

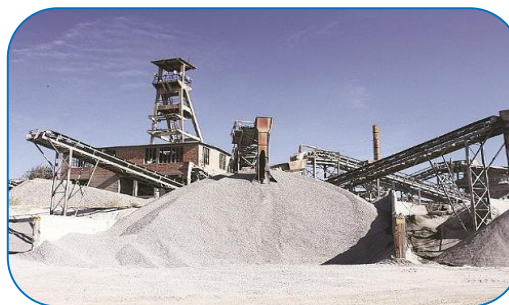


## INDUSTRIAL RELATIONS IN CEMENT INDUSTRIES IN TAMILNADU - A STUDY

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### ABSTRACT :

*Prior to 1991, the industrial relations systems in India sought to control conflicts and disputes through excessive labor legislations. These labour laws were protective in nature and covered a wide range of aspects of workplace industrial relations like laws on health and safety of labours, layoffs and retrenchment policies, industrial disputes and the like. The basic purpose of these laws was to protect labours. However, these protectionist policies created an atmosphere that led to increased inefficiency in firms, over employment and inability to introduce efficacy.*

**KEYWORDS :** Industrial Relations, Retrenchment, inefficiency, International Market, workforce.

### 1.1. INTRODUCTION

The cement industry in India is one of the vital industries for economic development. The total utilization of cement in a year is used as an indicator of economic growth. Cement is a necessary constituent of infrastructure development and a key raw material for the construction industry, especially in the government's infrastructure development plans in the context of the nation's socioeconomic development.

The cement industry comprises 125 large cement plants with an installed capacity of 148.28million tonnes and more than 300 mini cement plants ith an estimated capacity of 11.10 million tonnes per annum. In India after Liberalization, the cement industry was given complete freedom, to gear it up to meet the challenges of free market competition due to the impending policy of liberation. In 1991 the industry was de licensed. This resulted in an accelerated growth for the industry and availability of state of the art technology for modernization. Most of the major players invested heavily for capacity expansion.

### 1.2 OBJECTIVES OF THE STUDY

The study has the following specific objectives :

1. To study the industrial relations scenario in India.
2. To study the level and extent of the relationship between workers and management.
3. To analyze the perception of the workers about various factors that affect the industrial relations and to explore the inter-relationship among various dimensions of industrial relations in the study units.
4. To examine the role of trade unions in maintaining harmonious industrial relation in the study units.

5. To suggest suitable measures to promote industrial relations in the cement industry in the study area.

### 1.3. HYPOTHESIS

1. There is no significant difference between individual demographic variables and the opinion relationship between workers and supervisors, relations between workers and management, access to the management by workers, relationship among workers and relationship between members and trade unions.
2. There is no significant difference between different categories of the respondents in the public and private sector cement units and their perception about industrial relations.
3. There is no significant difference between individual demographic variables and the perception about industrial relations.

### 1.4 PERIOD OF THE STUDY

The secondary data were collected for a period of five years from 2012-13 to 2016-17. The primary data from the sample members of the sample units were collected in the year 2016-17.

### 1.5. DATA BASE AND METHODOLOGY

The primary as well as the secondary data have been collected and used in this study. Primary data were collected through questionnaires, observations as well as indepth personal interviews of a cross-section of management and workers. The interviews were primarily focused on gaining insight into the major industrial relations problems as perceived by the employees.

Ten factors were identified namely Recruitment and Selection policy, Training and Development, Promotion, Compensation Management, Welfare Measure, Working Conditions, Discipline and Grievance, Employee health and safety, Collective bargaining and Workers participation in management for analyzing the perception of the workers about industrial relations in the study units. The secondary data were collected from the records of the study units and from the labour department in the district. The source of secondary data includes records from different sections and audited annual reports. Apart from these, necessary information has been collected from various books, journals, published articles and the World Wide Web.

