INDUSTRIAL RELATIONS AND WELFARE ACTIVITIES PREVAILING IN SAIL AND RDCIS – A COMPREHENSIVE ANALYSIS

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ABSTRACT

Growth of an industry depends upon its effective utilisation of resources and the people working in the organisation. For effective utilisation, managers need to concentrate on increasing the productivity, knowledge and preference in terms of performance. It is a widely accepted fact that success of any organisation or business, to a great extent, depends upon industrial relations and welfare activities prevailing in that particular organisation. The purpose of this paper is to study the industrial relations and welfare activities prevailing in SAIL and RDCIS, and to suggest measures if any.

Design/Methodology/Approach: Descriptive Research has been used during the study. Data were collected through a survey using a questionnaire having 25 questions. The questionnaire was distributed to 120 employees but the responses of only 75 executives and non-executives were received.

Findings: With the help of the study, we have proved that greater percentage of employees were satisfied with industrial relations and welfare activities provided by the SAIL and RDCIS, which is further explained in the study.

Practical Implications: This study will be used to identify the problems, issues and challenges in maintaining good industrial relations in the organisation.

Originality/Value: The study offers the insight on identifying various aspects such as motivation to work, working conditions, health and safety of employees, peace and harmony in the organisation, handling of disputes in corrective manner, etc.

Keywords: Effective utilisation, increasing productivity, motivation to work, peace and harmony

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INTRODUCTION

In the present scenario, public sector is giving cut throat competition to the private sector; one such public sector organisation is Steel Authority of India Limited (SAIL). It is ranked amongst the top ten public sector organisations in India in terms of turnover (over Rs. 40,000 cr.) and workforce (around 1.31 lakhs). SAIL manufactures and sells a broad range of steel products and has won two feathers in its cap – (1) being India’s largest producer of iron ore, (2) is the first metal company to cross Rs. 1 trillion of market capitalisation, and having the country’s second largest mines network. These two credits give SAIL a competitive edge in terms of captive availability of iron ore, limestone, and dolomite which are inputs for steel making. It has frequently been the first to introduce the latest available technologies in the area of pollution control.

Research and Development Centre for Iron and Steel (India) [RDCIS] attempts to provide SAIL plants with prompt, innovative and cost-effective R&D solutions, develop and commercialise improved processes and products, and continually enhance the capability of its human resources to emerge as centre of excellence. The major efforts of RDCIS are directed towards cost reduction, quality improvement and value addition for products of SAIL plants, and providing application engineering support to SAIL’s products at customer’s end. RDCIS also offers its technological services to various other organisations.

The relationship between employer and employee or trade unions is called Industrial Relation and the main objective is to maintain harmonious relationship between employees and employers, and safeguard the interests of the both the parties of the production. In order to do so, the main function of every organisation is to avoid any dispute with them or settle any dispute as early as possible to ensure industrial peace and higher productivity. Personnel management is mainly concerned with the human relation in industry because its main theme is to get the work done by the human power. SAIL has given one of the best examples of coordination, reconciliation and adjustment between the employees, management and the organisation. Keeping in view the different aspects of industrial relations, an attempt has been made in this project to be carried out at SAIL, RDCIS.

This project has been done to observe how the industrial relations and welfare activities help to motivate the employees to achieve the organisational goal, and does the organisation help the employees at the time of need. To examine the satisfactory level of employees regarding industrial relations and welfare activities, the questionnaire method had been used and survey had been conducted among 120 executive and non-executive employees of all grades and disciplines. Out of this, 75 had given the response from which analysis has been done; the outcome was that most of the employees were satisfied with industrial relations and welfare activities provided by the SAIL, RDCIS.

Literature Review

Sen, Ratna, talks about the first decade of the 21st century that witnessed a series of conflicts in renowned trans-nationals as well as their ancillaries in India. Although nearly all these organisations have been characterised by excellent technical capabilities, they have reached great heights in efficiency, and attained excellence in several areas. But they are facing serious problems
in their relations with their employees and unions (where present), especially as worldwide
recession tightened its grip on the businesses. These conflicts indicate considerable similarities in
the issues leading to conflicts as well as management responses to them, and raise several
questions about their understanding of the industrial law, culture and practices in India and other
countries. There are also dissimilarities and unique features among them.

This paper presents an analysis of the common and uncommon patterns. Hill, Elizabeth,
discusses that the industrial relations system in India has been under pressure for decades, and
new problems are emerging as the country is integrating more into the global economy. The main
architecture of the system was established prior to independence and remains mostly unchanged.
The system is highly centralised, and the state is the main mediator between capital and labour.
Unions have historically enjoyed a close relationship with the state through party-based federations,
but this has undermined their success developing a robust grassroots constituency and experience
in collective bargaining.

