"Industrial relations are not structured in a vacuum. Worker-employer relationships are initiated and developed in a matrix of physical, economic, political and cultural surroundings. They are circumscribed by an interrelated set of legacies of the past, elements of the present, and anticipations of the future."

ABRAHAM J. SIEGEL

—The Economic Environment in Human Relations Research.

Discontent is the cause of all uprisings, movements and social changes. Among many problems created by the industrial revolution, discontent in the working population has been probably the most widely talked about and long lived. Different remedies have been suggested to solve this problem. While Karl Marx and his followers preached total abolition of private property and collective economy, some eminent thinkers have pleaded for full freedom of the enterprise. However, many countries have found a real remedy in between these two antagonistic ideas and concepts. India generally favours the concept of mixed economy leading towards the socialistic pattern of society based upon the

Gandhian approach to socialism\(^2\) The state is gradually taking upon itself the responsibility for industrial growth of the nation and welfare of the employees.

The responsibility of the state particularly in a mixed economy is great. When it starts and runs industries itself or nationalizes existing industries, it is expected to act as a model employer. Profit motive, the main guiding factor for private enterprise, is replaced by welfare of the masses and the employees. That some of these hopes have not been realized is true of many countries including India. In Great Britain, for instance, one of the benefits expected from nationalization was an immediate and significant improvement in labour relations in the industries concerned which would serve as an example and a model to the private sector.\(^3\) But, in considering the

\(^2\) Characterized by the existence of mixed economy; the spread of democratic welfare and socialistic ideas; the impact of Gandhi's thoughts; the conservative outlook and traditional approach of employers; the lopsided development of trade union movement; the anti-quantified technique of production with low productivity; the utter ignorance and the poverty of the masses, the Indian economy impels industrial relations to be based on an integrated and synthetic approach aiming at the development of a common social, cultural and psychological consensus and understanding in industrial society on the one hand and retaining the conflict process and struggle complex on the other. Kapeer, T.N. *Personnel Management and Industrial Relations in India*. Tripathi. Bombay. 1968. p. 107.

post-war experiments in nationalization in Great Britain, many observers are surprised at the number of strikes and go-slow movements and at the high figure of absenteeism in the coal industry alone where about 1600 small scale strikes took place in 1950 alone. Labour turnover in nationalized industries is as high as in private industries. From these facts observers often conclude that industrial conflict has by no means disappeared in nationalized industries and that on the contrary, in some, such as gas and electricity where industrial relations were satisfactory in the past, the situation has seemingly deteriorated.  

INDUSTRIAL STRIKE IN THE PUBLIC SECTOR

In India strikes have been frequent in public sector undertakings. Industrial relations in the public sector as a whole cannot be described as satisfactory. The number of workers participating in the strikes has been large. Duration of strikes in many cases has been long. Loss of time and productivity have been enormous. As will be seen from Table 26 the total number of man-days lost in public sector due to strikes and lockouts increased from 211579 in 1961 to 1276659 in 1966 i.e. 6 times increase during the last six years.

Table 26
Mondays Lost in Public Sector Due to Strikes and Lockouts

<table>
<thead>
<tr>
<th>Year</th>
<th>Mondays Lost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>2,11,579</td>
</tr>
<tr>
<td>1962</td>
<td>5,32,157</td>
</tr>
<tr>
<td>1963</td>
<td>2,77,269</td>
</tr>
<tr>
<td>1964</td>
<td>7,47,393</td>
</tr>
<tr>
<td>1965</td>
<td>7,04,326</td>
</tr>
<tr>
<td>1966</td>
<td>12,76,659</td>
</tr>
</tbody>
</table>

The industrial relations situation showed some signs of improvement in 1963 after the introduction of the Industrial Truce Resolution and reinforcement of the code of discipline in the wake of Chinese aggression but the effect of these measures could not be lasting. The number of industrial disputes has been rising and also the number of workers involved in strikes and lockouts. The number of industrial disputes in progress in one month (November 1966) alone was as high as 50 involving more than 40,000 workers. Whereas there were on an average only 12 disputes in progress every month in 1961, the number increased to 33 in 1966. The average number of workers participating every month in strikes, in 1961 was only 5763 as against 19643 in 1966. Table 27 indicates this position clearly.
Table 27

Monthly average of Disputes in Progress and Workers Involved in Public Sector 1961-1966

<table>
<thead>
<tr>
<th>Year</th>
<th>Dispute in Progress per month</th>
<th>No. of workers involved in disputes per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>12</td>
<td>5763</td>
</tr>
<tr>
<td>1962</td>
<td>17</td>
<td>12732</td>
</tr>
<tr>
<td>1963</td>
<td>11</td>
<td>5757</td>
</tr>
<tr>
<td>1964</td>
<td>23</td>
<td>14519</td>
</tr>
<tr>
<td>1965</td>
<td>20</td>
<td>9927</td>
</tr>
<tr>
<td>1966</td>
<td>33</td>
<td>19643</td>
</tr>
</tbody>
</table>

Source: Compiled from the data contained in the various issues (1962-68) of the Indian Labour Journal. New Delhi.

An analysis of the causes of some major strikes in public sector indicates that more than one third of these are caused by employees demand for higher wages, dearness allowance and bonus as out of the 19 major strikes in selected public enterprises which occurred during 1961-67 (Table 28) related to such demands. Other important causes of industrial strife in the public sector are disputes over working hours, leave and service conditions, promotion and upgradings retrenchment, lay off and non-implementation of industrial tribunal award etc. The
<table>
<thead>
<tr>
<th>Undertaking</th>
<th>Duration</th>
<th>Causes</th>
<th>Maximum No. of workers involved</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 HSL-Durgapur Steel Plant</td>
<td>15.3.61 to 21.3.61</td>
<td>Non payment of retrenchment compensation</td>
<td>1200</td>
<td>Mondays lost 7200</td>
</tr>
<tr>
<td>2 Oil India Limited</td>
<td>Started on 20.11.61 and continued till the end of month</td>
<td>Reduction of rates of wages of contract labour</td>
<td>3000</td>
<td>Mondays lost more than 24000</td>
</tr>
<tr>
<td>3 Hindustan Cables Ltd.</td>
<td>Started on 12.2.62 and continued throughout that month.</td>
<td>Demand of higher wages and D.A.</td>
<td>14000</td>
<td></td>
</tr>
<tr>
<td>4 HSL - Rourkela Steel Plant</td>
<td>3.4.62 to 11.4.62</td>
<td>Promotion and upgradings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Hindustan Housing</td>
<td>16.7.62 to 25.7.62</td>
<td>Demand of higher D.A.</td>
<td>1260</td>
<td>Mondays lost 10000</td>
</tr>
<tr>
<td>6 HSL - Durgapur Steel Plant</td>
<td>Started on 11.10.63 and continued for months together</td>
<td>Increase in workload</td>
<td></td>
<td>One of the biggest slow down strikes in any public undertaking</td>
</tr>
<tr>
<td>7 Fertilizer Corporation of India Limited - Sindri Plant</td>
<td>15.7.64 to 3.8.64</td>
<td>Implementation of award of industrial tribunal</td>
<td>5528</td>
<td>Mondays lost 88448</td>
</tr>
</tbody>
</table>
number of mandays lost due to some of these strikes was quite large. In 5 cases more than 20,000 mandays were lost due to each strike. Again of the 19 major strikes, six occurred in the plants of HSL alone, Durgapur being worst affected accounting for three, one of which was the biggest. More than 1 lakh mandays were lost due to one strike at Durgapur alone in 1966.

**INDUSTRIAL RELATIONS SITUATION IN HSL**

Industrial relations situation in HSL is a sad commentary. So far in the life of the company not a single year has passed without serious troubles on labour front in one or more of its plants. Trade unions have been using all weapons in their armoury starting from simple work-stoppages to violent demonstrations, continued strikes, go-slow and confinement of supervisors and managerial personnel to gain their ends. The two plants at Asurkela and Durgapur have particularly witnessed serious labour unrest throughout. The loss in terms of mandays and production on account of these factors has been enormous. In 1961 alone 14000 mandays were lost in Durgapur plant. The slow down resorted by Durgapur plant workers in September 1963 which continued for months together, was one of the biggest in the industrial relations history in recent years. It is estimated that recent labour troubles in Durgapur during the period March 1967 to July 1967 have cost...
Due to the planned go-slow in the steel plant, management had to pay 40 days' wages for 30 days' work. In the three go-slow periods in 1963 in the Rourkela Steel Plant, production loss estimated was Rs. 1.5 crores. A phased hunger strike was organized by workers in October-November 1964. Recently, the expansion of Rourkela Plant has been put off, among other things, because of labour troubles. Apart from the loss in production as a result of stoppage of work, erratic production in a steel mill has harmful effects on the plant's equipment and machinery. Recently, coke oven had to be blown off and the blast furnaces banked. The industrial relations situation at the three plants since their inception is discussed below.

**Rourkela**

Industrial relations in Rourkela Steel Plant have been in a poor state from the very beginning. When the plant was under construction, non-payment of wages and compensation in time by contractors and mal-treatment of labourers by them were common features which led to a large number of strikes, lockouts and go-slow. The problems of contract labour still continue in this plant as it is in its expansion phase. The management does not take any responsibility for contract labour and throws the entire blame on contractors. It is understood that sometime back a contractor ran away without making payment of wages and
litigation is going on. There exists a disparity in the conditions of work of employees engaged in the same premises. This creates unrest among industrial labour in general. During the period 1963-66 the total number of industrial disputes raised by different trade unions on behalf of the contract labour was 64. Fifty per cent of these disputes were raised by Rourkela Mazdoor Sabha (HMS) which was a strong rival to the INTUC affiliated union during this period (The role of these unions has been discussed in detail later in this chapter).

The first strike took place in Rourkela plant on March 19, 1959, when the passed out trainees numbering 472 went on an abrupt strike demanding better service conditions, revision of pay etc. The strike continued for two months. This was followed by a series of strikes organized by different unions. During 1959-60 Rourkela Mazdoor Sabha (HMS) raised 5 disputes, Hindustan Steel Workers Union (INTUC) raised 4 and other unions raised 5 disputes. In March 1962 an abrupt strike (led by AITUC sponsored union) took place in blast furnace department. It resulted into a lockout by management from April 3 to 10, 1962. The estimated loss of production due to this strike was of Rs. 7624 lakhs. In October 1964 a phased hunger strike was organized by the Rourkela Mazdoor Sabha over the issue of restoration of working hours and leave benefits. The strike continued for 11 days. No major strike has taken
place since then, but there has been sporadic slowing down of work many times during 1963-66 and a few cases of illegal stoppage of work. Most of the go-slows were organized by Hind Mazdoor Sabha, which has been recognized as a representative union in October 1967 when the INTUC affiliated union was derecognized. One go-slow which was organized in August 1963 by the then recognized union resulted into financial loss of Rs. 73 lakhs. The details of the go-slows in Rourkela Plant can be seen in Table 29.

The total number of industrial disputes during 1963-66 in Rourkela was 1182 out of which 772 were raised by Hindustan Steel Workers Association which was a recognized union in those years. Rourkela Mazdoor Sabha had raised 326 disputes, the remaining disputes were raised by other unions.

In a number of cases these disputes were raised by the unions with the sole objective of gaining popularity among the workers. This is clear from the fact that identical demands were raised by unrecognized unions on matters which were either the subject of discussion between the management and the recognized union or on matters in which some agreements had already been reached between them.

Bhilai

Industrial relations in Bhilai were in a poor state during the construction period. The construction of this giant plant started in an obscure village having no roads, no houses, no electricity and no provision for
Table 29
Go-Slows at Rourkela Steel Plant 1963-66

<table>
<thead>
<tr>
<th>Month/Period</th>
<th>Section/Deptt</th>
<th>Causes</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 20 to August 25, 1963</td>
<td>Refractory Deptt</td>
<td>Non implementation of Industrial Tribunal Award</td>
<td>Organized by recognized union financial loss Rs. 73 lakhs. Dispute settled by labour commissioner. No. of workers involved 450.</td>
</tr>
<tr>
<td>Nov. 5 to Nov. 23, 1963</td>
<td>Transport</td>
<td>Change of working hours</td>
<td>Organized by HMS. Government refused to refer the dispute to adjudication.</td>
</tr>
</tbody>
</table>
drinking water, sanitation etc. The amenities which contractors provided were meagre. There were also mounting grievances among the workers on account of delay and non-payment of wages or compensation and maltreatment by contractors. At a number of occasions violent demonstrations took place over these issues. As many as 13 trade unions propped up to fish into the troubled waters of the industrial relations.

