

### C H A P T E R - I I I

#### INDUSTRIAL RELATION SCENE IN SELECTED

#### UNITS UNDER STUDY

A : The Oversall situations of Industrial  
Relation In Selected Units.

B : Unitwise Situation of Industrial  
Relation Aspects.

I : Kolhapur Steel Ltd.

II : Yashwant Iron & Steel Works Ltd.

### C H A P T E R - III

#### INDUSTRIAL RELATION SCENE IN SELECTED UNITS UNDER STUDY :

The data in connection with the industrial relation scene in Kolhapur Steel Ltd. and Yashwant Iron and Steel Works Ltd. during the period from 1980 to 1984 was collected from the records available in the labour office of the respective units and from the interviews with some selected workers of the company and also from the discussions with labour officers of the respective industrial units. Such collected data is presented in this chapter.

While presenting the data the term "Industrial Relation" is taken as employer-employee relations i.e. the relations between the management and employees and labour relations i.e. the relations between union and management.

#### A) The overall situations of industrial relation in selected units :

In general, industrial relation scene in Kolhapur Steel Ltd. and Yashwant Iron and Steel Works Ltd. was found satisfactory after considering a period of 5 years from 1980 to 1984. There were no major disputes, except one case of major strike in Kolhapur Steel Ltd. in 1982. It is observed that there were good and happy relations between management and employees.

B) Unitwise situation of industrial relation aspects :

I) KOLHAPUR STEEL LTD.

1) Collective Agreements : The Mechanical and Engineering Kamgar Union, Kolhapur has got recognition from Maharashtra Government to act as recognised union of workers of Kolhapur Steel Ltd. Hence notice of demand on behalf of workers of Kolhapur Steel Ltd. was sent to the management by the General Secretary of this union on 23-5-1978 and on 30-4-1982. As the management of the company did not agree with this demand, it was requested by the union to The Assistant Commissioner of Labour, Shahupuri, Kolhapur to act as Conciliation Officer in this respect. All the demands made by the union were taken into consideration in conciliation proceedings. After sufficient discussions, collective agreement was passed on 28-5-1979 and then again on 2-10-1982. The important terms and conditions of both the agreements were as follows :

Table No. III-1

Important Terms and Conditions of the Agreements

	Year of Agreement	
	1979	1982
1. Date of Agreement	18-5-1979	2-10-1982
2. Came into force from	1-2-1979	1-7-1982

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	1979	1982
3. Effect of Agreement upto 31-1-1982		30-6-1985
4. <u>Wages Scales for Workers</u>		
Unskilled	Rs.285-5-310-6-340-7-375	Rs.295-5-330-6-350-7-385.
Semi-skilled	Rs.295-6-325-7-360-8-400.	Rs.307-6-337-7-372-8-412.
Skilled B	Rs.310-8-350-10-400-12-460	Rs.326-8-366-10-416-12-476-EB-536.
Skilled A	Rs.330-10-380-12-440-14-510.	Rs.350-10-400-12-460-14-530-EB-600.
Highly Skilled	Rs.370-15-445-20-545-24-665.	Rs.400-15-475-20-575-24-695-EB-815.
5. <u>Dearness Allowance</u>		
Solapur Consumer Price Index (New) for each price index above 300 at the rate of	4 Paise	4.70 Paise
6. <u>Leave &amp; Holidays :</u>		
i) Earned leave to those workers/employees who are present for 150 days from Jan. to Dec. will be entitled for earned leave in next year	-	One day for every 15 days upto 240 days in a year. One day for every 10 days after the above 240 days in the same year.
ii) Casual Leave	9 days in a year	9 days in a year
iii) Sick Leave For 2 years.After application of E.S.I.,decision regarding this facility will be reconsidered	8 days in a year	9 days in a year