### 1.6. SAMPLE FRAME :

The study involves one public sector and one private sector organization belonging to cement industry located in the Ariyalur district. Three private sectors and one public sector cement plant exist in the district. Among the existing plants one public sector unit namely Tamilnadu Cements Limited, and one private sector unit namely Dalmiya Cement Limited has been purposively selected to analyze the level and extent of industrial relations. For the purpose of analysis, the workers were classified as skilled, semi skilled and unskilled. In TamilNadu Cements Company Ltd., there are 380 workers. They can be classified as 109 skilled 127 semi skilled and 144 unskilled workers. In the Dalmiya cement there are 670 workers totally. They are also classified as 167 skilled, 232 semi skilled and 271 unskilled. 30 per cent from each category, numbering 315 is selected as sample respondents on the basis of stratified random sampling method.

### 1.7. PILOT STUDY

Before the field survey was conducted, the consistency of the information has become essential and a pilot survey was conducted for this purpose. From the universe of the study, questionnaires were supplied to 25 respondents and this was tested for extracting the tentative results. This helped greatly to obtain correct information. The result of the pilot study indicates that there is a difference between level and extent of industrial relations in the public and private sector cement units in the study area. Which induced the researcher to conduct the full fledged research on this topic.

## 1.8. STATISTICAL ANALYSIS :

The collected data and information have been carefully processed, analyzed and interpreted in order to reach the findings. The statistical tools and techniques such as arithmetic mean and simple percentage were used. The hypotheses framed for the study were tested using appropriate tests of significance. Chi-square test, inter-correlation and t test were the statistical tools applied to test the significance.

## 1.9. CHAPTER SCHEME

This study is divided into seven chapters.

Chapter I describes the empirical aspect of this study, including objectives, methodology used to collect data, sample parameters, and limitations.

Chapter II provides a detailed review of earlier studies carried out in the area of Industrial relations.

Chapter III has been devoted to the discussion of the Indian Industrial relations scenario in India.

Chapter IV examines the level and extent of relationship between workers and management in the study units.

Chapter V analyses the perception of the workers about various factors that affect the industrial relations in the study units.

Chapter VI examines the role of trade unions in maintaining harmonious industrial relations in the study units.

Chapter VII contains the summary, major findings and suggestions for improving sound industrial relations. It ends with the scope of future research.

## 1.10 ANALYSIS AND DISCUSSION

### 1.1 INDUSTRIAL DISPUTES DURING THE POST LIBERALIZATION PERIOD

The details of the industrial disputes occurred during the post liberalization period are given in table 1.1.

**Table 1.1**  
**INDUSTRIAL DISPUTES RESULTING IN WORK STOPPAGES**

Year	No. of Disputes	No. of workers Involved (in 000's)	Mandays Lost (Million)	Wages Lost in (Rs. Million)	Value of Production Lost (Rs. in Million)
2007	1097	1289	22.10	10.303 (580)	69.43 (520)
2008	927	1311	2680	05.18 (403)	67.04 (352)
2009	771	1418	28.70	18.29 (319)	116.23 (279)
2010	674	688	23.8	07.79 (284)	83.02 (254)
2011	579	1079	26.59	605 (227)	6829.6 (197)
2012	552	1816	30.26	661.4 (191)	4184.9 (149)
2013	477	2072	23.87	1081.6 (160)	3556 (131)
2014	456	2914	29.67	1161.2 (146)	3450.7 (121)
2015	430	1810	20.32	1730.1	3813.8

				(173)	(99)
2016	389	725	27.17	443.9 (131)	2674.1 (82)
2017	421	1579	17.43	971.6 (127)	3028 (50)
Average	615.73	1518.27	25.16	1403.71	2533.89

Source : various issues of the Pocket Books of Labour Statistics

Note : Figures in brackets indicate the number of cases to which the information relates.

