. Percentages and Averages

The present study had widely made use of the percentages and the averages in the analysis of the socio-economic conditions of the workers and the managerial persons, in the respondents’ perception of the trade unions, and as regards welfare facilities and the working environment.

2. Annual Growth Rate

The annual growth rates were calculated for the quantities and values of production and exports of cement in India. The following formula was employed for the computation of the annual growth rates:

\[ r = \frac{Y_{t1} - Y_{t0}}{Y_{t0}} \times 100 \]

Where,

\( r \) = Annual growth rate,

\( Y_{t1} \) = Current year’s value,

\( Y_{t0} \) = Value of the previous year,
3. **One-way ANOVA Test**

The present study had also employed the one-way ANOVA test to compare the perception of the workers, the trade union leaders and that of the managerial personnel on work environment, welfare facilities, trade union perceptions, the causes and context of the disputes and strikes and the like. A comparison has also been made about perceptions within the group of workers, the group of trade union leaders and within the group of the managerial personnel. A comparison had also been made between the perceptions of these three different categories of respondents.

4. **Factor Analysis**

The factor analysis approach had also been made use of in the present work to analyse the reasons for the workers to join the trade unions. By using this analysis, the present study had clustered together the different variables and had extracted five factors on the basis of positive significant factor loading. The results had been presented and analysed in the chapter six of the present work.

5. **Likert’s Scaling Technique**

Since the study had mainly focussed its attention on the attitude and perceptions of the workers, the trade union leaders and the managerial personnel, the researcher had felt the need for quantifying the data. Hence, the present study had
adopted the Likert’s Scaling Technique to measure the various degrees of agreement and disagreement. The responses to the various questions were scored in such a way that a response which was indicative of the most favourable attitude was given the highest score of five points and the most unfavourable attitude was given the least score of one point. The five-point scale had been made use of depending upon the requirements of the study. The results and the analysis are presented in the fourth and fifth chapters of the present work.

6. Ranking Technique

Respondents had been asked to reveal their order of preference or rank the factors that generally results in disputes, the methods used for dispute settlements and the factors promoting the labour-management relationship. Weightages were given to the ranks and the highest weightage was given to the first rank and the least weightage was allotted for the last rank. For example, if the first rank was assigned the weight of eight, the last rank, that is the eighth rank was assigned the weight of one. The total weights obtained by each of the factors was taken into consideration for arriving at the total score. The mean score was obtained by dividing the total score by the number of the respondents and the ranks were assigned on the basis of the mean scores obtained.
1.8 CHAPTERISATION

The present study had been presented in seven chapters.

The first chapter deals with the introduction, the significance and the scope of the study, the objectives, a review of recent literature and the methodology adopted in the present study.

The second chapter traces briefly the history of the cement industry and a description of the study units of the present research study.

The third chapter provides an explanation of the conceptual framework of industrial relations, which throws much light upon the theoretical background of industrial relations also.

The fourth chapter presents an analysis of the socio-economic conditions of the workers and the trade union leaders, the availability of labour welfare facilities and the prevalence of a suitable work environment in the study units.

The fifth chapter deals with a comprehensive analysis of the factors influencing industrial relations.

The sixth chapter describes clearly about the role of the trade unions in promoting industrial relations in the study units.

The seventh chapter summarises the findings and also presents a list of suggestions drawn from the findings of the study to improve and sustain the industrial relations in the cement industry in South Tamil Nadu.
REFERENCES