This essay provides a broad overview of the evolution of the Indian system of industrial
relations and the labour market reform debate that has arisen in the context of economic change.
The structure of the Indian labour market, the overwhelming size of the informal or ‘unorganised’
workforce, and its location outside the industrial system are the fundamental challenges faced by
the Indian industrial relations. There is an urgent need to develop a system that embraces all
workers especially given India’s demographic profile, and the expected increase in the number of
working age people over the next decade. The experience of women workers and the failure of
both the industrial system and the union movement to understand and accommodate their needs,
is also an important challenge for industrial relations in India.

Jackson, Dudley, discusses that India in particular is well known for the degree of control
and influence which the government tries to exercise over the economy, not least over the labour
market; so, the omission of such factors can hardly be justified. There is a voluminous Indian
literature on this subject, particularly since the report of the National Commission on Labour in
1969, and one of the striking facts about wage settlements in India is the extent to which public
debate and public policy have been continually brought to bear on such settlements. Wages are
very much influenced by administrative and legislative factors, and, while not denying the
importance of market forces, more attention should be given to the former. Thus, the purpose of
this paper is to give a simplified account of some of the institutional features of wage settlement
in India’s economy, together with some brief critical comments on the wider implications of the
system and on recent proposals for changing it.

The analysis of this paper shows how the government has evolved a politically viable wage
policy, which has ensured some restraint on and equity in the movement of industrial wages. But
the government cannot expect to have both its wage policy and an absence of industrial disputes
in times of rising prices. Strikes are the inevitable cost of wage restraint, and the appropriate
remedy is not to abandon a politically well-tried and feasible wage policy, but to try to ensure
greater price stability – the best labour policy recommendation for India is to continue to adapt
the existing system to the changing demands of balanced economic development.

Handy, L. J. and Papola, T. S. comments on the research by Dudley Jackson on wage
policy and industrial relations in India. The authors argue that market forces have played major
role in the determination of post-war trends in the level and structure of wages in India. They
dispute that the Indian government has had a well formulated and effectively implemented wage
policy. Secondly, the authors find no evidence to suggest that the government sought to restrain
real wages. Lastly, they feel that the wage structure has moved in an opposite direction to that
surmised by Jackson.

Berkowitz, Monroe, says that the main interferences with managerial discretion in the
industrial relations area in the United States come from the activities of strong trade unions. In
comparison with other countries like England, Sweden, Japan, and certainly a developing country
like India, government interferences with industrial relations in the United States is at a minimum.
It is true that factory and safety legislation, minimum wage laws, social insurance legislation and
the federal Labor Management Relations Act prohibit the free exercise of entrepreneurial initiative
in selected areas. But significant control over managerial decision-making comes mainly from a
union’s enforcement of the collective bargaining agreement. The factory manager’s decision to
discharge, promote or transfer a worker can be challenged by the union. In such cases, an
outside arbitrator who may reverse what management conceived of as a well-thought-out decision
may make the final decision essential for the functioning of operations. A militant trade union,
aided by the threat of a strike, may force management to make un-economic wage concessions.
A Teamsters’ local may force management to adopt a delivery pattern for its goods, which is
inconvenient and costly. The whole pattern of the United States’ labour relations is bottomed on
the idea of the exclusive bargaining agent, which can build a power position in the plant, and
perhaps, on a much wider scale.

Joseph, Binoy, Injodey, Joseph & Varghese, Raju, says that India’s labour force ranges from
large numbers of illiterate workers to a sizeable pool of highly educated and skilled professionals.
Labour welfare activities in India originated in 1837. They underwent notable changes during the
ensuing years. This article is a description of these changes and the additions, which were
included over this period. On the whole, it paints a picture of the Indian Labour welfare scene.
The 10 Five-Year Plans have had a tremendous impact. Further, the Indian Planning Commission
has laid down measures to enhance the welfare of workers in various areas such as child labour,
bonded labour, female labour, and occupational safety and health. Welfare work in India (broadly
defined) is carried out by various government and non-government organisations of which the
most important are National Government, State Government, Trade Unions, the Public Sector
and Private Sector non-government organisations. Activities in this area include provision of
housing facilities, education, occupational safety and health, prevention of child and bonded
labour, and enhancement of working women’s welfare. Private Sector welfare measures are of a
similar nature. Notable companies taking initiatives in this regard are Tata and Larsen & Toubro.
The article points out that the structure of a welfare state rests on its social security fabric.
Government, employers and trade unions have done a lot to promote the betterment of workers’
conditions. However, a great deal still needs to be done.