Table 1.1 reflects the cost of industrial disputes which the country has suffered. It is evident from the above table that the number of disputes has declined from 2006 in 2007 to 389 in 2016; in 2017 the number of disputes has increased to 421 as compared to 2017. Likewise, the number of workers involved has increased from 12.89 lakhs in 2007 to 14.18 lakh in 2009, in 2011, it has declined to 6.88 lakh as compared to 2009. Again it has increased from 10.79 lakh in 2009 to 29.14 lakh in 2014, thereafter it has a declining trend till 2016, in 2017 it stood at 15.79 lakh as compared to 2016. The maximum mandays lost was 30.26 million in the year 2012 and the highest number of workers involved (29.14 lakh) in industrial disputes was the highest in 2014, which was the maximum industrial disputes occurred in 2007. The maximum wages Lost was Rs.1730.1 Million with 173 disputes in 2015, whereas the maximum value of production Lost was Rs.6829.6 million with 197 disputes in the year 2009. The table reveals that on an average 615 industrial disputes, 15.18 lakh workers, 25.16 million mandays were lost, besides Rs.1403.71 million wages and Rs.2533.89 million worth productions from 2007 to 2015. Thus, it can be concluded that the problem of industrial relation is the major hurdle in the economic growth of the country. Therefore, concerted steps should be taken to reduce frequency of industrial disputes and maintain peaceful industrial relations.

## 1.2 INDUSTRY WISE MANDAYS LOST

The industry wise mandays lost due to industrial disputes resulting in work stoppages in India is given in table 1.2.

**TABLE 1.2**  
**MANDAYS LOST DUE TO INDUSTRIAL DISPUTES RESULTING IN WORK STOPPAGES (BY INDUSTRY) (in 000's)**

Industry	2012	2013	2014	2015	2016	2017
Agriculture, hunting, and forestry	2926	2413	5478	3001	3261	2642
Fishing	-	-	-	-	-	-
Mining and quarrying	7633	2180	2360	223	694	256
Manufacturing	17638	17262	19327	14171	23433	12645
Electricity, gas and water supply	33	1	52	26	93	115
Construction	6	70	13	-	-	115
Wholesale and retail trade, repair of motor vehicles, motorcycles and household goods	-	6	22	22	2	1
Hotels and restaurants	55	85	67	49	40	-
Transport, storage, and communication	53	57	98	59	170	32
Financial intermediation	246	1252	1557	2367	115	119
Real estate, Real estate,	31	10	17	@	28	1077

renting and business activities						
Public administration and defence, compulsory social security.	25	4	64	40	-	1
Education	-	-	-	-	-	4
Health and social work	4	11	19	-	1	5
Other community, social and personal service activities.	1605	514	592	360	278	1
Private households with employed persons	-	-	-	8	10	525
Activities of private households as employers and undifferentiated production activities of private households.	-	-	-	-	-	10
Extra-territorial organizations and bodies.	-	-	-	-	-	-
<b>Total</b>	<b>30256</b>	<b>23866</b>	<b>29665</b>	<b>20324</b>	<b>28125</b>	<b>17433</b>

Source : Various Issues of the Pocket Books of Labour Statistics.

Note : Figures in brackets indicate the number of cases to which the information relates.

Table 1.2 shows the industry wise mandays lost due to industrial disputes resulting in work stoppages in India. The maximum mandays lost was in the manufacturing industry. In the manufacturing industry, the highest number of 234.33 lakh mandays was lost in the 2016 followed by 2014. On an average, 174.13 lakh mandays was lost during the period from 2010 to 2017. Next to manufacturing industry the highest number of 54.78 lakh mandays was lost in Agriculture, hunting, and forestry industry. On an average 3286.83 was lost in this industry. In mining and quarrying which is in the third place, a total of 133.46 lakh mandays was lost from 2012 to 2017, averaging 22.24 lakh mandays. Meager average of mandays was lost in other industries.

### 1.3 STATE - WISE MANDAYS LOST DUE DISPUTES

The state-wise mandays lost due to industrial disputes which occurred in India is presented in table 1.3.

**TABLE 1.3**  
**MANDAYS LOST DUE TO DISPUTES RESULTING IN WORK-STOPPAGES (BY STATES) ('000)**

Industry	2012	2013	2014	2015	2016	2017	Total
Andhra Pradesh	7129	957	1012	2405	342	637	12482
Arunachal Pradesh	-	-	-	-	-	-	-
Assam	9	68	112	100	29	288	606
Bihar	60	146	23	124	60	95	508
Chhattisgarh	13	29	10	27	4	27	110
Delhi	2	32	10	154	11	110	319
Goa	2	-	-	-	-	-	02
Gujarat	147	163	187	201	97	43	838
Haryana	138	158	494	418	48	5	1259
Himachal Pradesh	33	25	23	15	9	11	116
Jammu & Kashmir	-	-	@	9	@	-	09
Jharkhand	-	-	-	56	-	10	66
Karnataka	140	217	458	286	94	213	1408