	1979	1982
iv) Long Sick Leave in case of T.B., Cancer, Small Pox, Jondice etc. This facility will be upto application of ESI Scheme.	Half pay leave 20 days in a year	Half pay leave 26 days in a year
v) <u>Paid Holidays :</u> If workers are called for work on paid holidays they will be paid at 1.25 times of their wages	<u>Six-26th Jan. Shiv Jayanti, 1st May, 15th August, Khande Navmi, Diwali- One day.</u>	<u>Seven days-26th Jan., Shiv Jayanti, 1st May, 15th Aug. Khande Navmi, Diwali-one day and one day as per demand of the union.</u>
7. <u>Uniform, Washing Allowance and other facilities.</u>		
1) Uniforms	2 Sets in a year (Shirt, Pant & Cap)	2 Sets in a year (Shirt, Pant and Cap) To those workers who are working in a scrap will be given one Jurcy in winter season. The same should be utilised for 3 years.
2) Washing Allowance	Rs.8/- P.M. for uniform holder. One soap for washing hands per month etc.	Rs.11/- P.M. for uniform holder. One soap for washing hands per month etc.
3) <u>Other facilities :</u>		
a) House Rent Allowance	-	Rs.15/- P.M.
b) Conveyance Allowance	Rs.35/- P.M.	Rs.60/- P.M.
c) Medical Allowance upto application of ESI Scheme.	Rs.100/- in a year	Rs.150/- in a year

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	1979	1982
<b>4) <u>Attendance Allowance</u></b>		
i) To those workers who are present on all working days in a year	-	Rs.12/- P.M.
ii) To those workers who remain absent for one day in a year	-	Rs.7/- P.M.
iii) To those workers who remain absent for two days or above in a year	-	N i l
<b>5) <u>Travelling Allowance</u></b>		
To those workers/ employees who travelled for company's work	-	As per Agreement Annexure "A"
<b>6) <u>Canteen facilities</u></b>		
1) To those workers who work at hot places	-	1/2 litre milk daily on working days.
2) Coupon concession	25 paise daily on working days.	50 paise daily on working days.
3) Lunch allowance	-	Rs.15/- P.M.

It is observed from the above table that wage scales are revised in 1982 for all types of workers. Again, D.A. rate is also revised by 0.70 paise in 1982. It is seen that earned leave was not in practice in 1979 however, it was

brought into practice from 1982. At the same time sick Leave was increased from 8 to 9 days in a year and long sick leave from 20 to 26 days in a year. In respect of allowances and facilities, it is observed that washing allowance was increased from Rs. 8 P.M. to Rs.11 P.M.; Conveyance allowance from Rs. 35 P.M. to Rs.60 P.M.; Medical allowance from Rs.100 per year to Rs. 150 per year; House rent allowance was started from 1982 agreement at Rs.15 P.M. Canteen coupon concession which was given at 25 paise daily was increased upto 50 paise daily was increased upto 50 paise daily. Lunch allowance was started from 1982 agreement at Rs.15 P.M.

## 2) Grievance Handling :

There is hardly a company where the employees do not have grievances of one kind or the other. A grievance is an indication of the employee's dissatisfaction with the nature and conditions of his job. A grievance produces unhappiness, discontent, indifference, low morale, frustration etc. Ultimately it affects employee's concentration, efficiency and productivity. It leads to various complications and involves the employee, management, trade union, Government and the society at last. This is an interlocking factor. This invites proper steps or methods for solving the grievances.

Grievance Procedure is an important part of labour

relations. It is essential whether or not a plant is organised. There is no written formal grievance procedure in Kolhapur Steel Limited. However, if grievances are arised the following steps/procedures are followed to solve them.

First an aggrieved employee presents his grievances to his immediate supervisor and then to the depaattmental head. If the worker feels still injustice then he puts his grievances to the "Grievance Committee", which is consisted of management representatives (i.e. labour officer, works-manager, acting executive director etc.) and union representatives. If the worker is dissatisfied with the committee's or management's decision then further steps are taken by the worker with his union.

### 3) Attitudes of Workers and Attitudes of Management :

The quality of management, no doubt, is the organisation's greatest asset, but success of any organisation largely depends upon its workforce and their inner motivation they receive from the management. Work can be meaningful and satisfying to the workforce only when it elicits and stimulates their inner motivations. Only then their experience on the job will become an integral element in the total life experience during which they move towards their full potential as persons.