Ramaswamy, E.A. and Schiphorst, F. B., discusses the introduction of schemes aimed at
employee empowerment within a context of strong industrial relations in India. The pressure put
on profit margins by a competitive business environment is forcing an increasing number of
Indian enterprises to view employee empowerment as a serious strategic option. Getting workers
to take responsibility for shop-floor decisions over quality, safety, productivity and material use appears, at first sight, an alluring prospect. It would seem that men and women at the bottom of the pyramid cannot but be warmly appreciative of power-sharing arrangements from which they have something to gain; but there are forces at work, which can actively obstruct or quietly subvert attempts at re-distributing power. In this paper, the focus is on some of the motives a trade union might have to do so.

**RESEARCH OBJECTIVES**

The objectives of this paper are:

- to observe the industrial relation satisfaction level of the employees in the organisation.
- to find out ways to help in building the positive industrial relations for the workers and management for development of the interest of organisation as well as interest of nation.

**RESEARCH METHODOLOGY**

Descriptive research was used for the current study. Data was collected through a survey using a self-made questionnaire having 25 questions. The questionnaire was distributed to 120 employees but the responses of only 75 executives and non-executives were received. Simple random sampling was used to select the desired sample. Primary data were collected through this method and the same was interpreted to give meaning to the findings. Secondary data were collected from newspapers, magazines, beer industry, journals, online resources, etc.

**Data Analysis and Findings**

Given below is the analysis and interpretation of the data according to the responses of the employees working in the organisation:

1. What motivates you the most while working in SAIL?

   - Organisational structure
   - Facilities
   - Welfare
   - Promotion system
   - All

48 percent of the employees opted for all factors and next to it, 35 percent opted for the facilities provided by SAIL. The motivation factor for SAIL employees constitutes of all factors, *i.e.*, organisation structure, facilities provided, welfare activities, and promotion and grading system. Here we can conclude that everything is needed for proper growth.
2. With your own experience, would you prefer your children joining SAIL?

- [ ] Yes
- [ ] No
- [ ] Can't say

76 percent of the employees want their kids to join SAIL in future, and 21 percent have no idea whether they want their children to join this organisation. Hence, we can say that maximum number of employees working in SAIL is satisfied with their job, working conditions and facilities provided, and this is the reason behind their thinking that their children too will have a bright future in this organisation.

3. Do you think you always get favourable working environment?

- [ ] To great extent
- [ ] To some extent
- [ ] Rarely
- [ ] Never
- [ ] Always

41 percent of the employees to great extent are satisfied with the working conditions, and 28 percent of the employees are always satisfied with working conditions. No one has opted ‘never’. From this, we can conclude that most of the employees believe that they have good working conditions within the organisation.

4. Are you satisfied with the different welfare activities provided by RDCIS?

- [ ] Highly satisfied
- [ ] Satisfied
- [ ] Can't say
- [ ] Dissatisfied
- [ ] Highly dissatisfied
75 percent of the employees said that they are satisfied with the different welfare activities provided by RDCIS, SAIL, and 21 percent of the employees opted for highly satisfied. Therefore, the welfare activities provided by RDCIS to the employees are satisfactory. The workmen, union, etc. are happy with the welfare activities of the organisation.

5. Do you think the organisation is concerned about health and safety of its employees?

☐ To great extent ☐ to some extent ☐ Rarely ☐ Never ☐ Always

45 percent of the employees think that to great extent, and 39 percent said to some extent, management are concerned about the health and safety conditions of its employees within the organisation. So, we can say that management of SAIL is concerned about the health and safety of the employee, and provide proper medical facilities and security systems.

6. Your comment on recently launched Swipe Card System?

☐ Excellent effort ☐ Easy to Handle ☐ Poor job
43 percent of the employees say that swipe card is easy to handle, 31 percent says it is an excellent effort, and 25 percent says it is a poor job. According to the findings, we can say that most of the employees have accepted the implementation of swipe card system as a good initiative towards adopting new technologies.

7. Do you consider introduction of Swipe Card as indication of adoption of new technology?

☐ Yes  ☐ No

83 percent of the employees working in RDCIS think that introduction of swipe cards are an indication of adoption of new technology. It clearly states that the organisation takes initiatives in implementing new technologies and at the same time, employees also welcome and accept new technology.

8. Do you think the organisation takes care of the interest of its retired employees?

☐ Yes  ☐ No

76 percent of the employees think that the organisation takes care of the interest of its retired employees, 21 percent think that the organisation does not, and 3 percent can’t say.
9. What are the usual problems faced by you?