Kerala	568	469	3619	463	227	613	5959
Madhya Pradesh	113	55	85	119	12	59	443
Maharashtra	547	1347	1433	449	1	131	3808
Manipur	10	52	19	-	-	-	81
Meghalaya	-	-	-	-	-	-	-
Mizoram	-	-	-	-	-	-	-
Nagaland	-	-	-	-	-	-	-
Orissa	237	72	122	159	10	-	600
Punjab	314	310	33	110	49	90	906
Rajasthan	1308	1332	1927	1335	953	974	7829
Sikkim	-	-	-	-	-	-	-
TamilNadu	939	638	661	720	1411	806	5175
Tripura	-	-	-	-	-	-	-
Uttranchal	21	33	39	46	-	-	139
Uttarakhand	237	72	-	-	25	12	346
Uttar Pradesh	98	185	133	503	42	1410	2371
West Bengal	18412	17565	19216	12521	23738	11998	103450
A&N Islands	-	-	-	-	-	-	-
Chandigarh	19	12	47	105	6	-	189
D&N Haveli	-	-	-	-	-	-	-
Damam& Diu	-	-	-	-	-	-	-
Lakshadweep	-	-	-	-	-	-	-
Puducherry	-	-	-	-	-	-	-
Total	30256	23866	29665	20324	27167	17433	149019

Source : Various Issues of the Pocket Books of Labour Statistics  
@ 500 Less than 500

It is evident from the table 1.3 the highest number of 1034.50 lakh mandays was lost due to industrial disputes in the state of West Bengal. On an average 172.42 lakh mandays lost was registered during the year 2012-2017. This is due to several years of communist government in the state and the workers also adhering to communist ideology. Andhra Pradesh has suffered the highest number of 124.82 lakh mandays lost next to West Bengal. Rajasthan is in the third place. In this state 78.29 lakh mandays was lost from the 2012-2017, averaging 13.05 lakh mandays. In Tamilnadu, 51.75 lakh mandays was lost. On an average 08.63 lakhs mandays was lost during the above period. Other significant states which suffered loss of mandays were Kerala 59.59 lakh mandays and Maharashtra 38.08 lakh mandays.

#### 1.4 DISTRIBUTION OF DISPUTES BY DURATION

The percentage distribution of industrial disputes by duration occurred in India is shown in table 1.4.

**TABLE 1.4**  
**PERCENTAGE DISTRIBUTION OF DISPUTES (BY DURATION)**

<b>Duration</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Average</b>
1 day or less	14.9	19.2	18.3	31.3	27.5	28.4	23.27
More than 1 upto 5 days	10.7	17.5	22.4	17.1	17.0	20.7	17.57
More than 5 upto 10 days	15.7	17.2	14.2	9.8	11.9	12.3	13.52
More than 10 upto 20 days	13.8	15.8	12.6	12.4	12.8	12.3	13.28
More than 20 upto 30 days	9.3	5.5	7.7	6.5	5.5	8.8	07.22
More than 30 days	35.7	24.7	24.8	22.9	25.2	17.6	25.15

Source : Various Issues of the Pocket Books of Labour Statistics.

Table 1.4 indicates that 25.15 per cent of industrial disputes occurred or more than 30 days and 23.27 per cent of the disputes were settled in one or less than one day. About 18 per cent of the disputes occurred for more than 1 and less than five days. Nearly 14 per cent and 13 per cent of disputes occurred from 5 to 10 days and at a maximum of 10 to 30 days. It is understood from the table nearly one fourth of the industrial disputes occurred for more than 30 days, which indicates the firm attitude of the management as well as workers to stick on to their stands. The average percentage distribution of disputes by duration during 2012-2017 is also presented in figure 1.1.

### 1.11 FINDINGS :

The major findings of the study are ;

The study reveals that the number of industrial disputes has declined from 1097 in 2007 to 389 in 2016 and in 2017 the number of disputes has increased to 421 as compared to 2017.