However, since 1960 with the recognition of an INTUC affiliated union by the management the situation has drastically changed. There has been no major dislocation of work in this plant for the last many years. Some trouble started when the problem of lay off and retrenchment arose after the construction phase was over. The plant management created employment potentials by opening special workshops etc. However, the problem of over-staffing is still acute in this plant. In May 1965 a strike took place on the issue of absorption or alternative employment. Some demonstrations were also made.

The number of disputes raised in this plant has been negligible. For example in 1964 the number of disputes raised was only 3 as against 34 at Rourkela. There has been no case of go-slow or intermittent work stoppage in this plant for the last many years.
Durgapur

Industrial relations at this plant have been strained right from the beginning. When the plant was under construction, disputes arose on account of contractors' failure to pay wages or compensation in time. When production started at the plant the problem of retrenchment and lay off gave birth to a number of disputes. In March 1961 a strike took place on the issue of non-payment of retrenchment compensation. It lasted for six days. During 1963-64 many go-slow strikes were resorted to which resulted into heavy losses for the company. In one of such go-slow strikes production losses amounted to Rs. 73 lakhs. The issue over which go-slow were resorted included non-implementation of industrial tribunal award, acting allowance, change of working hours and upgrading (Table 30). Work-stoppages of short duration have been many in blooming and billet mills, rolling mills, refractories department, coke oven department etc. Most of these work-stoppages were organized by the recognized trade union. Table 31 indicates that there were six work-stoppages in different departments in three months time.

During the last two years labour relations in Durgapur further deteriorated because of gheros of officers by the workmen.
### Table 30

**Go-Slows in Durgapur 1963-64**

<table>
<thead>
<tr>
<th>Month/Duration</th>
<th>Section/Dept.</th>
<th>Causes</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan., May and June, 1963.</td>
<td>Wheel and Exle Plant</td>
<td>Demand for higher grades</td>
<td>Production dropped from 24 wheels per hour to 20.5 in Jan., 21 in May and 20 in June 1963 result - grades were revised.</td>
</tr>
<tr>
<td>Sr. No.</td>
<td>Date</td>
<td>Duration in Hours</td>
<td>Department/Section</td>
</tr>
<tr>
<td>--------</td>
<td>------------------</td>
<td>-------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>May 11, 1964</td>
<td>5.30</td>
<td>Wheel axle plant and Mill House</td>
</tr>
<tr>
<td>2</td>
<td>May 30 and 31, 1964</td>
<td>27</td>
<td>Blooming and Billet Mills</td>
</tr>
<tr>
<td>3</td>
<td>June 19-20, 1964</td>
<td>27.30</td>
<td>All Sections of Rolling Mills</td>
</tr>
<tr>
<td>4</td>
<td>July 3, 1964</td>
<td>9.30</td>
<td>Refractories Department</td>
</tr>
<tr>
<td>5</td>
<td>July 24-25, 1964</td>
<td>16.30</td>
<td>Coke Ovens Department</td>
</tr>
</tbody>
</table>
Gherao

Gherao is a new weapon in the armoury of Indian labour. The Gherao movement developed in West Bengal during the regime of United Front in 1967. Gheraos were organized according to a plan. They spread from one factory to another. The duration was much longer extending in some cases to days rather than to a few hours. The treatment meted out to persons gheraoed was severe and harsh, bordering in some cases on cruelty and inhumanity.

Gheraos assumed alarming proportions because of a new order issued by the Government at the instance of West Bengal Labour Minister. According to the order, the police were instructed that they should not intervene in any legitimate trade union movement. If any intervention has to be undertaken, the matter should first be referred to the Labour Minister and his decision obtained. The police were thus rendered immobile. They could not intervene even when their help was sought to prevent the commission of crimes or to apprehend persons who had committed them.

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3 A Gherao is the physical blockade of a target, either by encirclement or forcible occupation. The target may be a place or a person or persons, usually the managerial or supervisory staff of an industrial establishment. The blockade may be complete or partial. — D.N. Sinha, Chief Justice Calcutta High Court.
There was a good deal of discussion in the beginning about the legality or otherwise of gheraos. One view largely canvassed was that as there was no violence and no breach of peace, a gherao did not overstep the bounds of law and was a perfectly legitimate activity of workers. Those who held the other view pointed out that though no stones were thrown, and no heads were broken, a gherao amounted to wrongful restraint and imprisonment of persons gheraoed and was as such unlawful and punishable under law.

The controversy has been recently set at rest by the unanimous judgement of a full Bench of the Calcutta High Court. The judgment is a weighty pronouncement on the obligations of the police to protect the rights and liberties of citizens and on the powers of the courts to ensure that those obligations are properly discharged. The court held that the labour minister had no power or authority under the law to give directions to the police before taking action, where an offence had been committed or said to have been committed. Regarding trade union privileges under Indian Trade Union Act it was held that there was no special

6 The unlawful character of a gherao is discussed and the conclusion is "If it is accompanied by wrongful restraint or confinement, or accompanied by assault, criminal trespass, mischief to person or property, unlawful assembly and various other criminal offences, used as a coercive measure to controllers of industry, to force them to submit to the demands of the blockaders such a gherao is unconstitutional and violative of the laws of land."
procedure that should be adopted when an offence is committed by members of a trade union even in an attempted enforcement of their collective bargaining.

Among the public sector projects, Durgapur Steel Plant was worst hit by the gherao movement. Between March to September 1967 there were 95 cases of gheraos. The loss in this plant due to labour trouble alone during the period March to July 1967 was of the order of Rs. 12.70 crores.

DETERMINANTS OF INDUSTRIAL RELATIONS

The factors upon which industrial relations generally depends can be broadly classified into three categories — (1) Organizational, (2) Legal and (3) Environmental.

Some of the organizational problems relating to personnel management having their bearing on industrial relations have already been discussed in detail in previous chapters. Management has direct control over them. An area over which management may not have direct control, yet which may affect considerably the working of any establishment is the organizational pattern of trade unions. The number of unions working at a plant, their organization and leadership, their aims and objectives and their attitude towards management play an important role in determining the industrial relations situation.
The legal factors include labour enactments and their implementation, relations between the labour departments and the plant management, relations between the central government and state governments (as labour is a subject which falls within the jurisdiction of states) etc. Methods adopted for settling disputes as provided under labour enactment have an important bearing on the industrial relations situation and the attitude of the parties.

Among environmental factors, apart from the general economic conditions, the other important factors are conventions and customs developed by the parties to create a congenial atmosphere in which mutual understanding and confidence can grow. Tripartite conventions organised by Indian Labour Conference - a body at national level consisting of the representatives of all major trade unions, central and state governments and the employers organizations have introduced a number of measures to create such an atmosphere. These include: the code of discipline in industry, formation of joint consultative bodies etc.

A detailed discussion of some important factors and their impact on industrial relations situation: in public sector in general and at HSL plants in particular has been made to assess the causes of differences in industrial relations therein.
A. ROLE OF LABOUR UNIONS

The greatest weakness of the Indian labour force is that it is not properly organized. While in other countries trade unions are organized on the basis of industry or profession, in India they are organized mainly on party lines. In the U.S.A. there are local trade unions most of which belong to national unions covering a particular occupation or in certain cases covering all workers in an industry. Among the nation-wide trade unions, the great majority of them are affiliated with a single National Trade Unions Federation. In the U.K. there are three main types of unions—craft unions, industrial unions and general unions. In the U.S.S.R. unions are organized vertically for the whole of Soviet Union on two basic principles that all persons employed in any one factory, state, farm or other institution belong to the same union and that each union comprises the employees of one segment of the national economy. In India, however, there are four important national trade union organizations—Indian National Trade Union Congress (INTUC) supported by Congress Party, All India Trade Union Congress (AITUC) supported by Communist Party, United Trade Union Congress (UTUC) and Hind Mazdoor Sabha (HMS) supported by Socialist Party. All these unions have their branches in a majority of private and public sector undertakings. Besides these, there are independent organizations of workers in some units. In each unit there
is keen rivalry between the unions formed on the basis of different parties to strengthen their position. Each union tries to attract as many workers as possible. Each union tries from time to time to put as many demands before the management as possible in order to show its genuine desire to fight for the working people and to help them.

At present recognition to a union is granted under the code after verification of membership claims of the different unions functioning in the unit at least for a year or more and their acceptance and observance of the code in its letter and spirit. Thus a trade union having the highest number of membership may not be recognised in a unit, if it is found to be guilty of breach or serious violations of the code. An arrangement of this nature, however, can work only if the criteria and the process of recognition are such that they do not leave scope for favouritism or partiality. In MSL plants the state of affairs in this regard has been otherwise. Cases regarding verification have gone to courts. State government officials have taken long time to make verifications and adequate measures have not been taken to ensure that the delay would not give any party undue advantage. Further more the criteria regarding reckoning of membership is not sound. At present for the purpose of recognition the membership in a union includes only those employees who have paid their subscriptions for at least three months during the
period of six months immediately preceding the reckoning. This criteria cannot be given effect to in cases where subscriptions are collected on an annual basis. Thus the present system of conferring recognition is not sound. It does not ensure the recognition of the right type of unions in all the cases. Hind Mazdoor Sabha and All India Trade Union Congress have alleged that the government has shown favouritism to Indian National Trade Union Congress by granting it recognition in majority of cases. (Indian National Trade Union Congress has secured recognition in 51 units out of 112 units in the public sector in which trade unions have been recognised so far). They have urged the government to determine the representative character of the unions in each unit by secret ballot. Indian National Trade Union Congress, however, has opposed this suggestion on the ground that it would equate a union member with a non-union member in the matter of voting and the object of the Code to promote stable paid membership of union would be defeated. No matter how strong this plea may be it is an established fact that the present system of granting recognition after verification of membership claims has miserably failed. In many units rival unions are strong and enjoy support of a considerable number of workers. The mere act of recognition in such cases does not eliminate or reduce inter-union rivalry and industrial relations remain tense.
It is common knowledge that one of the causes of strained industrial relations in some public undertakings in the beginning has been inter-union rivalry for recognition. For example, in Hindustan Insecticides Limited, New Delhi, there was rivalry between two unions. The Hindustan Insecticides Employees Union affiliated to INTUC was the first union to be formed in September 1955 and registered in November 1955 which approached management for recognition. The management wanted to ascertain its representative character and accordingly asked for the list of membership. The union was reluctant to submit it due to the fear of victimization. In the mean time a new trade union D.D.T. Factory Workers' Union came into existence and applied for recognition. This led to the rowdy demonstrations by the first union at the factory gate. Disciplinary action was taken by the management against the two office-bearers of the union and the matter of recognition was delayed. Inter-union rivalry continued and the recognition could be granted to the first union only in September 1959 — four years after its formation. In MMT Bangalore, inter-union rivalries created many conflicts with law and order. Rivalry resulted in the death of a Karmik Sangh member Sri B. Krishnappa who was assaulted on 20th March 1961 while he was going to the factory for night shift work. There the question of recognition was linked up with the acceptance of the Code
of Discipline in Industry. The rivalry for recognition was mostly between two unions HMT Employees Association (affiliated to AITUC) and HMT Karmik Sangh (affiliated to INTUC). The first union resolved in June 1959 to ratify the Code but did not follow it in practice. There were disputes over the membership issue for a long time. The change over in the allegiance of members from HMTEA to Karmik Sangh was mainly responsible for untoward developments and the violations of law and order. When final certification was taken up on 23rd May 1961, the HMTEA declined to submit a return. The Karmik Sangh which claimed 2671 out of 3939 workers of the factory as its members was recognised.

