

Raj K. Nigam (Ed.) The Parameters of Industrial Relations in the Public Sector in India. Documentation Centre for Corporate and Business Policy Research. Sri Aurobindo Marg, New Delhi-110 016. 1990. Rs. 150.

The number and scope of public enterprises has grown significantly. So much so, that the destiny of the Indian economy itself is inextricably inter-wined with that of its public enterprises. Yet, Public enterprises remains a grossly under-researched area. Over the last three decades of public sector experience, we have gone through many phases—phases of faith, of hope, of experimentation, of disappointment, of disillusionment; but hardly one of consolidation or introspection. At no point of time is such introspection more important than the present when the public sector appears to be at the crossroads and the economy in a difficult through; when the publicity acclaimed faith in public sector is eroded by a gnawing doubt; when a nagging feeling persists that the carpet is imperceptibly but slowly being pulled out from under the feet of the public sector, when the acceptance gained by it in the sixties and seventies is being challenged again by strident criticism; when it seems the champions of the public sector dare not seek a voice vote and when public sector managers feel that the chains and shackles which they wished away are still cutting into their too solid flesh. And all the while, the owners are getting restive and exasperated at the low or negative return from these investments.¹

The continuing problems with public sector, however, forced the academicians, management professionals and above all, the policy-makers to re-think this matter. As a result, in

recent time, there has been a significant trend toward understanding and studying systematically the different issues of the public sector. The Documentation Centre for Corporate and Business Policy Research has been undertaking studies and publications relating to the functioning of the public sector industries in India. The present book on the industrial Relations Systems in the Indian Public Sectors is one of such publications. The book consists mainly of two parts. The first part consists of three papers by O. Mahrepathi, a former senior, executive of such public sector enterprises as NLC CIL etc. Bagaram Tulpule, a veteran trade union leader who has the experience of running Durgapur Steel Plant and S. M. Patil, former Chairman HMT Ltd. explaining the general state of industrial relations in the public sector units and giving an account of the collective bargaining by the representatives of labour and management under the existing laws. The second part contains papers narrating actual experiences of the industrial relations system operating at Madras Refinery Ltd.

The management of industrial relations is one of the most sensitive and critical functions which play a vital role in the success or failure of industry. In modern usage, the phrase industrial relations includes all matters that arise in the day-to-day association between employers, managers and workers. Its scope includes three fairly distinct areas² :

- (i) relations between managers and individual workers;
- (ii) the collective relations between employers and labour (trade) unions; and
- (iii) the role of the government in the regulation of these relationships.

These relationships include four main aspects:

- (a) Conditions of employment including hours of work and remuneration;
- (b) the ways in which sides—employers and employees conduct their negotiations over conditions of employment;
- (c) the contractual obligations of each side to the other and both to the state; and
- (d) the degree to which the two parties consult each other about the way in which the organization for which they both work should be run.

At one time it was possible to speak of industrial relations in a strictly bilateral sense, with employers on the one side and employees on the other. Today, there is a third party whose significance is growing year by year—the state. There has always been some government involvement in relations between employees and employers.

A number of writers on Industrial Relations have attempted to various models or designs for an industrial relations system.³ In short, the system consists of the interactions of business, workers and the government in the area of labour-management relations. These interactions take place in an environment composed of economic constraints and opportunities, technological developments and power relations in the social structure of each country. It is these power relations or let us call them socio-political factors, which determine from time to time the states of the employers in society, that of the workers within the social system and the relative dynamism or passivity of the government's role in regulating labour-management relations.⁴

The state of industrial relations in any country depends on the growth of industry, strength of trade unions of workers and of employers and also the policies of the government. In his comprehensive paper Maheepathi depicts the developments in industrial relations scenario in the country, the transformation of the systems from legality to voluntarism and then to collective bargaining and above all, the usefulness of tripartite consultations. In the light of the experience gained the Trade Unions and Industrial Disputes (Amendment) Bill 1988 has been drafted which is now the subject of a public debate. The history of evolution of Thinking on industrial relations is also set out clearly in the ten annexures appended to Maheepathi's paper.