Therefore, to know how the workers link their job, their supervisors, management and their organisation, information was collected from the selected group of workers.

It seems that in Kolhapur Steel Ltd. both workers and management are holding favourable attitude towards each other. During the course of enquiry through informal discussions of the researcher with the workers, he understood that the workers were holding positive attitude towards the management. The high production level of the factory throws some light on the high level of motivation of the workers.

#### 4) Conditions of Work and Hours of Works :

The surrounding environment of the place where the workers are working influences the productivity of the organisation. Working conditions include generally, the availability of equipments, sanitation, heat, light, ventilation arrangements, production control, rest period and group spirit etc. However, the unsatisfactory physical environment, hours of work etc. may promote absenteeism and hamper the production.

In Kolhapur Steel Ltd. the work place is made fit to work. The working conditions are satisfactory. As far as working hours are concerned, workers in Kolhapur Steel Ltd. work for 8 hours a day with a break of half an hour.

5) Disciplinary Action :

Discipline is adherence to prescribed norms of behaviour within the work organisation. This is necessary for smooth functioning of the organisation, e.g. a subordinate must obey reasonable orders of the supervisors; disobedience will hamper the work. A disciplinary action is a negative way of enforcing discipline and should be resorted to as the last resort.

The procedure of disciplinary action in Kolhapur Steel Ltd. is such that first oral warning is given within the department by the supervisor. If the indisciplined behaviour is displayed by the worker and the supervisor feels that the worker deserves punishment more than the oral warning, he informs the labour officer through the departmental head of the organisation. The labour officer makes a preliminary enquiry and if he finds a prima-facia cases he books the case against the worker. After booking the case, the labour officer issues a charge sheet to the worker informing about the charge and asking for his explanation. After receiving his explanation, it is thoroughly examined by the Labour officer and if he feels that the explanation given by the worker is not satisfactory, then the Labour Officer issues a show cause notice, informing him once again the charge sheet made against him and his

dissatisfaction over his explanation and asking him why such action should not be taken against him as per the standing orders. Before issuing the show-cause notice the Labour Officer has to get the approval of the C.E.O., regarding the punishment which he proposes to impose. If the worker does not show any reason, then the labour officer issues a Memo after suspending him or dismissing him.

But in certain cases when there is grave misconduct, a domestic enquiry is conducted to find the facts. The Enquiry Officer is appointed by the C.E.O./General Manager. The Enquiry Officer after his enquiry submits his report to the General Manager, recommending whether the worker deserves severe punishment or not. According to the finding of the report, action is taken. In case, the punishment is dismissal, it has to be approved by the C.E.O./General Manager. But upto suspension the Personnel/Labour Officer is empowered to take action. Generally before any severe punishment is taken the management also informs the union.

#### 6) Welfare Activities :

Welfare activities are meant to bring about an alround development of employees. These are organised inside the factory since the employees form a large group or community which become a ready instrument for development.

The object of the factory with regard to employees benefits is to extend benefits in a manner consistent with industrial practices and considerations of social justice. In other words, benefits should be as far as possible linked to productivity. They may necessitate a give and take approach to industrial relations.

In Kolhapur Steel Ltd., management provides all the welfare benefits as specified under various Labour Acts and in particular under the Factories Act, 1948. Following are the main welfare activities :

- i) Sports : The company has a sports club which organises various sports activities for its members. The sports club also participates in the various sports competitions organised by other institutions.
- ii) Recreation Club : To provide recreational facilities to workers, the company has set-up the recreational club.
- iii) Industrial Tours : Kolhapur Steel Ltd. is the only company in this area to organise Industrial tours every year for its staff (including office staff) free of cost. This year the company organised tour to Mysore, Bangalore for five days in which nearly 250 employees were participated.
- iv) Seminars, Workshops etc. : In order to acquaint the staff with modern techniques and methods and to improve

their skills the company organises seminars, workshops etc. on important topics.

v) Co-operative Credit Society : The workers of the Kolhapur Steel Ltd. have established a co-operative credit society in 1972. Besides providing financial assistance to the members in the form of loans, the society has set-up cloth department to sell cloth at reasonable rate. The society has 276 members and made a profit of Rs.55000 in the year 1983-84.