Multiplicity of trade unions has been there in all the three plants under HSL. In Durgapur and Rourkela inter-union rivalry has been particularly acute and has affected industrial relations adversely. Plant-wise position in this regard is given below:

Rourkela

There are five trade unions functioning at this plant:

1. Hindustan Steel Workers Association (affiliated to INTUC)
2. Rourkela Mandoor Sabha (affiliated to HMS)
3. Rourkela Steel Mandoor Union (affiliated to AITUC)
4. Rourkela Workers Union (affiliated to UTUC)
5. North Orissa Workers Union (Independent).
Of these five, the first two unions have a sizeable following among the workers. The first union formed at this plant in May 1954, was Rourkela Workers Union while the last to be formed was Hindustan Steel Workers Association in September 1959. This union which came after 5 years and is affiliated to INTUC was recognised by the management in March 1964 and enjoyed the status till 1967. Upto 1962, the only union which had some influence over the workers was Hind Mazdoor Sabha which was organized by a prominent trade unionist Shri Dhuleshwar Bastia in 1955. This union concluded a number of collective agreements with management between 1960 and 1962 on such vital issues as wages, working conditions, promotion etc. The union had been in the forefront in raising disputes and arriving at settlements.

Prior to recognition in March 1964, the INTUC affiliated union's attitude was not very constructive. Going on strikes, adopting go-slow tactics etc., often without prior notice, were common features of its working. A go-slow organized by this union in 1963 cost the company Rs. 74 lakhs and the management referred the issue to the State Implementation and Evaluation Division also. Recognition to this union was granted only after a long drawn out verification proceedings by the state labour department. The verification proceedings were started as early as 1961 on the demand of HMS affiliated union.
but it could not make such progress because of the dispute relating to the date of reckoning of membership. The date fixed by the verification officer i.e. 1st August 1961 was not acceptable to the Hind Mazdoor Sabha and it obtained a stay order from the court. It was during this stay period that the plant management complained against the Rourkela Mazdoor Sabha regarding a breach of Code of Discipline. This complaint was investigated by the Implementation and Evaluation Officer of the state government and the matter was brought before the implementation and evaluation committee which held the Rourkela Mazdoor Sabha guilty of breach of Code of Discipline and Industrial Truce Resolution. Accordingly Rourkela Mazdoor Sabha was disqualified for being considered for recognition. The state labour commissioner in his capacity as implementation and evaluation officer intimated the committee's decision to the management on March 30th 1964, by telegram, which read as follows:

"Breach under Code of Discipline (Part II Clause V) complained by you on 4th October 1963 against Rourkela Mazdoor Sabha established in the State Implementation and Evaluation Committee at its 7th sitting at Bhubaneshwar. Other rival union contesting recognition is Hindustan Steel Workers Association. Attention invited to Clause 8 of the criteria for recognition. Court's injunction order against verification was vacated. Appropriate action has now to be taken at your end."
The management interpreted this as a directive to recognize the Hindustan Steel Workers' Association and promptly accorded recognition to it on 31st March 1964, although the verification of membership which was kept pending on account of the stay order had not been completed and the representative character of any union could not, therefore, be clearly established. One of the essential conditions laid down under the Code of Discipline regarding verification namely that the union should have at least 15 per cent of the employees as its members was not fulfilled in this case. Thus the management took a hasty step in conferring recognition. Hind Mazdoor Sabha protested against this decision but the matter was not reopened by the government. The Hindustan Steel Workers' Association having been thus recognized in March 1964 has been playing its role in the matter of promoting good industrial relations. The union did not organize any strike or go-slow after recognition.

The recognized union, has however, been losing popularity in recent years. In February 1966 all the 10 seats of the Works Committee were captured by persons nominated by the Hind Mazdoor Sabha. The results of the polling indicate that Hind Mazdoor Sabha accounted for 74% of the total votes polled. Even though the success of the union in the election of the works committee does not in itself confer any right for its recognition as a
representative union by the management, yet the fact of its complete success in the elections could not go un-noticed. The failure of INTUC affiliated union to win the confidence of workers has been mainly because of the lack of powerful local leadership and intra-union rivalry which has been slowly raising its heads in the rank and file of the union for sometime past.

After the general election in February 1967 when the question of fresh recognition was examined, Hind Mazdoor Sabha was found to have the largest following and on the advice of the state government the INTUC union was derecognised and this union was accorded recognition.

Bhilai

At present there are 8 trade unions functioning at Bhilai:

1. The Steel Workers Union (affiliated to INTUC).
2. Bhilai Steel Mazdoor Sabha (affiliated to AITUC).
3. Bhilai Steel Kamgar Sangh (affiliated to HMS).
4. Bhilai Steel Plant Employees Union (affiliated to UTUC).
5. United Steel Workers Union (Independent).
6. Bhilai Steel Plant Medical and Health Employees Union (Independent).
7. United Workers of Mechanical Shop Union (Independent).
8. Ispat Kamchari Sangh (Independent).

Of these, the Steel Workers Union has the largest following; Bhilai Steel Kamgar Sangh and Bhilai Steel
Mazdoor Sabha are other active unions. Bhilai being a plant established with the help of Soviet Russia the Communists did not organize any union for quite some time. The AITUC sponsored union Bhilai Mazdoor Sabha which is among the three major unions was thus last to be formed. When the plant was in the construction phase HMS affiliated union had some influence over the workers. In 1960 when the plant had partly gone into operation and was partly under construction this union led successful demonstrations over the issue of increase in wages of construction labour.

In early 1960 the question of recognition of a union was taken up by the state government under Madhya Pradesh Industrial Relations Act. After verifying the membership claims of different unions the state government accorded recognition to the steel workers union affiliated to INTUC in July 1960. This union became the sole bargaining agent on behalf of the workers. Since then management has been dealing directly with this trade union which has grown stronger day by day as it has adopted a constructive attitude throughout and has been able to protect the interest of the workers. It has got the sole right to nominate representatives of workers in works committee, grievance committee and other joint committees at the plant. None of its rival unions, however, wield any influence over the workers. This has been one of the
most important causes of industrial harmony and peace in Bhilai.

Durgapur

At present there are five trade unions functioning at this plant:

1. Hindustan Steel Workers Union (affiliated to INTUC).
2. Hindustan Steel Employees Union (affiliated to AITUC).
3. Durgapur Steel Employees Union (affiliated to HMS).
4. Durgapur Steel Project and Contractors' Mazdoor Union (affiliated to UTUC).
5. Durgapur Hindustan Steel Workers' Association (Independent).

Of these five, only two, namely the Hindustan Steel Workers Union (INTUC) and the Hindustan Steel Employees Union (AITUC) have a sizable following among the workers. Acute rivalry has been the main feature of functioning of these two unions. The Hindustan Steel Workers' Union (INTUC) was recognized under the Code of Discipline by the plant management in February 1962 after verification of membership of two unions the Hindustan Steel Workers union and Durgapur Hindustan Steel Workers Association by the state labour department. At that time the AITUC affiliated union had not completed one year of existence. On completion of one year on March 17, 1962 it informed management that verification of membership should be done for its recognition as representative union.
Since the INTUC affiliated union was already recognized by the state labour department the management replied accordingly. However the AITUC sponsored union proved its strength at the time of elections of works committee held on September 11, 1962 when it won nine of ten seats, The union organized meetings and demonstrations demanding recognition. However, with the declaration of emergency on account of Chinese attack, the activities of the union (being sponsored by Communists) suffered a set back. In August 1963 the AITUC affiliated union again started demonstrations as a sequel to AITUC decision to denounce the Industrial Truce Resolution (which aimed at intensifying production efforts in the period of emergency). The demonstration in the foundary department took an ugly shape when workers stopped work on August 22 and 23, 1964 and surrounded the manager demanding withdrawal of certain promotion orders.

Even the recognized union at the plant has behaved sometimes arbitrarily. It served a strike notice in April 1963 for making some workers of the road department (township) permanent and reinstatement of some retrenched employees. It again served a strike notice in November 1963 on the issue of disciplinary action against press operators of the sleeper plant. A number of go-slow strikes were organized by the recognized trade union during 1963 and 1964 which embittered its relations with the management.
Thus inter-union rivalry between the INTUC and AITUC affiliated unions has continued to disturb industrial peace in this plant. In August 1966 the AITUC affiliated union organized an illegal strike which lasted for a week. Both unions were active again before and during general elections in February 1967. After general election industrial relations in the plant have deteriorated further. Recently the supporters of both the unions indulged into a large number of gheras in support of their demands which ranged from withdrawal of a letter of warning issued to an employee by a manager to creation and upgradation of more employees.

B. IMPLEMENTATION OF LABOUR LAWS

Legislation plays an important role in creating an atmosphere in which industrial conditions are conducive for establishing a healthy and just social order. There are on the statute book about 108 labour enactments both central and state. Some of these enactments deal with working conditions, industrial safety, hygiene and welfare inside the factory (Factories Act), wages (Payment of Wages Act and Minimum Wages Act), industrial relations (Industrial Disputes Act); trade unions (Trade Unions Act); social security (Workmen Compensation Act); welfare activities outside the factory (various Welfare Act passed by the States), employment and unemployment situations etc.
Labour Legislation in India is, however, the result of enactments under varying circumstances in feudal, capitalistic, mixed and socialistic economies, actuated by varying motives and based on varying philosophies and jurisprudences. They are still far behind general social progress and do not constitute a unified and coherent approach towards socio-economic problems. The acceptance of 15 per cent majority to represent the entire workforce in an organisation, the extremely low rate of compensation provided to workers under the Workmen Compensation Act, and the applicability of two sets of rules for different enterprises in the same state may be cited as examples.

The implementation of labour laws in public undertakings has been unsatisfactory. There has been a feeling that the government has not been as keen in implementing labour laws in the public sector as in the private sector. The complaints of labour leaders in this connection are not baseless. In 1964 there were 17 public undertakings which had not framed standing orders under Industrial Employment Act 1946. It is remarkable

7 The public sector probably expects a differential treatment as far as the implementation of these labour laws, codes etc. are concerned and the government also seek to have different yardsticks for measuring violation and breaches of these labour laws and agreements in public sector than that of private sector. Bibhas Chandra Ghosh in Kapoor, T.N. (Ed.) Personnel Management and Industrial Relations in India. Tripathi, Bombay. 1968. p. 244.
that some of these undertakings were set up as far back as 1948. In the annual meetings of the heads of departments of the public sector undertakings it has always been felt during the last few years that there are failures on the part of public sector managements in the implementation of labour laws. In April 1965 the labour minister himself admitted in the Parliament that the labour ministry was not very much satisfied with the way in which labour laws were being implemented in the public sector. Non-compliance of labour laws has been mainly in regard to provisions of the Factories Act relating to health, sanitary conditions and supply of drinking water, and (b) requirements relating to layout of factories. There were also cases of non-compliance of provisions designed to promote proper industrial relations like the formation of works committee, certification of standing orders etc. Instances have also come to notice that provisions relating to payment of retrenchment compensation are not being complied with. Proper attention has not been paid to industrial safety in certain undertakings.

The central ministries have also been responsible for many lapses in the field of implementation of labour laws. They have taken unduly long to allow cases to be

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referred to adjudication even after the recommendations of the state governments. For instance, in the case of Heavy Electricals Limited Bhopal, the state government wanted to refer the dispute raised by the workers regarding revision of wage scale of section leaders, promotion of charge hands etc. to adjudication. The Department of Heavy Industries, Government of India, with whom the matter was taken up, did not agree to the proposal and kept it pending for quite a long time. In February 1959 the Hindustan Antibiotics Mazdoor Sangh submitted 51 demands relating to wages, leave, gratuity, superannuation, over-time allowance etc., to the company. This was followed by lengthy correspondence on a procedural issue - whether state government or central government was the appropriate authority to deal with the workers demands. It took more than a year to settle this question. A dispute in Sindri Fertilizer was proposed by the management to be referred to adjudication. The matter was referred to the Department of Heavy Industries, Government of India on 17th September 1962 but government's final reply was sent after about 9 months in June 1963. A number of such cases can be cited where no coordination between the state and central government machinery existed.

In the three plants under HSL, implementation of labour laws have been generally satisfactory at Durgapur and Bhilai. Rourkela has been the target of
bitter criticism for non-compliance and non-implementation of labour laws from the very beginning. However the situation is now improving in this respect at Rourkela also. Plantwise position in this respect is reviewed below.