- Working conditions
- No/less guidance
- Benefits
- All
- None

47 percent of the employees opted for none, which means that they don’t have to face any usual problems in the organisation, and 29 percent opted for no or less guidance. Here we can say that a majors section thinks that they don’t have to face any normal problems in the organisation but also there are some employees who feel they should be given more guidance regarding their work and for any new implementation.

10. How do you resolve a problem?

- On your own
- Consulting colleagues
- By consulting your superior
- By consulting top management
- With the help of the Union/ASE

41 percent of the employees said that they use to resolve their problem by consulting their superior, 32 said that they consult their colleagues, and 20 said that they attempt to solve their problems by themselves. According to these findings, we can say that every person has different perception – some are happy to handle their problems by themselves without consulting others and some want to take help of other people.
11. Normally how much time is taken in resolving the issues?

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<td>%</td>
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67 percent of the employees feel that the time taken for resolving any issues is moderate, 23 percent thinks it is done at fast pace, and 10 percent think the rate is slow. Here we can say that organisation resolve any conflicts or disputes within the stipulated time, i.e., neither too fast nor too late which is accepted up to a great extent.

12. Does the organisation take much longer time than expected in implementing new concepts?

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According to the findings, 45 percent of the employees agree that the organisation take longer time than expected in implementing new concepts, 28 percent are neutral, and 19 percent disagree with the statement.

13. Do you think counselling should be a preferred tool than taking any punitive action?

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60 percent of the employees agree that counselling should be given priority before taking any punitive action, 29 percent strongly agree with this verdict, and 8 percent thinks it won’t affect much. We can conclude that the employees working in RDCIS think punitive action will not be an effective way to bring change in the behaviour of personnel.
14. Do you feel that for maintaining peace and harmony in the organisation, it is necessary to have good IR?

- [ ] Strongly agree
- [ ] Agree
- [ ] Neutral
- [ ] Disagree
- [ ] Strongly Disagree

56 percent of the employees strongly agree and 46 percent normally agree that for having good industrial relations within the organisation, peace and harmony should be maintained.

15. What are your grievances against the working environment?

- [ ] Poor safety & physical conditions
- [ ] Unavailability of tools and proper machinery
- [ ] Negative approach to discipline
- [ ] Unrealistic target
- [ ] Performance Appraisal system
32 percent of the employees think negative approach to discipline, 23 percent think performance appraisal system, and 21 percent think unavailability of tools and proper machinery are the major grievances against the working environment.

16. Are the concerned officials of the organisation efficient in handling disputes?

☐ Always ☐ To great extent ☐ To some extent ☐ Rarely ☐ Never

41 percent of the employees think that the officials are efficient in handling disputes to a great extent, 35 percent think to some extent, and 15 percent believe always. According to this data we can state that the disputes are handled in an efficient manner the organisation.

17. Do you think the supervisor/IR welfare manager efficiently handles the different IR related problems?

☐ Always ☐ To great extent ☐ To some extent ☐ Rarely ☐ Never
39 percent of the employees think to great extent, 36 percent to some extent, and 20 percent said always that the supervisor/IR welfare manager is efficient in handling the IR related problems. This expresses that the IR/welfare manager appointed by the organisation is efficient enough to handle all the disputes that arise time and again within the organisation.

18. Does the organisation implement the agreement signed with employee representatives?

☐ Always ☐ To great extent ☐ To some extent ☐ Rarely ☐ Never

39 percent think to great extent, 34 percent always, and 24 percent agrees up to some extent that the organisation implement the agreement signed with employee representatives. The organisation implements the agreement signed with trade unions. We found that the management of SAIL is also loyal towards their employees.

19. Do you consider awarding the job on contract basis, in the interest of the organisation?

☐ Yes ☐ No ☐ Can't say
51 percent of the employees agree that delegating job to contract labour is in interest of the organisation, 20 percent disagree, and 29 percent said that they cannot say whether it is in interest of the organisation or not. We came to know by our findings that the permanent employees are not happy with the hiring of contract labour; it causes grievances.

20. How do you prefer resolving the issues/disputes by?

- Proper communication
- Collective Bargaining
- Enforcement of Discipline
- Third Party
- Autocratic leadership

69 percent of the employees resolve their issues or disputes by proper communication through proper channel, 20 percent resolve issues by collective bargaining, and 7 percent by enforcement of discipline.

21. Do you think that participation of trade union is essential in every decision making process?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree
38 percent of the employees disagree that participation of trade union is essential in decision-making process, 16 percent are neutral, 25 percent agree that participation of trade union is essential in decision making process, and 16 percent strongly agree.