7) Disputes :

In Kolhapur Steel Ltd. no major events of conflict like the prolonged strike except on one occasion has been reported to have taken place. Minor grievances are being settled generally at the initial level. There was one prolonged strike in the factory for demanding 20% bonus from 9/12/1982 to 8/2/1983 i.e. for 62 days. After ignoring weekly off 53 working days were lost. The effect of that prolonged strike was found as follows :

- 1) Man days lost : Workers 14131, Staff 2385, Total 16516.
- 2) Production lost : 1325 tons (liquid metal).
- 3) Wages lost : Workers Rs. 407554, Staff Rs. 83475  
Total Rs. 491029.
- 4) Loss of Profit : Rs. 0.96 lakhs.

There was a token strike of one day on 6th Sept., 1984 in giving support to workers in Ichalkaranji Power Looms who were on strike.

The union was of the opinion that factory had the capacity to pay more bonus as profit increased year by year. Hence the union demanded 20 % bonus. But the Management was of the view that company obtained less profit due to competition, less demand etc. But reasons for less production and less profit in the opinion of the union were works done on wrong direction, inefficiency of management, bad quality of raw material, low quality of equipment etc.

After sufficient negotiation the management agreed to give in total 17.5 % bonus (8.33 % as bonus, 4.17 % as ex-gratia and 5 % as production incentive) and the prolonged strike was called off after signing a bonus agreement by both the parties.

8) Workers' Participation in Management :

In Kolhapur Steel Ltd. there are no provisions for workers' participation in management. Only one factory committee is in existence, representing the management and workers' representatives.

9) Union and Management Co-operation :

In Kolhapur Steel Ltd. the relationship between

the union and management is found to be co-operative and satisfactory. The peaceful history of industrial relations shows so.

10) Production Sale Incentive :

The management of Kolhapur Steel Ltd. had agreed to give 5 % of the salary of the previous year to each worker as production sale Incentive for the year 1980-1981, 1981-1982 and 1982-1983. It was decided that the amount will be paid on 25th January of the next year.

11) Trade Unionism :

The Mechanical and Engineering Kamgar Union, Kolhapur is not affiliated to any political party but works under guidance of Lal Nishan Party, Kolhapur. This is the recognised union functioning in Kolhapur Steel Ltd. Majority of workers of this factory are the members of this union. The workers are happy with the working of this union. According to them the union leaders try to solve their problems. The following table shows the total number of workers in the factory and affiliated to the union during the year 1980-1984.:

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Table No.III-2

Number of workers in the factory and affiliated to the Union

Year	Number of workers (excluding office staff)	Affiliated to Union. (Union members)
1980	242	228
1981	242	234
1982	247	239
1983	242	159
1984	227	200

12) Declaration of Bonus :

The company gives bonus to the workers as an incentive. Bonus is like an award. This encourages the workers to work efficiently. This is the most important cause of industrial dispute among other causes. The following table shows the percentage of bonus declared by the company during the year 1980 to 1984.

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Table No.III-3

## Declaration of Bonus from the year 1980 to 1984

Year	Percentage of Bonus
1980	20 %
1981	20 %
1982	8.33 %
1983	8.33 %
1984	10 %

II) Yashwant Iron and Steel Works Ltd.1) Collective Agreements :

The Mechanical and Engineering Kamgar Sangh, Kolhapur has got recognition from Maharashtra Govt. to act as recognised union of workers of Yashwant Iron and Steel Ltd. Hence notice of demand on behalf of workers was sent to the management first on 16-12-1980 and then on 6-10-1983. After sufficient discussion collective agreement was passed and signed by both the parties on 3-3-1981 and then on 30-12-1983.