Rourkela

Implementation of labour laws at this plant has been unsatisfactory from the very beginning. The management had failed to adopt certain essential protective and welfare measures for their workers which are considered essential for any industrial undertaking e.g. the prescribed limit on working hours was not observed, weekly holidays were not granted, no overtime was paid and women were made to work in night shifts in utter disregard of the mandatory provisions of the Factories Act. During the years 1961-63 several complaints against management regarding violations and non-compliance of the provisions of various labour laws were referred by the state labour department — to the state implementation and evaluation committee. The matter was discussed even at the ministerial level. The situation improved in later years, but it cannot be said as satisfactory even now. Cases of non-compliance in respect of labour laws mostly relate to the

Factories Act, the Payment of Wages Act and the Industrial Disputes Act etc. Non-compliance of the provisions of the Factories Act at this plant has meant inadequate drinking water facilities, ill-equipped first aid boxes, non-maintenance of overtime register, non-fencing of machinery, non-exhibition of the abstracts of various laws in the plant, non-testing of pressure vessels, cranes etc., inadequate washing facilities, non-maintenance of some registers required under the Act etc. The violations of provisions of the Payment of Wages Act include non-exhibition of the extracts of the payment of wages Act and delay in payment of overtime wages etc. The statutory requirement regarding the formation of works committee under Industrial Dispute Act was not complied with till February 1963 which shows that the matter was not given the attention it deserved by the management.

The relations between the labour department of the State of Orissa and the company officials were also not cordial in the beginning. The managerial personnel lacked experience in matters of labour laws and when mistakes were pointed out to them by the state labour department, time and again they took it ill. In May 1963 when some serious violations of labour laws by management was being discussed by the state Implementation and Evaluation Division, the management went to the extent of issuing a rejoinder to the press. In recent years, however, the relations have improved.
Bhilai

Implementation of labour laws has been generally satisfactory. When the plant was under construction, there were serious lapses on the part of contractors to pay wages and provide welfare amenities as required under statutory provisions. Provisions regarding health, safety, working hours etc. were also violated in a number of cases. Provisions regarding safety are not implemented properly. This is evident from the fact that the accident frequency rate in Bhilai is still on the high side (15.7 in 1966) compared to Durgapur (12.8) and Rourkela Plants (10.61).

The relations between the Labour Department of the State of Madhya Pradesh and the plant management have been smooth. There were some disputes between the state labour department and central industrial relations machinery in the past as is clear from the litigation over the issue of certification of standing orders for Bhilai Plant. Standing orders framed by Madhya Pradesh Government should normally apply in case of all industrial undertakings in the state. Against this, standing orders for all HSL plants have been framed and certified by the officers of central industrial relations machinery. The standing orders so framed were challenged by INTUC union before the Madhya Pradesh Industrial Court which upheld the contention of the union. The management appealed to the
Supreme Court of India which held that standing orders of HSL plants could be certified by the officers of central industrial relations machinery.

Durgapur

Implementation of labour laws in this plant has been generally satisfactory. Statutory provisions regarding working hours, health, safety, washing facilities, first aid boxes, fencing of machinery etc. have been generally complied with. However, there have been some complaints regarding non-payment of acting allowance under the payment of Wages Act, non-submission of returns to Regional Provident Fund Commissioner under the Provident Fund Act, depriving contract labour from the benefits of the P.F. contribution and non-deposit of amount of compensation with the commissioner in cases of some fatal accidents. Some cases of violations of Industrial Disputes Act have also been there. In one of such cases the principle of "last come first go" was not observed in making some retrenchment.

C. MACHINERY FOR SETTLEMENT OF INDUSTRIAL DISPUTES

Government intervention in employer-employee disputes started in India after the passing of the Trade Disputes Act 1929. Since then the Act has been amended many times. The Industrial Disputes Act passed in 1947 currently in force provides for a three tiered system of
industrial tribunals viz. Labour Court, Industrial Tribunal (both of which can be appointed by the state government) and National Tribunal (which can be appointed by the Central Government). Under the Act conciliation has been made compulsory in all disputes in public utility services and optional in other cases. With a view to expediting conciliation proceedings a time limit has been fixed for their conclusion. The Act also prohibits strikes and lockouts during the pendency of conciliation and adjudication proceedings on the Canadian principle of the postponement of strikes. Some state governments have passed their industrial disputes acts to supplement the central Act e.g. Bombay Industrial Relations Act 1946, Uttar Pradesh Industrial Dispute Act 1947, Madhya Pradesh Industrial Dispute Act 1960 etc.

With reference to a choice between conciliation and adjudication, workers favour conciliation most because of the simplicity of the procedure and the promptness with which decisions are arrived at. Conciliation officers of the state government start the proceedings. In public utility services, a large number of which are under public sector, conciliation is compulsory. It is only when conciliation proceedings fail that the matter can be taken up for arbitration or adjudication. Among mutual settlement methods direct negotiation is most favoured. The method of settling disputes by voluntary arbitration is not at
all popular. Government intervention is thus becoming more and more important in settling industrial disputes. The methods by which industrial disputes in the country have been generally settled reveal this fact clearly. Table 32 shows this situation.

Adjudication Disfavoured

Adjudication proceedings are not yet popular because of certain inherent defects. Workers always look upon the courts as a weapon available to the employers because by its history and structure it tends to favour the employers. Judges are drawn from the upper or middle class and naturally and inevitably are affected by the economic and social outlook of their class. Other reasons

10I(a) "The employers have been accused of sinning against industrial peace, because of their reluctance to acceptance of voluntary arbitration. Surely they would be more sinned against that sinning if they are not allowed to enjoy the immunity from miscarriage of justice which is birth right of every citizen under constitution" - Shri Naval H. Tata.

(b) There is a "general tendency amongst the trade unions to ask for reference to arbitration in almost all cases of dismissal, discharge and retrenchment to arbitration. In this they are more often supported by the Government industrial relations machinery. There should not be "automatic reference to arbitration of every case of dismissal or discharge instead there should be rigorous screening of such cases prior to arbitration.

Opinions expressed in the seminar organized by the Employers Federation of India (EFI) and All India Organization of Industrial Employers (AIOIE) - Industrial Relations Letter. New Delhi, December 12, 1963.

## Table 32
Terminated Disputes Classified by Methods of Settlement
(Public and Private Sector)

<table>
<thead>
<tr>
<th>Method of Settlement</th>
<th>1964</th>
<th></th>
<th>1964</th>
<th></th>
<th>1964</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of disputes</td>
<td>Percent of Total</td>
<td>No. of disputes</td>
<td>Percent of Total</td>
<td>No. of disputes</td>
</tr>
<tr>
<td>I Government Intervention</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Conciliation or Mediation</td>
<td>777</td>
<td>37.1</td>
<td>735</td>
<td>40.8</td>
<td>968</td>
<td>39.6</td>
</tr>
<tr>
<td>B. Adjudication</td>
<td>28</td>
<td>1.3</td>
<td>46</td>
<td>2.5</td>
<td>37</td>
<td>1.5</td>
</tr>
<tr>
<td>II Mutual Settlement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Direct Negotiation</td>
<td>493</td>
<td>23.6</td>
<td>393</td>
<td>21.8</td>
<td>645</td>
<td>25.9</td>
</tr>
<tr>
<td>B. By Third Party</td>
<td>8</td>
<td>.4</td>
<td>19</td>
<td>1.5</td>
<td>16</td>
<td>.7</td>
</tr>
<tr>
<td>C. Arbitration</td>
<td>15</td>
<td>.7</td>
<td>11</td>
<td>.6</td>
<td>19</td>
<td>.8</td>
</tr>
<tr>
<td>III Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voluntary Resumption &amp; Miscellaneous</td>
<td>771</td>
<td>36.9</td>
<td>591</td>
<td>32.8</td>
<td>768</td>
<td>31.3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2092</td>
<td>100.0</td>
<td>1795</td>
<td>100.0</td>
<td>2453</td>
<td>100.0</td>
</tr>
</tbody>
</table>

avoid the reference to adjudication of a particular type of issue and by doing so it can favour some sections. For instance, in 1963 Singareni Collieries made a net profit of Rs. 56.47 lakhs and the company paid profit sharing bonus to its officers but when trade unions asked for an identical treatment for all universally, it was refused. The union urged the government to intervene and refer the matter to adjudication, but it did not succeed.

It is for these reasons that the system has been fiercely criticised by many who even demand that it should be scrapped. In a country where the bargaining power of labour is not strong and does not equal to that of the employer, due to mass illiteracy among workers multiplicity of unions, extreme poverty, collective bargaining issues cannot be left to chance, provision for conciliation and adjudication is therefore essential.

Among the three public sector steel plants, Bhilai has got the credit of settling most of the disputes by mutual negotiations between the management and the recognized union. No case has been referred to adjudication for the last 5 years. In Rourkela and Durgapur Plants settlements by mutual negotiations have been few. In most cases reference to conciliation or adjudication had been made. Voluntary arbitration has not been resorted to in any case to settle the disputes. Plant-wise position has been examined below.
why workers disfavour adjudication system are:

1. Matters are thrown upon the courts which have neither specialized in nor have special competence for dealing with issues which are essentially economic and industrial; nor are they equipped with means or materials for adequately informing themselves about the different aspects of questions arising in such cases.

2. The system of having adhoc tribunals lacks permanency and continuity.

3. Though industrial matters require urgent attention there are inevitable and inordinate delays which create frustration and discontentment and in some cases actually defeat justice.

4. The system is expensive and, therefore, enhances the bargaining strength of the employers.

5. Since the reference to tribunal depends mostly on the discretion of the state, it leaves the door open for partiality and political manoeuvring. The government can

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Litigations to settle industrial disputes are to be avoided if possible or at least to be minimized. To this end the government is committed. This policy is sought to be reversed. The company with a huge surplus goes to supreme court. Is it possible for this tiny union with 1400 members with a monthly subscription of 25 paise, per member to meet the company in supreme court?" Statement of Hindustan Antibiotics Mazdoor Sangh issued on 16th November 1963 when the management of the company decided to appeal against the award of the Industrial Tribunal. "Industrial Relations Letter. New Delhi. 26.11.1963.
Rourkela

During the last few years very few disputes were settled by mutual negotiations at this plant. Out of 34 industrial disputes raised during 1964 none could be settled mutually. The state labour machinery was moved off and on to settle the disputes arising in the plant. Most of the cases were referred directly to the conciliation officer in the very first instance without recouring or exploring possibilities for mutual discussion and settlement of differences. In many cases even conciliation was not effective as ten cases were referred for adjudication and the remaining were pending with the conciliation officer at the end of year. Since the INTUC affiliated union (which enjoyed recognized status for four years until its derecognition in 1967) was weak. Collective bargaining at the plant was limited. Out of 108 disputes which arose during 1963-1966, the union could directly settle only 18 cases.

Bhilai

In contrast to Durgapur and Rourkela, at Bhilai most of the industrial disputes are settled mutually between the recognized union and the plant management. For the last few years no case has been referred to adjudication. Very few cases are even reported for conciliation. For instance, in 1964 only three cases were referred to
conciliation officer for settlement. Since its recognition the INTUC affiliated union has been able to resolve more than 500 disputes mutually. Collective agreements relating to wages, bonus, service conditions etc. were entered into this plant much earlier than in Howkela or Durgapur.

DURGAPUR

A very small number of disputes at this plant have been settled mutually. In 1964 out of the six major industrial disputes none could be settled mutually and the state conciliation machinery had to be moved. One agreement was, however, reached before the Assistant Labour Commissioner on June 19, 1964 but it was the result of a strike that took place in June 1964. Under the agreement management agreed to abide by the decision of the conciliator to reinstate the dismissed press operators while the union agreed for immediate resumption of work and dropped the threatened strike.

CODE OF DISCIPLINE IN INDUSTRY

The Code of Discipline in Industry as evolved in 1957 and as ratified by the Indian Labour Conference in March 1938 by all the central organizations of the workers and employers emphasized on extra-legal and moral approach to the problem of industrial relations and heralded new measures of mutual agreement. It binds the parties to
settle all disputes by mutual negotiations, consultation and voluntary arbitration. Strikes and lockouts without notice and recourse to coercion, intimidation, victimization and go slow have been prohibited under the Code. No unilateral action can be taken on any industrial matter and all disputes must be settled at the appropriate level. The Code provides for the establishment of a grievance procedure on a mutually agreed basis and has developed a model grievance procedure. The Code calls upon the employers not to increase work loads without prior agreement and to take prompt action for the redress of grievances and implementation of settlements and awards. The trade unions on their part have agreed not to engage in any form of physical duress or demonstrations which are not peaceful.