22. Does the trade union, in your opinion, help enhancing the productivity?

- [ ] Yes
- [ ] No
- [ ] Can't say

48 percent of the employees think that the trade union helps in enhancing productivity, 25 percent think that it does not, and 27 percent can’t say.

23. The trade union of RDCIS is working for the interest of employees as well as organisation?

- [ ] Yes
- [ ] No
- [ ] Can't say

61 percent of the employees think that the trade union of RDCIS is working for the interest of employees as well as organisation, 8 percent don’t think so, and 31 percent have no opinion.
24. Do you think the organisation does the proactive IR management?

Select one of the options:
- Yes
- No
- Can't say

More than 50 percent of the employees think that the organisation does proactive IR activities, 37 percent can’t say, and 9 percent do not think so.

25. Are you satisfied with your job in the company?

Select one of the options:
- Highly satisfied
- Satisfied
- Can’t say
- Dissatisfied
- Highly dissatisfied

29 percent of the employees are highly satisfied with their job, 64 percent said they are satisfied working with SAIL, and 5 percent can’t say.

CONCLUSION

Business is the highest level of human activity. It is the people engaged in business who deliver all the goods and services the community wants. Business demands excellence and abundance of creativity from the people who engage in it. Any business is made successful with the help of skilled, trained, loyal, and hardworking employees. A Business or a factory would be nothing without its employees working constantly to satisfy their forever-valued customers. Growth of an industry depends upon its effective utilisation of resources and the people working in the organisation.

Famous Japanese Management Industrialist, Komusuke Matsushita said that, “People before Product.” It implies that, to make good marketable products, we need to first invest and make good people. The importance of objectively appraising people, and motivating and rewarding them, plays a very important role in the industry. Therefore, a project was selected to be carried out at SAIL, RDCIS, being a very successful organisation in India, and one of the NAVRATNAS (nine gems) of the country. In this project, a detailed study of the company’s profile has been
made before taking-up this work. Subsequently, the company’s HR philosophy and policies were studied and detailed account of its different functionary was taken. It was considered that SAIL gives a lot of impetus to its human resources. SAIL greatly depend on their employees and value them a lot. This statement is substantiated with the fact that SAIL spends about 14 percent of their total outlay on their employees and plans to expand it further.

Limitations

The study had undergone certain limitations. The major problem was the time issue and therefore, the number of persons contacted was small. Positive response ratio was very less; less number of people was ready to participate and reply truly because of the fear that the organisation will share their personal information. Biasness and non-cooperation of the respondents was the major problem faced. Many organisations who were contacted, haven’t permitted this survey to be conducted in their organisation as they felt their employees are happy enough. Due to limited time period and constrained working hours for most of the respondents, the answers at times were vague enough to be ignored. There was a lack of credibility as many employees don’t tell the actual feelings; they hide many aspects and feelings. Also, sample size was another major issue due to which a part of the analysis lacked statistical tools giving rise to reliability and validity issue.

Recommendations

From the survey and thereafter the analysis, we would like to propose the following recommendations:

• Both management and union should develop constructive attitudes towards each other.
• All basic policies and procedures relating to IR should be clear to everybody in the organisation and to the union leader. The personnel manager must make certain that line people understand and agree with these policies.
• The personnel manager should remove any distrust by convincing the union of the organisation’s integrity, and his own sincerity and honesty. Suspicions, rumours and doubts should all be put to rest.
• The personnel manager should not vie with the union to gain workers’ loyalty. Several research studies confirm the idea of dual allegiance. There is strong evidence to discard the belief that one can owe allegiance to one group only.
• Management should encourage right kind of union leadership. While it is not for the management to interfere with union activities or choose the union leadership, its action and attitude will go a long way towards developing the right kind of union leadership. ‘Management gets the union it deserves’ is not just an empty phrase.
• Both the management and workers should shoulder their responsibilities properly in order to minimise burden over a few mass.
• The grievances of workers should be taken into consideration individually to free them from mental anguish, and allow them to work without any hesitation.
• Performance reward scheme should be implemented so that it motivates the employees for more efficient discharge of their duties. This will ultimately help achieving the organisational goals in time.
• The organisation should promote sports and cultural activities, and provide equal preferences to all ranks of employees.
• The working environment is good, but it could be better by renovating the internal infrastructure of the offices.
• The health care facility should be more standardised.
• At the end of every six months, a workshop must be organised so that all the employees are made aware/to refresh their knowledge about the welfare facilities provided to them by the organisation. The employees can suggest improvement in the services.
• There should be better sitting arrangements in canteen; hygienic and quality food, along with room service, should be provided to the employees.
• Pension Scheme for retired employees should be introduced. This will help the employee monetarily after their retirements.

REFERENCES