Table No.III-4  
Important Terms and Conditions of the Agreement

	1981	1984
1) Date of Agreement	3-3-1981	30-12-1983
2) Came into force from	1-1-1981.	1-1-1984
3) Effect of Agreement upto	31-12-1983	31-12-1986
4) Wages scales :		
Unskilled	Rs.250-4-282-5-307-6-337.	
Semi-Skilled-B	Rs.280-5-320-6-350-7-385.	
Semi-Skilled-A	Rs.295-6-343-7-378-8-418.	As per
Skilled-B	Rs.310-7-366-8-406-9-451	1981
Skilled-A	Rs.330-8-394-EB-9-439-EB-10-489.	Agreement
Highly Skilled	Rs.375-9-447-EB-11-502-EB-12-562.	
5) <u>Dearness Allowance</u> :		
Bombay Consumer Price Index (New) For each price index above 300 at the rate of	Rs.1.10 P.M.	Rs.1.10 P.M.
6) <u>Leave &amp; Holidays</u>	One day for every 20 days upto 240 days in a year	
1) Earned leave to those workers/employees who are qualified under Factories Act,1948	one day for every 10 days after the above 240 days in the same year	As per 1981 agreement.

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	1981	1984
2) Casual leave	7 days in a year	7 days in a year
3) Sick leave	As per E.S.I.	As per E.S.I.
4) Paid Holidays	26th Jan., 9th March, 1st May, 15th August, Diwali-Narak Chaturdashi, Two days as per the request of the union.	As per 1981 Agreement.
7) <u>Uniform washing allowance and other facilities.</u>		
1) Uniforms	2 Sets in a year	2 Sets in a year
2) Washing allowance	Rs.10 P.M. for Uniform holder	Rs.10 P.M. for Uniform holder
3) <u>Other facilities :</u>		
a) House-rent Allowance	-	5 % of the basic salary and Special allowance
b) Conveyance Allowance	-	-
c) Medical Allowance	-	-
d) Attendance Allowance Those who attend to work on all working days except on earned leave	Rs.5 P.M.	Rs.5 P.M.
e) Canteen facilities	-	-

It is observed from the above table that there are no differences in wages scales, D.A., leave and holidays provision, uniform and washing allowances etc. in the 1981 agreement and also in the 1984 agreement. Only H.R.A. was started as per 1984 agreement at 5 % of salary to each worker/employee.

2) Grievance Handling :

In Yashwant Iron & Steel Works Ltd. also there is no written formal grievance handling procedure. However, if grievances are arised the following procedure is followed to solve them.

First an aggrieved worker presents his grievance to his immediate supervisor and if dissatisfied to the decision of his superior then to the departmental head. If the worker feels still injustice then he puts his grievance to the "Grievance Committee" which is consisted of the management representatives (i.e.labour office,workers manager,executive director etc.) and the union representatives. If he is dissatisfied with the committee's or management's decision then further step is taken by the worker with the union.

3) Attitudes of Workers and Attitudes of Management:

From the information obtained and discussions with the workers, it seems that in Yashwant Iron & Steel Works

Ltd. both workers and management are holding favourable attitude towards each other.

4) Conditions of work and Hours of work :

In Yashwant Iron and Steel Works Ltd. the work place is made fit for work. The working conditions are satisfactory. The proper lighting arrangement, ventilation etc. are in existence there. As far as working hours are concerned the workers work for 48 hours per week i.e. an adult over 18 hours has to work 8 hours a day along with the recess of rest period. In this company there are two sections : (i) Foundry Section, (ii) Machine Shop Section. For the foundry Section there is one hour and for machine shop section there is half an hour rest for lunch. In the company no adult is allowed to work for more than five hours continuously before having a rest of at least half an hour. The workers work in three shifts in the factory.

First Shift : 6 a.m. to 2-30 p.m.

Second Shift : 2.30 p.m. to 11 p.m.

General Shift : 8 a.m. to 5 p.m.

5) Discipline :

The procedure of disciplinary action in Yashwant Iron and Steel Works Ltd. is the same as the procedure of disciplinary action Kolhapur Steel Ltd.

6) Welfare Activities :

Besides statutory facilities the company also provides some non-statutory welfare services. The following are some of the important non-statutory welfare services provided by the company to its employees.