The implementation of the Code has partly paved the way for better industrial relations. The Code has made an important contribution by removing the friction between employers and employees which was caused by non-implementation of labour laws, awards and agreements. Between 1961-64 there were 13,000 such complaints. Out of these about 5,000 were established on enquiry and the acts of omission or commission were set right by persuasion or mutual agreement. The Code also helped in settling industrial disputes out of the court. Up to the end of 1964, 58 cases pending in various courts were taken up by the Central Implementation and Evaluation Division for settlement out of court.
The implementation of the Code in the states and at the Centre, is done through the implementation and Evaluation Divisions. Their working, however, has not been satisfactory. They have not been able to handle the complaints effectively and in time. In many cases the delays on their part have shaken faith in the party. For example in Punjab the State Implementation Machinery has not been functioning expeditiously and effectively. It is tardy, heavily loaded in favour of employers and is action-delayed. Reports of breaches submitted to it are not being disposed of promptly. In Maharashtra implementation committees met only once in four years time (1961-65). In Rajasthan during the same period it met only twice. In Madhya Pradesh the state implementation committees did not have any meeting in 1961 and 1964.

An analysis of the breaches of the Code in public sector units (Table 33) as reported to the Central Implementation and Evaluation division in 1964 and 1967 reveals that in 1964 approximately 11% cases reported against employers were not substantiated on enquiry. In 1967 this figure rose to 24%. On the contrary the cases reported against workers were mostly substantiated on inquiry in both the years (99% and 98.3% respectively). The number

### Table 33

**Breaches of Code of Discipline in Public Sector**

*(Central Sphere)*

1964 and 1967

<table>
<thead>
<tr>
<th></th>
<th>1964</th>
<th>1967</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Against Employers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of complaints requiring action by Evaluation and Implementation Division</td>
<td>255</td>
<td>123</td>
</tr>
<tr>
<td>Number where investigations were completed</td>
<td>28 (11.3)</td>
<td>30 (24.4)</td>
</tr>
<tr>
<td>Not substantiated on inquiry</td>
<td>21 (8.3)</td>
<td>6 (4.8)</td>
</tr>
<tr>
<td>Mutually settled breaches brought to the notice of guilty party or dispute settled</td>
<td>51 (20.0)</td>
<td>28 (22.8)</td>
</tr>
<tr>
<td>Number Under investigation</td>
<td>154 (60.4)</td>
<td>59 (48.0)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Against Workers</strong></th>
<th>1964</th>
<th>1967</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of complaints requiring action by Evaluation and Implementation Division</td>
<td>98 (100)</td>
<td>60 (100)</td>
</tr>
<tr>
<td>Number where investigations were completed</td>
<td>1 (1.0)</td>
<td>1 (1.7)</td>
</tr>
<tr>
<td>Not substantiated on inquiry</td>
<td>1 (1.0)</td>
<td>1 (1.7)</td>
</tr>
<tr>
<td>Mutually settled breaches brought to the notice of guilty party or dispute settled</td>
<td>74 (75.5)</td>
<td>43 (71.6)</td>
</tr>
<tr>
<td>Number Under investigation</td>
<td>22 (22.5)</td>
<td>15 (25.0)</td>
</tr>
</tbody>
</table>

**NOTE:** Figures in brackets indicate percentages.
of cases in which the Division has been able to make the parties arrive at mutual settlement have been very small. Mutual settlements arrived at in the cases reported against employers were only 8.3 per cent in 1964. This figure declined to 4.8 per cent in 1967. While breaches reported against workers are immediately brought by the Division to their notice, it does not show the same expediency in case of breaches reported against employers. In 1964 while 75% cases reported against workers were brought to their notice only 20% cases reported against employers were brought to their notice. In 1967 also there has been no material change in this respect. This indicates that the Implementation Machinery at the centre also is loaded in favour of employers which in the case of public sector is the government itself. Moreover, the number of cases pending with the Division is quite large particularly in respect of complaints against employers. This again indicates that the machinery to implement the Code in the central sphere too, as in case of state spheres, is not very effective.

The success of the code, on the whole has been partial only. In public undertakings both parties have breached the code in many ways. The labour unions have reason to believe that government has adopted a double standard in implementing the code in private and public sector by not applying the code in its original form.
Even in undertakings where the Code was applied, there have been many delays in implementing it. Labour unions on their part have also been guilty of delaying its acceptance or violating it after acceptance. In some undertakings, particularly, where industrial relations have been strained, the unions have violated the Code more than following it. Demonstrations, work stoppages, go-slow strikes etc. have often been resorted to by workers in public undertakings. Even the fact of conferring recognition has not made any change in the unions' attitude. They went on violating the Code even after ratifying it.

13 The Code of Discipline in industry for maintenance of industrial peace about which government speaks so much and for which the implementation committee have been constituted at different levels to find out the cases of violation either by employer's organization or employees organization and bring them to book has not been accepted by railways, defence ministry, LIC and many other central government undertakings. - B.C. Ghosh, in Kapoor T.N. (Ed.) Personnel Management and Industrial Relations in India. Tripathi, Bombay, 1968, p. 244.

14 It was only in April 1962 that the management wrote to the union that it had accepted the Code in 1959 and that it would abide by it, a point on which the union had sought confirmation as early as November 1960. - Industrial Relations in Hindustan Shipyard Limited, Ministry of Labour and Employment. New Delhi, February 1965.

15. "As per union throughout it appears to have functioned in a rather arbitrary manner and its recognition under the Code on 20th June 1961 did not make any appreciable difference .... Intemperate speeches, intimidation of workers holding of the meeting of the executive committee
As regard to three steel plants under HSL, the Code has not been followed properly in Rourkela and Durgapur whereas in Bhilai the Code has been observed by both the parties during the last few years and cases of violations of the Code have been very few, as would be clear from the following account.

**Rourkela**

There have been complaints from the unions as also from the state government about management's reluctance to settle disputes by arbitration. Unions have also complained against non-implementation of some agreements and awards by the management in 1961-63.

Unions too have not given a good account of themselves in observing the code. The Rourkela Mazdoor Sabha violated the provisions of Code by resorting to go-slow in September 1963. The union was censured by the State Implementation and Evaluation Committee on 20.3.1964. In another complaint about go-slow organized by Hindustan Steel Workers Union (INTUC) in Refractories Department from July 22 to August 25, 1963 the State Implementation within the premises of the factory without prior permission of the management, precipitation of strikes without notice, resort to hunger strike and go-slow, non-implementation of the terms of agreement etc. were quite common. *Industrial Relations in Hindustan Housing Factory*, Ministry of Labour and Employment, New Delhi, 1964.

2. In the matter of compliance with the provisions of the Code the union also did not acquit itself creditably. It held demonstrations and made intemperate speeches even after ratifying the Code. *Industrial Relations in Hindustan Insecticides*, Ministry of Labour and Employment, New Delhi, 1965.
and Evaluation Committee concluded that though there was fall in production in that department, workers could not be categorically held responsible for it. Some complaints against Rourkela Mazdoor Sabha are still pending before the State implementation machinery for its alleged participation in go-slow and illegal work-stoppages in January 1966.

DURGANJ

Here the recognized union has been guilty of the violation of code many times. Systematic go-slow and strikes without notice have frequently been resorted by the union. In one of the complaints made against the union on March 30, 1964 the management alleged that the union displayed posters on the shop floor, instigated workers not to operate one furnace and resorted to demonstrations and intimidation. Recently the confinement of officers by the workers under Gherao even created a law and order problem.

BHILAI

The implementation of Code has been generally satisfactory except for minor incidents. In June 1967, however, some workers indulged in violent demonstrations over a quarrel between a worker and the security guard. There has, however, been no serious violation of the Code since then.
Industrial disputes do not arise all of a sudden. They have some hidden grievances of the workers behind the scene. If these grievances can be nipped in the bud, chances of developing good industrial relations become bright.

Grievances are the feelings of injustice whether, real or imaginary, which the worker has in his mind concerning his employment relationship. Unlike the subject matters of collective bargaining which concern majority of workers, do not grievances concern majority of workers, grievances concern industrial workers individually or in small groups. Further while collective bargaining issues cover general problems of labour force and major policy decisions, grievances generally relate to particular issues and implementation of policy decisions. All over the world big public undertakings have effective system for redressing the grievances of their workers. In TVA, for example, a grievance procedure consisting of the following four stages has been adopted:

1. Discussion with the immediate supervisor who may bring a higher level supervisor into the discussion.
2. Formal appeal to the division head. He holds a hearing if he thinks it necessary or if the employee asks for one and then makes his decision.
3. Appeal to the Director of Personnel. He calls a conference of the representative of management and employee. If he thinks it necessary he may hold a supplementary hearing.

4. Appeal by the union to an outside referee if the union is not satisfied with the decision of the Director of Personnel. The referee is jointly chosen and paid by TVA and the union.

In India the pioneers in establishing a sound grievance procedure have been some units in the private sector such as some textile units of Ahmedabad TISCO etc. While adopting the Code of Discipline in Industry the 15th Indian Labour Conference 1957 also laid down for the first time a model grievance procedure for the guidance of industries in India. It provides that the grievance should be first taken to the departmental representative of management who has to give a decision within 48 hours. Failing this the aggrieved worker can see the departmental head and this step is allotted 3 days. After this the grievance is taken up by the grievance committee (consisting of management and employees representative) which should make its recommendations within 7 days. The final decision of the management has to be communicated to the workman concerned within 30 days of the report of the grievance committee's recommendations. The workman if he is still not satisfied can make an appeal for revision and the management has to
communicate its decisions within a week. In case of non-settlement the grievance may be referred to voluntary arbitration. It is noticeable that in laying down the model procedure great emphasis has been laid on the time limit within which the grievances should be settled or passed over from one stage to another. Further the principle of worker representation in the grievance committee has been clearly recognized to create a sense of security among the workers so that there may not be one-sided decision.

Grievance procedure, has been set up in a number of public undertakings. In HMT, a grievance procedure was adopted with the help of HMT Employees Association on October 30, 1956. At each stage the time limit for arriving at a decision was four days. The procedure here differed substantially from the model grievance procedure suggested by Indian Labour Conference. There was neither a grievance machinery with departmental representatives elected for the purpose nor a grievance committee formed on tripartite basis. This agreement had, however, to be replaced by a new one entered into between the management and the recognized union. In Hindustan Insecticides Limited a grievance committee came into existence in 1960. However, the full grievance procedure as suggested in the model grievance procedure was not adopted at that time. In Hindustan Shipyard a grievance procedure was established as early as 1948 under clause 32 of company's certified standing
orders in vogue from 15th October 1948 and remained in 
practice till the end of 1963. It was not set up on 
the basis of mutual agreement nor was it effective in 
promoting speedy adjustment of grievances. The redress 
of grievances used to take an unduly long time thereby 
exhausting the patience of workers. In January 1964 the 
shipyard devised a procedure in consultation with the 
labour union and put it on trial. This procedure also 
did not stipulate time intervals for the settlement of 
grievances. It, however, did make provisions for the 
number of stages and tripartite committees at the shop 
level as well as plant level.

Machinery for the redressal of workers grievances 
has been set up at all the three steel plants under HSL, 
while at Durgapur plant it is not working well at Bhilai 
its performance has been excellent and at Rourkela it 
is working satisfactorily as will be seen from the account 
given below.

**Rourkela**

The first grievance procedure was introduced in 
this plant on 21st November 1963 with the approval of the 
works committee after about nine years of its formation. 
It was, however, not very effective because of the absence 
of a representative trade union at the plant level. With 
the recognition of a trade union in March 1964, the
situation changed. A mutually agreed grievance procedure was therefore set up in December 1964, which continues to be in force till now. The procedure sets out three stages for redressal of grievances. Firstly, an aggrieved employee can present his complaint in writing to his superior officer i.e. General Foreman/Head of Office/Unit who may try to settle the matter directly with the complainant. Normally an answer has to be given within two working days from the date of receipt of grievance. In case the decision cannot be taken by the officer without consulting his higher officers this should be intimated within 3 days. If the employee is not satisfied with the reply of his immediate officer, he may take his grievance to second stage within 7 days from the expiry of the three days of stage 1. The head of department on receipt of this complaint would call for departmental representative, nominated on the recognized union for discussion with a view to settle the grievance. A reply has to be given to the aggrieved employee within 7 days. If the employee is still dissatisfied with the decision of the departmental head or fails to receive reply within a week, he may take his grievance to stage three by presenting his grievance to the grievance committee within 7 working days from the date of receipt of reply at stage 2.