Having experienced industrial relations from both sides of the table—as a veteran trade union leader and a public enterprise chief executive—Bagaram Tulpule uses his substantial intellectual and academic abilities to bring out the quintessence of the science and the art of industrial relations. Shri Tulpule deftly uses statistics to expose the contradictions between perception and the reality of industrial relations focussing his attention mainly on the public sector. He finds that while the general perception is that industrial relations are poor in public enterprises, going by the available evidence on industrial conflicts it is difficult to support this presumption. Having said this he points out that, unfortunately, low conflict is paradoxically associated with low morale in our public sector.

Tulpule also draws attention to the importance of the junior managers in maintaining sound relations with workforce in day-to-day working. Writes Tulpule: "To play their role effectively, their morale must be kept high. They should feel involved in the whole system and the process of management of

the enterprise. Top management usually takes middle and junior managers for granted. They not only have no part in framing policies and plans of management, they are often not even fully and properly informed of them.

"Although sweeping generalisations are hazardous IR in the public sector; measured by the generally accepted yardstick of the extent of working time lost due to labour-management disputes, have been fairly good. They have been consistently better than those in the private sector. However, by other parameters such as morale, work-performance, employee satisfaction and responsive to change, conditions in the public sector are far from satisfactory. This is one of the causes of the generally indifferent performance of public enterprises in our country, says Tulpule. His explanation of this apparent paradox provides great insights into the working of our public enterprises.

S. M. Patil makes quite a number of salient points relating to industrial relations in the public sector based on his experience of the HMT, of which he was Chairman and Mg. Director for a decade and half. Briefly he identifies some of the main problems in industrial relations in our country and offers his suggestions for whatever worth they are. In his view, one single greatest stumbling block in the way of stable industrial relations in the country is the politicalisation of the trade union movement. With mushroom growth of political parties in India, the trade unions have also multiplied. This phenomenon has worked havoc and brought about a great deterioration in industrial relations. According to Shri Patil, therefore, for maintaining harmonious relations, it is necessary to have one strong union, the leadership of which is respected. He further suggests that the majority union should only be recognised as the sole bargaining agency.

In quite a few undertakings it is customary to retain one name of a representative union

though there are frequent changes in the leadership or even the colour of the representative trade union. Thus, the credit of one union-one enterprise also cannot really be claimed in the real sense in such organisations. Significantly, in the Madras Refineries Ltd. (MRL)—case study of which is given in part II of the present volume entitled "Saga of a Industrial Harmony in MRL".

What are the unique features of MRL model? The papers by eminent experts in industrial relations—R. N. Srivastava, E.A. Ramaswamy and a team from IIM Bangalore—all describing the MRL situation; and "a single union since it was first registered in 1973, without faction or political affiliation, totally internal leadership, never a strike or a man-day lost, active participation in diverse company councils, association in corporate planning exercises and above all, a strongly supportive officers' Association".

"The most striking feature of MRL was an almost palpable family spirit, a pride in belonging", as A.J.A. Tauro, former, CMD of MRL put it. Tauro also reports: "There were conflicts, jealousies, discord...but no overriding mutuality of interest, a clear recognition that what was good for MRL must ultimately be good for all involved".

MRL has adopted the concept of "one union in one industry". Madras Refineries Employees Union (MREU) is the only union representing the entire labour force. MRL management being a progressive one, believes and practices regular dialogues and meetings with the union. This has also helped in building up an atmosphere of "trust and reliability". May be because of this approach they had not to face any lightening tool down or any other industrial action so very common in industrial establishments. As Shri Sigamari, the President of the MREU, writes: "We had heard

about strikes and lock-outs. The type of relationship that is existing in MRL between the management and the union now had not spared us to think in terms of strikes and lock-outs, for we believe in sorting out our issues through bilateral discussion across the table".

Thus, MRL is a rare case, no doubt. It has an industrial relations base which many large organisations, both public and private, would envy. The MRL model of industrial relations could provide a guideline for other industrial undertakings to follow.

Surprisingly, there is not already a large body of analysis of MRL situation. The Editor has done a commendable job to include the MRL case study in this volume. Of course, we have three notable contributions by

Maheepathi. Tulpule and Patil as a backdrop to the examination of MRL situation.

References

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