The maximum mandays lost was in the manufacturing industry followed by agriculture, hunting, forest and mining and quarrying industries. In the manufacturing industry, on an average, 174.13 lakh mandays was lost during the period from 2012 to 2017. Next to manufacturing industry, on an average 3286.83 was lost in Agriculture, hunting, and forestry industry. In mining and quarrying, an average of 22.24 lakh mandays was lost. Meager average of mandays was lost in other industries.

On an average 172.42 lakh mandays lost was registered during the year 2012-2017 in the state of West Bengal. Andhra Pradesh has suffered the highest number of 124.82 lakh mandays lost next to West Bengal. Rajasthan is in the third place. In this state 78.29 lakh mandays was lost from the 2012-2017, averaging 13.05 lakh mandays. In Tamilnadu, 51.75 lakh mandays was lost. On an average 08.63 lakhs mandays was lost during the above period. Other significant states which suffered loss of mandays were Kerala 59.59 lakh mandays and Maharashtra 38.08 lakh mandays.

The most important causes for industrial disputes is the disciplinary action taken by the management for indiscipline of the workers followed by demand for higher wages and allowances during the period from 2012 - 2017. The policies followed in the personnel department are the third reason for creating industrial unrest in India.

The study indicates that 25.15 per cent of industrial disputes occurred for more than 30 days and 23.27 per cent of the disputes were settled in one or less than one day. About 18 per cent of the disputes occurred for more than 1 and less than five days. Nearly 14 per cent and 13 per cent of disputes occurred from 5 to 10 days and at a maximum of 10 to 30 days. It is also understood from the study nearly one fourth of the industrial disputes occurred for more than 30 days, which indicates the firm attitude of the management as well as workers to stick on to their stands.

The study indicates on average 68 and 387 industrial disputes occurred from 2012 to 2017. A large number of disputes occurred in private sector industries when compared to public sectors industries.

It is understood from the overall opinion of the respondents that a better relationship existed among the workers in Public sector as compared to Private Sector Cement Company. Irrespective of the categories of the respondents and organizations all the respondents have similar opinion about the relationship between members and trade unions as friendly. There is a significant difference between public and private sector respondents in their opinion about the relationship between, workers and supervisors, between workers and management, access to the management by workers, relationship among workers and relationship between members and trade union in the organizations.

### 1.12 SUGGESTIONS

The study reveals that irrespective of the category, all the respondents are dissatisfied with the promotion policy. Therefore the promotional policy of the organizations should provide uniform promotional opportunities throughout the company. It means that the ratio of internal promotions to external recruitment must be the same in all departments. Otherwise there will be discontent and frustration in the department where the ratio is lower. Therefore, equal opportunities for promotion should be provided to all categories of job in all the departments to have smooth industrial relations.

To eliminate industrial unrest, the promotion policy of the organization should clearly indicate the avenues of advancement available to its employees. Multiple chain promotion charts should be prepared for this purpose. In such a chart each position should be linked to several other positions to which promotions can be made. This chart shows ladders or paths of advancement or promotion routes which are called opportunity charts or fortune sheets. Dead end jobs should be labelled and the upward path should be well marked on the chart.

The promotion policy of the organization should clearly indicate the basis of promotion. Due weightage should be given to seniority, merit and future potential of an employee. Clear cut norms and criteria should be laid down for judging length of service, merit and potential. The assessment and reporting system should be objective.

The promotion policy of the organization should be correlated with career planning. The long period of no promotion (promotional drought) leads to poor industrial relations, therefore it should be avoided in the organization.

### 1.13 CONCLUSION

The study reveals that better relationship exists between workers and supervisors in the private sector as compared to public sector cement units. The overall views of the respondents indicate that there exists an unfriendly relationship between workers and management in both the public sector and private sectors cement units. The accessibility of the management is not easy in private sector as compared to public sector. Further, semi-skilled and unskilled workers in both sectors are not easily accessible to the management to express their demand. The attitude of the management towards unskilled workers is biased whereas towards skilled workers is impartial in both public sector and private sector cement units.

The study shows that poor industrial relations exist in the public sector whereas moderate industrial relations exist in the private sector cement units. The labour-management relation at public sector unit was not amicable during the study period whereas in the private sector industrial relations was amicable during the period.

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