The Grievance Committee consists of: (1) General superintendent or his authorized representative, (2) Deputy
General Manager (Personnel) or his representative (not below the rank of Personnel Officer), and (3) Two representatives of the recognized union. Departmental representatives of the recognized unions may also assist the meeting during the proceedings. The committee can seek advice from any officer in person and record his opinions. The committee is expected to send its recommendations to the general manager of the plant within 12 days from the date of receipt of the complaint. The final decisions of the general manager are to be communicated to the employee within a week of the receipt of the recommendations of the committee. The employee can appeal to the general manager if he fails to receive reply within the stipulated time or if he is not satisfied with the reply received. He can even present his case in person before the general manager and be accompanied by a union official. The general manager has to reply within 15 days of the receipt of the appeal. There is, however, no further appeal beyond this stage.

The above procedure differs from the model grievance procedure with regard to time limit for dealing with the grievances at different stages. While at the second stage the model procedure gives 3 days time to management, the procedure adopted by the plant envisages 7 days. At the final stage, however, time limit prescribed under this procedure is less than that given under model procedures. There is, however, no mention in the procedure
about recourse to conciliation or voluntary arbitration by the worker in case he is not satisfied with the reply of general manager as provided for in the model grievance procedure.

Till 1966 only about 500 grievances were settled under this procedure. However the scheme is working well at the plant.

**Bhilai**

Bhilai was the first plant to introduce a grievance procedure (based on the model grievance procedure suggested by the 15th Indian Labour Conference) in consultation with the recognized trade union in January 1963. Under the procedure adopted in the first stage an aggrieved employee is expected to present his grievance verbally in person to his immediate officer. If he is not satisfied he can present his grievance on the prescribed form to the Secretary of the Grievance Committee. The labour officer/assistant personnel officer will make necessary enquiry and the worker shall be given reply within 4 days of the presentation of the complaint. If the worker is not satisfied with the reply or fails to receive reply within stipulated period he may take his grievance to second stage. He can submit his grievance to the shop superintendent/manager/assistant superintendent within 3 days of the receipt of reply at stage I. The reply to the aggrieved
worker should be given within 7 days of the receipt of the grievance. The worker may take the help of the representative union for presenting his case at this stage. If he is still not satisfied with the reply or fails to receive reply within stipulated period he may take his grievance to stage three by presenting his grievance to the grievance committee within a week of the receipt of reply at stage II.

The Grievance Committee consists of: (1) General superintendent or his representative (The representative will be one of the chief superintendents of the department other than to which the grievance related), (2) Personnel manager, (3) Deputy Controller of Accounts/Deputy Financial advisor, (4) Two representatives of the recognized union, (5) Senior Labour officer (Secretary).

The grievance committees' unanimous recommendations are binding on the management. In the event of difference of opinion among the members of the grievance committee, the matter is placed before the general manager of the plant for his decision. The final decision of the management is communicated to the worker within 7 days of the grievance committees' recommendations. If the worker is still not satisfied he has a right to appeal to the general manager for revision. The worker may at this stage, also take a representative of the recognized union with him to facilitate discussion with the general manager who shall communicate his final decision within 30 days of the receipt
of workman's revision petition. A grievance is presumed to take the form of an industrial dispute when the final decision of management is not acceptable to the worker.

The above procedure differs from the model procedure only in respect of time limits prescribed at first and second stages. While model procedure gives a time limit of 2 and 3 days respectively for these stages, the procedure at Bhilai plant provides for 4 and 7 days. Labour is given adequate representation in the grievance committee.

The procedure has been highly successful in its working. The personnel department has played an important role in making the grievance settlement machinery a success. By convention the personnel manager of the plant has been presiding over the meetings of the grievance committee. The disposal of the grievances has been quick. In 1963 when the committee was set up, it received 1754 grievances during the year. The number of grievances which were redressed were 1631. No case has gone for arbitration or adjudication in Bhilai plant during the last four years because of the effective handling of grievances.

The grievance committee at Bhilai has enjoyed the faith and confidence of workers as well as management. The recognized union being strong has been able to put the cases of workers effectively. The management has shown
full respect to the committee by implementing most of the decisions of the committee. In some cases even the decisions of the general manager of the plant have been turned down by the committee when it was found that some wrong had been done.

The scope of discussions in the grievance committee has been wide. Barring collective bargaining matters, grievances of all types are considered. An analysis of the grievance has shown some interesting facts regarding the causes of their origin and workers' reaction towards the policies of plant management on such issues as promotion, pay fixation, discipline, leave, bonus etc. The percentage of different types of grievances in 1963 and 1964 has been as follows.

<table>
<thead>
<tr>
<th></th>
<th>1963</th>
<th>1964</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>62</td>
<td>49</td>
</tr>
<tr>
<td>Pay Fixation</td>
<td>6.5</td>
<td>10</td>
</tr>
<tr>
<td>Seniority</td>
<td>4</td>
<td>9.7</td>
</tr>
<tr>
<td>Payment of Dues</td>
<td>1.5</td>
<td>5</td>
</tr>
<tr>
<td>Change in Designation</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Discipline</td>
<td>3.7</td>
<td>9</td>
</tr>
<tr>
<td>Leave</td>
<td>.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Bonus</td>
<td>3.5</td>
<td>2</td>
</tr>
<tr>
<td>Other Issues</td>
<td>17.3</td>
<td>10.8</td>
</tr>
</tbody>
</table>

*Similar figures for other plants are not available.
Durgapur

A three staged grievance procedure was adopted by this plant in June 1961. Under this procedure, at first the worker approaches the assistant personnel officer of the department who takes it up with the concerned foreman to settle it. If the grievance calls for investigation, the complainant has to give it in writing to the general foreman. One week's time is allowed in the first stage. If the grievance is not redressed within a week, it is taken up to the second stage. The worker can submit his complaint to the plant superintendent or his head of the department who may call for report from the assistant personnel officer concerned. If the grievance is not redressed within a weeks' time it can be taken up to the third stage by making an appeal to the general manager who may appoint an enquiry committee and after considering its report issue final orders within a fortnight.

The above grievance procedure differs substantially from the model grievance procedure adopted by 15th Labour Conference. The time limit at first and second stages are very high i.e., 7 days at each stage as compared to 2 and 3 days for first and second stage respectively provided for in the model procedure. Moreover there is no time limit within which an aggrieved worker might prefer an appeal to the higher authority with the result that grievances go on accumulating and thus adversely affect industrial relations.
For instance in a short period of five months only i.e. from July to Nov. in 1964 as many as 2781 grievances were received by the management.

A notable feature of grievance handling procedure at this plant is that two bipartite bodies namely labour board and labour committee have also been formed to deal with the grievance of the group of workers raised through recognized trade union. The Labour Board consists of (1) The head of the department concerned, (2) Senior personnel officer, (3) Assistant personnel officer of the department concerned, (4) One foreman from the department concerned, and (5) Three representatives of the workers.

The board deals with matters of promotion, seniority, work assignment, working conditions, dismissals, discharges, interpretation of agreements etc. For convening its meeting the recognized union has to approach the senior personnel officer with the complaints of the workmen. The meeting is arranged by the senior personnel officer within one week's time.

The unresolved differences in the meetings of labour board are brought before the Labour Committee which is expected to meet once in every month. This committee consists of (1) General superintendent and senior deputy general manager, (2) Deputy general manager (P), (3) Senior personnel officer, (4) Head of the department concerned, and (5) Three representatives of the workers.
Often the deliberations of the labour board were also inconclusive and were brought before the labour committee. There have also been cases of non-implementation of the decisions of labour board or labour committee by the departments concerned. These bodies have, however, not been quite effective and successful in their working because a section of employees which is more vocal has utilized it for its own benefit. As such these bodies lack confidence of quite a large number of employees.

It would thus be seen that industrial relations at Bhilai Plant are good while at Durgapur and Rourkela they are in a poor shape. While at Bhilai the recognition of a union, better implementation of labour laws, settlement of disputes by mutual negotiations, constitution of a grievance committee and implementation of the code in letter and spirit by both the parties, have stabilized industrial relations, in the other two plants the position is quite different for which both labour and management are responsible. Intense inter-union rivalry, recognized union's non-representative character, irresponsible, union leadership, absence of genuine efforts to settle disputes by mutual negotiations or arbitration, frequent resort to the use of state labour machinery to settle disputes, ineffective implementation of labour laws (particularly at Rourkela) non-compliance of some statutory obligations by the management, and free violation
of Code of Discipline by both the parties have been largely responsible for the present state industrial relations at Durgapur and Rourkela. Even the fact of recognition has not brought about any marked change in the attitude of unions who at times have created even chaotic situation and law and order problems by confining officers and violent demonstrations.
"An older employee in the shipping department of a manufacturing plant once went to his foreman with the suggestion that more careful stamping of the destination of cartons would help the crew that was leading these cartons on freight cars. He said that the stencil used was poorly designed and that often the shippers could not tell quickly where the carton was to be sent. This resulted in delays and in occasional misrouting. The reply he got from his supervisor is unfortunately not infrequent in industry: "Look here, Tom, if you guys would just tend your work instead of thinking up ways to make it easier, you'd be better off. Problems like that are my worry, not yours."

PAUL POGORS AND CHARLES A. MYERS

Industrial civilization has already crossed the roads of class conflict and is gradually proceeding towards an age where labour participation in management programmes is becoming more and more evident. The philosophy of management by direction and control—regardless of whether it is hard or soft—is inadequate. Only such management which has confidence in his people and is willing to accept them


as real partners rather than mere tools of production can win their whole-hearted cooperation. Sharing of power and responsibility is as important a motivating factor in industries as the sharing of economic gains. The introduction of employee suggestion system and the formation of joint labour management committees are some of the important methods to achieve the objective.

**Employee Suggestion System**

Frequently in the daily performance of their job employees have bright ideas about the ways in which things should be done. If they are given an opportunity to express ideas the management can gain a lot. Such ideas may relate to better methods of works, better techniques, improvement in designing machines and tools, improvement of the quality and reduction of waste etc. Management's recognition of workers' contribution creates in them a sense of participation and helps in improving the industrial relations climate. Their interest in work and the affairs of the company is also increased.

Suggestion systems have been successfully adopted by some undertakings in the public sector. For instance in Hindustan Air Craft Ltd. the management runs a 'Cash Your Ideas Scheme' under which employees are given cash awards for the useful suggestions made by them. In December 1963, a supervisor was awarded a prize of Rs. 2000/- under
the above scheme, for inventing a method by which certain part of an engine could be repaired in the factory itself instead of being sent to the U.K. as was being done earlier.

The suggestion system has been introduced in all the three plants under HSL. Suggestion boxes have been installed in the departments and the contributors of useful ideas are awarded prizes. The Bhilai plant had taken a lead in establishing such a system in September 1961. In Rourkela and Durgapur suggestion system was introduced in August 1963 and January 1964 respectively. In all the plants the aim of the system is to achieve the following purposes: (1) To encourage employees to think constructively and submit ideas that will aid in progress, efficiency, economy etc., (2) To give proper recognition to employees, (3) To assure fair investigation, (4) To pay awards for suggestions adopted, and (5) To improve employee morale.

Workers are encouraged to give suggestions for increasing production and reducing cost, rationalizing working methods and better utilization of materials and equipments. Suggestions regarding safety, health and welfare are also accepted. In Durgapur employees up to the level of foremen are eligible to participate in the scheme. In Bhilai all employees (except research workers and those who are in a privileged position of having at their disposal information obtained from various sources)
are eligible to participate in the scheme. In Rourkela even Class I officers can participate in the scheme.

The quantum of award is determined on the basis of savings resulting from the technical and economic benefits of the suggestion. In Bhilai and Durgapur plants the upper limit of the award has been fixed at 20% of the savings while in Rourkela no such limit has been fixed. The amount of initial award varies—it being Rs. 20 in Rourkela, Rs. 50 in Bhilai and Rs. 100/- in Durgapur. Apart from cash awards certificates of merit may also be awarded.

The system is administered by a suggestion committee constituted at each plant under the chairmanship of the general/chief superintendent of the plant. The committee is represented by the production safety and personnel departments.

A comparative review of the suggestion system at three plants is given in Table 35.