(a) Education : The education of the workers also plays a great role in the employee satisfaction. This is necessary because, it gives fillip to the employee's spirits many times. To accomplish a job efficiently, the company deputs its workers for training. After completion of such training, the trained worker gives guidance to new and other workers.

(b) Cinema-show and exhibition : This company arranges cinema shows on good working, bad effects of drinking wine and family planning.

(c) Family-planning Programme : In case of family planning operations, the company gives incentives to the workers who undergo family planning operations. The company sanctions sufficient leave to the workers after the operation.

(d) Co-operative Credit Society : Co-operative credit society is the scheme meant for giving financial assistance

to the workers in need. In India workers get less wages than they need, so this type of society is useful for them. Co-operative credit society is an institution of which a worker becomes a member taking a share or shares. The society is registered with a democratic constitution consisting of rules and regulation and providing for suitable office bearers. Whenever any worker is in need he applied for a loan.

The company has workers' Co-operative society. The society is 19 years old and it was formed in 1974. Its loan facility is available to those workers who are permanent. To become a member the worker has to pay Rs.10/- as the value of a share. The maximum loan granted by the society is upto Rs.5000/- which is then deducted from the salary by instalments. Presently, there are 122 members of the society. It is observed that majority of workers have taken benefit of this society.

(e) Canteen : The company does not provide a canteen. However, the company provides Tea Free of cost to its employees at two times.

(f) Celebration of festivals : Every year Ganesh Chaturthi and Diwali are celebrated by the workers in this factory. During Ganesh Festival the workers are provided daily with about 100 gms. of sweets by the company.

(g) Recreation Club : To provide recreational facilities to workers, the company has set up a cultural centre.

(h) Sports : To give fillip to the workers to take part in various sports activities, necessary sports materials are provided to the workers by the company.

(i) Staff Club : There is a staff club for office employees only. This arranges tour, dinner, entertainment programmes etc. for the families also.

(7) Disputes :

In Yashwant Iron and Steel Works Ltd. no major events of conflict like prolonged strike have been reported to have taken place. Minor grievances are being settled by the prescribed procedure.

(8) Workers' Participation in Management :

The participation of the workers in the management should be real and effective and not merely formal. There should be mental and emotional involvement of the workers in the affairs of the management. It makes workers feel that they have a better understanding of the industrial process in which they have taken part and give them sense of direct participation in industrial decisions and inculcates the spirit of responsibility among the workers.



It also gives the workers a sense of satisfaction and removes the tensions between labour and management.

In Yashwant Iron and Steel Works Ltd. there is one Works Committee consisting of management representatives and workers' representatives. This Committee is formed as per Industrial Disputes Act, 1947. The following are the members of this committee at present :

- A) Management Representatives :
- 1) Shri V.J.Vyas
  - 2) Shri S.G.Patil
  - 3) Shri V.B.Patil
  - 4) Shri N.V.Nene
- B) Workers' Representatives :
- 1) Shri S.R.Patil,
  - 2) Shri P.A.Mane,
  - 3) Shri S.S.Patil
  - 4) Shri A.S.Powar

This Committee meets regularly once in a month and discusses their problems/difficulties in mutual spirit and confidence. The proper record is kept of the proceedings.

(9) Union and Management Co-operation :

In Yashwant Iron & Steel Works Ltd. the relationship between the Union and Management is found to be co-operative and satisfactory. The peaceful history of industrial relations shows so.

(10) Trade Union :

The Mechanical and Engineering Kamgar Sangh, Kolhapur, affiliated to AITUC, is the recognised union functioning in this factory. All workers are members of this union. The workers are happy with the union. According to them union leaders try to solve their problems.

(11) Declaration of Bonus :

Bonus is an important means of giving encouragement to the workers. If the demand of workers regarding bonus is not fulfilled, it brings industrial unrest and finally strike may be happened. In Yashwant Iron and Steel Works Ltd., the management has agreed to the importance of this issue and declared the bonus (in percentage) as follows :

Table No.III-5

Declaration of Bonus from the year 1980 to 1984

Year	Percentage of Bonus
1980	15.5 %
1981	16.66 %
1982	17.50 %
1983	20 %
1984	18 %