The system has worked fairly well at Bhilai Steel Plant where the percentage of suggestions accepted so far has been the highest i.e. 18 (approximately) as compared to 12 at Durgapur and 9 at Rourkela. It appears that the system has not been administered properly at Durgapur Plant and the workers do not have any interest in the scheme at all. For example in 1967 the suggestion committee at Durgapur plant received only one suggestion and that too was not acceptable.
Table 35
Suggestion Systems at Three Steel Plants

<table>
<thead>
<tr>
<th></th>
<th>Bhilai</th>
<th>Durgapur</th>
<th>Rourkela</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date of Introduction</strong></td>
<td>September 1961</td>
<td>January 1964</td>
<td>August 1963</td>
</tr>
<tr>
<td><strong>Eligibility of Award.</strong></td>
<td>All Employees except research workers and those persons who are in a privileged position of having at their disposal information obtained from special investigations and studies.</td>
<td>To begin with employees upto Asstt. Foreman rank were eligible for giving suggestions for cash awards. From 6th Sept. 1966 employees upto Foreman level have become eligible.</td>
<td>All employees except class I officers, casual employees and employees of construction department - Now Class I officers also are included.</td>
</tr>
<tr>
<td><strong>Acceptable Suggestion.</strong></td>
<td>Suggestions about rationalization of working methods, conservation of materials and their better utilization, matters regarding health of employees.</td>
<td>Suggestion to increase production and reduce cost, safety and good house keeping welfare of workers.</td>
<td>All suggestions which bring tangible results. A few others such as safety suggestions are also accepted.</td>
</tr>
<tr>
<td><strong>Basis and Range of Award.</strong></td>
<td>1) Technical Advantage. 2) Economic Benefits. 3) Improvements in safety aspects hygiene etc. Minimum commendation letter or Rs. 50. Maximum with the approval of general manager 20% of the annual saving subject to a maximum of Rs. 10,000/-</td>
<td>Award may be fixed on the quantum of saving. 1st Initial award of Rs. 100/- for trial. 2) Final award 20% of annual savings subject to a maximum of Rs. 10,000/-</td>
<td>Award may be fixed on the quantum of saving. Range of prizes. So far have been between Rs. 20/- to Rs. 1000/- No limits have been fixed yet.</td>
</tr>
</tbody>
</table>
Table 36 indicates the number of suggestions received in the three plants since the start of the scheme and the percentage of suggestions accepted and implemented by management.

At national level a suggestion system is run by the Government of India to promote inventive genius among workers and create a sense of participation in them. National Shramvir Awards are conferred every year on such workers who display some inventive genius and affect considerable economy by raising production. Some of the suggestions submitted under this scheme by the employees of the three steel plants were found to be very useful. Details of the awards conferred on the plant employees are given in Table 37.

**Joint Labour Management Committees**

The formation of joint committees in Indian industries is promoted both by legislation and tripartite conventions. The Industrial Disputes Act 1947 provides for compulsory formation of works committees in all the industrial units employing 100 or more workers. The formation of other committees e.g. production committee, safety committee, house allotment committee etc. has been encouraged by the Indian Labour Conference on voluntary basis. The joint committees formed in most undertakings are advisory bodies. They do not have any administrative
### Table 36
Suggestions Received under Employees Suggestion System

<table>
<thead>
<tr>
<th>Year</th>
<th>Bhilai</th>
<th>Duragpur</th>
<th>Jharkhanda*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Sugges-tions</td>
<td>Sugges-tions</td>
<td>No. of Sugges-tions</td>
</tr>
<tr>
<td></td>
<td>received</td>
<td>accepted</td>
<td>implemented</td>
</tr>
<tr>
<td>1961</td>
<td>17</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1962</td>
<td>14</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>1963</td>
<td>167</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>1964</td>
<td>218</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>1965</td>
<td>200</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>1966</td>
<td>95</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>1967(till 30.8.68)</td>
<td>47</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>TOTAL</td>
<td>884</td>
<td>158</td>
<td>158</td>
</tr>
</tbody>
</table>

*Figures relate to April to March.

**Figures in brackets give percentage.
### National Shraavir Awards Won by HSL Employees

<table>
<thead>
<tr>
<th>Particulars of Employees</th>
<th>Bhilai</th>
<th>Durgapur</th>
<th>Rourkela</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name and Designation of suggestor</td>
<td>Shri K. Vishwanathan, Foreman Rail &amp; Structural Mill.</td>
<td>Shri D. Mukerjee, Head Roller, Merchant Mill, Durgapur.</td>
<td>Shri I.S. Chauhan, Chargeman Cold Rolling Mills, HSL, Rourkela.</td>
</tr>
<tr>
<td>National Award</td>
<td>National Shraavir Award</td>
<td>National Shraavir Award</td>
<td>Shraavir National Award Class 'B'.</td>
</tr>
<tr>
<td>Savings effected</td>
<td>Considerable economy</td>
<td>Production raised by 20% saving to the plant in Rs. 35000/-</td>
<td>Rs. 300/- per ton.</td>
</tr>
<tr>
<td>Nature of Suggestions</td>
<td>The fluted ends of the drill bits, by the modification suggested, could be used fully and the utility of the drill was increased 130%.</td>
<td>The suggestion was to effect improvement in rolling 28 m.m. and 32 m.m. rounds in Merchant Mill.</td>
<td>For the purpose of making banding straps side trimming machine which had a width range of only 360 m.m. to 975 m.m. Instead of this the suggestion was to make use of the slitting MIL available at the recoiling line by proper adjustment of cutting blades so that the range 0 to 360 m.m. can also be covered.</td>
</tr>
</tbody>
</table>
powers. Their constitution depends upon the agreement between workers' representatives and managements. The success or failure of these committees, therefore, depends upon the attitude of both the parties.

**WORKS COMMITTEES**

Works committees have been formed in most of the undertakings under public sector. Their aim is to promote measures for securing and preserving amity and good relations between the management and the workmen. According to the provisions of the Industrial Dispute Act 1947, the number of members forming the committee cannot exceed 20 and both management and labour have to be given equal representation. However, neither the Act, nor the rules framed thereunder specify the matters to be discussed by these committees. This lacuna has retarded their proper functioning. In many enterprises the committee could not work because of the friction between the management and labour representatives over the agenda of the meetings.

In order to avoid this confusion a sub-committee of 17th Indian Labour Conference (1959) drew up an illustrative list of items which the works committee may normally deal with and also the items which it will not normally deal with. These items are given as under.
A. **Items which works committee will normally deal with**

1. Condition of work e.g. lighting, ventilation etc.
2. Amenities e.g. drinking water, canteen, medical services etc.
3. Safety and accident prevention, occupational diseases and protective equipment.
4. Adjustment of festivals and national holidays.
5. Administration of welfare and fines fund.
6. Educational and recreational activities.
7. Promotion and thrift of savings.
8. Implementation and review of decisions reached at meetings of works committees.

B. **Items which works committees will not normally deal with**

1. Wages and allowances.
2. Bonus and Profit sharing schemes.
3. Rationalization and matters connected with the fixation of work load.
4. Matters connected with retrenchment and lay off.
5. Matters connected with fixation of standard labour force.
6. Programmes of planning and development.
7. Victimization for trade union activities.
8. Provident Fund, gratuity schemes etc.
9. Quantum of leave.
10. Incentive schemes.
11. Housing and transport services.
account of which the management did not, rather could not, select or nominate delegates on these committees. It was only when one representative union in each plant was recognized that the difficulties in accepting the workers' delegates could be removed.

Inter-plant variations exist both in the constitution and working of these committees. While in Rourkela and Durgapur plant the works committee consists of 20 representatives - 10 each from workers and management's side, in the Bhilai plant the strength of this committee is of 10 members only - 5 from each side. Further the mode of election of worker's representatives is not uniform in all the plants.

In Rourkela and Durgapur plants workers' representatives are elected from various shops whereas in Bhilai workers representatives on this committee (which under the M.P. Industrial Relations Act is called joint committee) are nominated by the recognized trade union. Such a variation due to statutory provisions has an important bearing on the working of these committees in different plants. While in Bhilai workers representatives being members of one union work as a team and have definite objects before them, in the other two plants they belong to rival trade unions and differ in their objectives, and approaches to the various issues facing the plant management and the workers. This is evident from the fact that in
A survey undertaken by the chief labour commissioner (Central) in public sector undertakings in 1959 has shown that in approximately 60% of the undertakings decisions reached in works committee meetings were usually unanimous and in nearly 48% of the undertakings, as many as 90% of the decisions arrived at were implemented within reasonable time. Factors which impeded the smooth working of the committee in some undertakings, were lack of appreciation by labour and management of the functions and significance of the committee, illiteracy among the workers and opposition by trade unions to these committees owing to inter-union rivalry.

In a majority of establishments sub-committees of the works committees have also been set up. These include canteen committees, production committees, welfare committees, house allotment committees etc. These sub-committees usually have more representatives from management side than from the workers' side. In establishments having misunderstanding and consequent friction between the parties efforts to form sub-committees have failed.

In the three plants under HSL works committees and their sub-committees have been established recently. While in Bhilai, they were started in August 1961 in Rourkela and Durgapur - these were formed only in 1963 even though one of these plants was established earlier than Bhilai. This delay has been partly due to the inter-union rivalry and absence of a recognized union on
the meetings of the works committees both at Rourkela and Durgapur, the controversies over agendas, lack of quorum, squabbles over writing of minutes and lack of consensus between management and labour representatives have been common. Quite often workers representatives tried to insult the managerial staff and made hostile demonstrations. The workers representatives nominated by the recognized union have also lacked representative character. This is evident from the fact that in recent elections for the works committees at Rourkela and Durgapur most of the seats were captured by rival unions. In Rourkela steel plant HMS affiliated union has won all the 10 seats in the election and has also succeeded in getting recognition after the derecognition of INTUC affiliated union. In Durgapur, the recognized union has lost 9 out of 10 seats to its rival unions. (Chapter VI).

In addition to the works committees, a number of other joint committees, which are in practice sub-committees of the works committee, are also functioning in the three steel plants under HSL/ will be seen from the Table 36.

**Production Committees**

Departmental production committees have been set up to increase production. These were formed in accordance with the Industrial Truce Resolution 1962 to boost up production, to avoid wasteful expenditure, to utilize
### Table 38

**Joint Committees in Three Steel Plants**

<table>
<thead>
<tr>
<th></th>
<th>Bhilai</th>
<th>Durgapur</th>
<th>Hourkela</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Joint Committee (Statutory Body)</td>
<td>Works Committee (Statutory Body)</td>
<td>Works Committee (Statutory Body)</td>
</tr>
<tr>
<td>2</td>
<td>Central Joint Production Committee</td>
<td>General Safety Committee</td>
<td>Central Emergency Production Committee</td>
</tr>
<tr>
<td>3</td>
<td>Departmental Production Committee</td>
<td>Departmental Safety Committee</td>
<td>General Safety Committee</td>
</tr>
<tr>
<td>4</td>
<td>General Safety Committee</td>
<td>Ad-Hoc Canteen Advisory Committee</td>
<td>Departmental Safety Committee</td>
</tr>
<tr>
<td>5</td>
<td>Departmental Safety and Safety Appliances Committee</td>
<td>Advisory Committee for Accommodation for Workers</td>
<td>Central Uniforms and Safety Appliance Committee</td>
</tr>
<tr>
<td>6</td>
<td>General Safety Appliance Committee</td>
<td></td>
<td>Canteen Management Committee</td>
</tr>
<tr>
<td>7</td>
<td>Advisory Committee for Allotment of Accommodation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Advisory Committee for Environment Hygiene in Township</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Hospital Advisory Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Canteen Committee</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Manpower properly etc. The Central Production Committee in Bhilai made some efforts in 1964 towards reducing absenteeism in the factory. Sub-committees were formed to interview workers who were coming under the category of habitual absentees. The committee advised and persuaded the workers not to remain absent from duties without sufficient cause and the results have been encouraging.

In Rourkela Steel Plant an Emergency Production Committee composed of workers, trade union leaders and officials of the company are functioning to increase production by avoiding waste in terms of men, material and resources. In June 1966 an appeal signed by all members of this committee was circulated among the workers for achieving increased production. At Durgapur the labour committee and labour board consisting of representatives from both sides discuss matters relating to increase productivity and reduce waste. In October 1963 the labour committee took an important decision to set up a works study team.

Safety Committees

Safety committees are also functioning in all the plants, both at the plant and the departmental level. They discuss the frequency and severity rates of accidents, causes of major accidents, and recommend preventive measures. In cases of fatal accidents all members of general safety committee are invited at the spot for making
investigations. In the monthly meeting this committee discusses about the circumstances leading to accidents, suggestions to improve conditions of safety and hygiene, ensures compliance of statutory provisions and studies accident statistics. Workers have significantly contributed towards safety programmes and their enthusiasm and efforts have been appreciated by the management.

Other Committees

An advisory committee for allotment of houses and a canteen managing committee have been formed at each plant. Allotment of houses is under the control of management. However, one representative of workers is associated with this committee at each plant. The canteen managing committee consist of equal number of representatives from both the sides. In all the plants canteens are run on cooperative basis.

JOINT MANAGEMENT COUNCILS

In industrially advanced countries joint management councils are gaining popularity both in private as well as public sector undertakings. In Britain, public undertakings have joint consultative committees based on agreements between labour and management. They deals with such problems as safety, health, welfare, training, education, work rules and improvement in production etc. In France
and Germany the principle of worker participation has been taken to a step further. Every public enterprise has to take a delegate of labour union on its board of directors. In Australia the nationalized industries are required to set up joint advisory social councils competent to examine all social questions relating to workmen. In Poland the system of self-management by the workers has been introduced. In Yugoslavia, a unique system known as auto-management has been adopted.

In India, however, the scheme of joint management councils which is informal and voluntary in character, was formulated in 1958 by the Indian Labour Conference on the basis of a study group report which examined this question after studying the working of joint management councils in some foreign countries. The conference decided that the scheme should be implemented voluntarily in selected industrial units only and a sub-committee was appointed to compile a list of industries where the scheme could be introduced and to consider its implementation. In the introduction of the scheme at the unit level the following principles were to be kept in view:

1) The undertaking should have a strong, well established and active trade union,
2) The undertaking should employ at least 500 workers,
3) The employers as well as workers union should
be a member of, or affiliated to, certain established organization, and

4) The undertaking should have a good record of industrial relations.

The main objective of setting up of such councils involving increased association of labour with management were "(a) promoting increased productivity, (b) giving employees a better understanding of their role in the working of industry and of the process of production, and (c) satisfying the workers' urge for self expression, thus leading to industrial peace, better relations and increased cooperation." Regarding the constitution, functions and administration of joint councils of management, it has been laid down that these should consist of equal number of representatives of workers and management not exceeding 12 in all. As distinct from the works committee, which is advisory in nature, the council has to function as supervisory, advisory and administrative body in matters such as administration of standing orders, introduction of new methods of production, closure or retrenchment, safety measures, training scheme etc. Collective bargaining issues have been kept out of the purview of the council.

A model agreement (based on the recommendations of the sub-committee) for setting up of the joint management councils was later approved in February 1958 at a seminar
on Labour Management Cooperation. A feature of this scheme is that there is no legal sanction and agreements form the sole basis for its introduction.

Since its formulation up to 1966, the scheme had been started only in 106 units - 65 in the private sector and 41 in the public sector. 19 under central government and 22 under state governments. Out of the 41 units in public sector, 14 are collieries under the NCOC, 8 are mostly medium-sized undertakings under Kerala Government and the remaining include some large undertakings such as Fertilizers and Chemicals Travancore Ltd., Hindustan Insecticides Ltd., Hindustan Cables Ltd., etc. A list of the undertakings under central government in which the scheme is currently functioning will be found in Appendix V.

The working of the scheme both in the public and private sector has not been a success. In the public sector, however, many difficulties - attitudinal and procedural have been faced in the adoption or implementation of the scheme. For example, in HMT the scheme was introduced soon after its formulation but survived only for 9 months. Under the agreement a joint council and eight sub-committees were set up. The principle of equal representation of workers and management was adopted for all the committees. The council worked efficiently and all its decision were also implemented. The cause of the breaking up of the council as alleged by the management was that
workers' representatives failed to distinguish between the collective bargaining issues and the management's responsibility for increasing production and profit and maintaining discipline among the rank and file of the employees. However the evaluation report on its working prepared by the ministry of labour and employment has rejected management's contention. According to the report the incident which is said to have caused the breakup of the council related to the change in place of meeting without the consent of the workers. The council used to meet in the board room meant for the board of directors. One day it was notified by the management that the meeting place would be in the personnel manager's room. Workers did not like it. They suggested alternate places which were not acceptable to management. The high handedness on the part of management brought the council to an end. This classic case reveals that the attitude of management in public enterprises needs vital changes if industrial democracy is to be established in this country.

Other problems confronting the introduction and adoption of the scheme in public undertakings are:

1) In many of the undertakings in the public sector joint councils could not be set up because of the difficulty in selecting workers' representatives due to absence of any representative union. In the Hindustan Salt Co., Praga Tools Corporation, Bharat Electronics
and Heavy Electricals etc. joint councils could not be set up for this reason.

2) In some undertakings unions themselves have not favoured the setting up of joint council e.g. at Nangal Fertilizer the recognized union rejected the idea of setting up such a council. Similar was the case at Hindustan Shipyard Limited. It is, however, noticeable that even when the attitude of labour changed later on over this point, the management seemed reluctant to form the council. Procedural delays have been made. In Nangal Fertilizer for instance, a decision was made by the board as early as January 1966 to form a council but the same has not been implemented so far.

3) Some public undertakings have not implemented the scheme as they are under construction. Implementation of the scheme has also been delayed in some undertakings e.g. Heavy Engineering Corporation, because they have not yet reached the stage of production sufficient to justify the start of such a scheme.

4) Due to deteriorating industrial relations of the introduction of the scheme in some enterprises was postponed e.g. National Instruments, Calcutta. In some undertakings the scheme is not being introduced because of the fear of further worsening the relations there.

5) In some undertakings management have imposed certain preconditions for the formulation of joint management councils. For instance in Hindustan Antibiotics Ltd.,
Pimpri, the board decided in February 1963 that the question of setting up of joint management council would be considered only if the progress and performance of the unit production committee was found satisfactory and encouraging. The imposition of a precondition of this nature is essentially against the spirit of tripartite conventions already adopted in this regard.

Joint Consultation in TISCO and HSL

Among the steel plants in India, joint management council has been formed only in TISCO a private sector undertaking.

TISCO

TISCO has a glorious history of smooth industrial relations. As early as 1919 when there was no enactment in India to force the employer to adopt welfare measures for the workers or to form joint committees, the management of TISCO was aware of these needs and formed a joint works committee. Due to some reasons this machinery ceased to function after sometimes. In 1946 it was again revived in the form of West Plant Joint Committee and East Plant Joint Committee for the departments in Western and Eastern zones, and the ministerial staff joint committee for the ministerial staff in the organization. These committees were reconstituted in 1948 under the provisions of Industrial Disputes Act 1947. In 1957 the two committees in the works were decentralized into 5 zonal committees.
each generally covering departments having similar operations and production problems.

During the decade 1946 to 1956, altogether 24 joint committees were formed to discuss matters such as grievances, rates, minimum qualifications, services etc. Endeavour made during this long period helped in creating a suitable atmosphere for introduction of a scheme like employee association with management. The scheme has been so effective that it has been termed as TISJOCN (Tata Steel System of Joint Consultation).³

The principal agreement signed between TISCO and Tata Workers' Union in January 1956, lays down that the company appreciates the view that an increasing measure of association of employees with management in the working of the industry is desirable and would help in promoting increased productivity, in giving employees a better understanding of their role and in satisfying the urge for self-expression. The supplemental agreement on 4th August 1956, lays down a detailed scheme of the three tier system of joint councils. Joint Departmental councils numbering 33 replace the advisory, development and production committees at the lowest level. Above them is a

Joint works council for the entire works and parallel to it is a joint town council. At the apex is the joint consultative council of management.

The functions of joint councils at the lowest level are to study operational results to advise on steps necessary to promote and rationalize production and to improve methods, lay out and processes, improve discipline etc.

Councils at higher level perform, more or less, the same functions, at the level at which they operate. The joint works council has an additional function of planning and supervising the work of certain committees, e.g. central canteen managing committee, general safety committee, safety appliance committee, suggestion box committee and welfare committee.

The joint consultative council of management at the apex, in addition, advises management in regard to economic and financial matters placed by the management before it. However, the council is not authorized to deal with matters affecting the relations of the company with its share-holders or managerial staff or concerning taxes or other matters of a confidential nature.

Each council has a chairman nominated by the management and a vice-chairman nominated by the recognized union. Depending on the size of the department, the council consists of two to ten representatives of management.
and an equal number of representatives of employees. All the councils hold their meetings once in a month. The joint departmental councils also hold an annual general meeting.

An analysis of the progress of implementation of recommendations of joint departmental councils shows that from their inception till 1st July 1966, the 33 joint departmental councils put together had discussed 9128 suggestions of which 6513 (71.38%) had been implemented. A subject-wise classification reveals that about 50% suggestions related to different aspects of productivity, elimination of waste, improvement of methods, layout, process, upkeep and care of machinery, 16% suggestions related to safety, 14% to welfare and the remaining related to miscellaneous subjects.

The credit for complete absence of industrial disputes and for the maintenance of industrial peace, harmony and progress in TISCO can to a great extent be attributed to the successful functioning of this scheme. Public sector steel plants should learn a lesson from such a bold, effective and useful experiment.

HSL

There is no formal arrangement yet in any of the plants under HSL, for joint consultation. The joint bodies set up are only advisory in nature and their recommendations are not binding. The management is not
in favour of going a step further and widening the scope of these joint committees. The stand of the management against the introduction of the scheme of joint management council at KSL appears to rest on the following grounds -

1) There is an acute inter-union rivalry at all the three plants. Workers are divided among many unions having different party affiliations based on different ideologies.

2) Plants are big in size employing several thousand people producing essential commodities. Their operational problems are large and complex.

3) There are many joint bodies already working at the plants and workers have got an opportunity to express their views through their delegates. The recommendations of these bodies are always given due weight.

4) Joint management councils will be of no use in plants in which industrial relations are not good. Where industrial relations situation has been improving at the plant, the introduction of such a scheme may again result in tension and deterioration in situation.

An analysis of the above contentions would, however, show that much of the fear of management is baseless. The inter-union rivalry is no doubt there in all the plants, but one trade union has been recognized by the management in each plant. As in case of most joint bodies, the joint management council will also have the delegates from the
recognized unions which (except in Rourkela plant) in other plants have their affiliation with INTUC, the spokesman of the ruling party on labour policies. Thus there should be no fear of any ideological clash between management and workers delegates. Once the council is set up and a team spirit is created by mutual confidence much of the misunderstandings and fears will be removed.

As regards the complexities involved in operational and managerial problems it would always be the management's primary responsibility to solve them even after the formation of such a council. The administrative powers of the councils, as proposed in the original scheme approved by Indian Labour Conference, extend only to welfare activities and amenities, supervision of safety arrangements etc. The scope of the council in the beginning would thus be limited.

The functioning of joint committees is no excuse for not setting up the joint management councils. In fact, the introduction of a scheme of formal participation will result into imposing further responsibility upon trade union leaders and may reduce the agitational approach among the workers. A feeling by the workers that industry is a joint venture and that "they matter" can be created only when they find there is real participation at all levels.

A joint council is primarily an instrument to improve industrial relations in the unit. The question of its formation cannot be always linked with the existing
industrial relations. In Durgapur and Rourkela, where industrial relations are not good so far, such councils if set up, may result in improving the relations, because many of the causes of friction can be nipped in the bud if both sides have a unity of purpose and a will to secure cooperation.

The plea of the management that in Bhilai, where industrial relations are good, it may not be fruitful at this time to establish joint management council as it may again result in deterioration in situation is not understandable at all. This rather indicates that management wants to brush aside the idea of setting up such a council on some pretext or the other. A recognized union is working in Bhilai for the last many years and has a strong hold on workers. Its leaders have been participating in different joint committees in the plant. The grievance procedure is also well established. Under these circumstances there does not appear any justification for delaying the formation of a joint management council at this plant at least. Rightly has the ministry of labour and employment been pressing the management of HSL to set up the joint management council at Bhilai Plant, as it hopes that it will promote better and smooth relations.