

Select Policies and Practices on Industrial Relations in India

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Dr. Sanjay Upadhyaya



V.V. Giri National Labour Institute

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Dr. Sanjay Upadhyaya*



V.V. Giri National Labour Institute
NOIDA

* Dr. Sanjay Upadhyaya is Senior Fellow & Coordinator, Centre for Employment Relations and Regulations, V.V. Giri National Labour Institute. The author gratefully acknowledges the excellent assistance provided by Shri Navneet Yadav, Research Associate during the entire course of this study.



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Preface

Healthy industrial relations are in the interest of not only industry and the workers/ employees but also of the economy, society and the nation as a whole. Proper management of industrial relations and timely intervention by all concerned, before the situation takes any untoward turn has become all the more crucial and relevant in the context of India after the unpleasant and disturbing incidents of industrial unrest and discord in the recent past in the organizations like Graziano, Greater Noida, (2008); Maruti Suzuki, Manesar, (2012); Wistron, Kolar, (2020), Foxconn, Sriperumbudur, (2021-22), etc.

Some of the major factors responsible for this kind of situation primarily include: non-recognition of trade unions, inter and intra-union rivalry, demand on the part of contract workers for permanent jobs, disparity between contract and permanent workers, wage stagnation, disappointment among employers & workers caused due to non-reaching of settlement in cases of prolonged strikes, demand for reinstatement of dismissed employees, vested interest of contractors/ service providers not to be replaced, etc. On the contrary, the measures which normally are helpful in creating an atmosphere of cordial industrial relations *inter-alia* include: channels of communication between management and the workers, workers participation in management, collective bargaining and mechanism for grievance redressal, skill development, social security and welfare schemes.

In this context, the role of widespread dissemination of good policies and practices pertaining to various aspects of industrial relations assumes paramount importance. Sharing of such good practices across wide spectrum through proper documentation can easily spur the drive towards emulation and follow ups. However, there is not enough documentation of such case studies pertaining to above-mentioned aspects despite the fact that there is sufficient information available on this subject. It is this gap, which the present study seeks to fulfill to the extent possible. This documentation study, which is primarily based on review of the policies, programmes and practices of various organizations, covering both private and public sector, touches almost all the important aspects of Industrial Relations and can serve as a good reference material and would be found useful, interesting and relevant by various stake-holders.

I am confident, this study will be found useful and relevant by various concerned stakeholders.

(Dr. H. Srinivas)
Director General



Chapter 1: Introduction

Industrial Relations: Importance, Genesis & Concept

Importance of stable and harmonious relations between employer and workers can hardly be overemphasized. The purpose of sound industrial relations is to channelize the energies and interest of the employees towards economically viable, commercially feasible, financially profitable and socially desirable solutions for the overall development of a particular industry. Healthy industrial relations are in the interest of not only industry and the workers/employees but also of the economy, society and the nation as a whole. Proper management of industrial relations and timely intervention by all concerned, before the situation takes any untoward turn has become all the more crucial and relevant in the context of India after the ghastly and shocking incidents of industrial unrest and strife in the recent past at Graziano Transmission Plant, Greater Noida (2008)¹; Pricol's Automotive Plant, Coimbatore (2009)²; Regency Ceramics, Yanam, Puducherry (2012)³; Maruti Suzuki Plant, Manesar,

- ¹ In Graziano, the problem erupted with the workers initiating “go slow” tactics on May 12, 2008, because the management had decided at the end of a six-month training programme that five out of as many as 70 trainees did not deserve to be offered regular employment. As per the management's version, the rejection rate worked out to less than 10% of the trainees, which was a fair proportion by any standards. As a result, permanent workers went on strike in support of these workers demanding their retention. The officers of the Labour Department intervened but failed in resolving the dispute and the strike continued. Subsequently the management suspended 27 workers on the charge of serious misconduct and asked them to participate in a domestic enquiry as per the prescribed procedure. The workers boycotted the same. Hence, the same was conducted ex-parte and as a result of the same around two months later the management terminated services of 15 employees and revoking the suspension of other 12 employees. The very next day, of these 12 employees resuming their duty, the striking workers demanded that the 15 terminated employees should also be taken back. The struggle ultimately turned violent resulting into lynching of the company's CEO Mr. Lalit Chaudhary in the factory premises on September 22, 2008.
- ² Mr. Roy George, a 47-year-old Vice President at Pricol Ltd, was beaten to death with iron rods and sticks, by angry employees in Coimbatore after dozens of workers were sacked. These employees had in fact, barged into his office and ultimately killed him. The attack followed the dismissal of 42 employees which company officials said was because they failed to adhere to norms and were damaging equipment. Many workers were arrested thereafter. As a result, Pricol was hit by the slump in the automobile industry and posted its first annual loss in 32 years in the that fiscal year which even continued in many subsequent quarters.
- ³ The company was employing around 1,200 workers and was having an annual turnover of around Rs. 250 crores. The workers of the company turned violent after their leader, M.S. Murali Mohan, was killed in police action outside the factory. The problem started more than 3 weeks prior to the actual incident when 800 contract workers staged protests, demanding regularization of the services of senior workers and wage revision. Local residents and workers rushed into the factory and destroyed more than 60 lorries and buses besides dozens of other vehicles. In this major outbreak of industrial violence following the death of a trade union leader, the group of workers went to the residence of the President (Operations) of Regency Ceramics Limited and attacked him, resulting in serious head injuries.



Gurugram (2012)⁴; Wistron Infocomm Manufacturing Plant, Kolar, Bengaluru (2020)⁵, Foxconn Technology India Pvt. Limited Plant, Sriperumbudur, near Chennai (2021- 22)⁶ and Atal Bihari Vajpayee Thermal Power Plant at Madwa in Janjgir-Champa District of Chattisgarh (2022)⁷.

- ⁴ The scale and brutality of the sequence of incidents at Maruti Suzuki’s Manesar plant surprised and shocked everyone who came to know about the same. More than 90 supervisory/managerial staff members were hospitalised, 24 of them had fractures. With iron rods and vehicle door beams in hand, the crowd attacked supervisors, managers, and executives. Around 100 employees were injured and a SIT was appointed to look into the situation. The members of the workers’ union put the blame on Maruti’s “high-handedness” and a terrible working environment for the incident. The employees’ version was that in an eight-hour workday, they got two snack breaks of as short a time period as seven-minutes only. Further, the bus facility to Manesar by the company had also been discontinued. Latecomers had to lose half a day’s pay. They had to roll out a car every 44 seconds. The employees’ union believed Maruti management at times also resorted to muscle power to pressurize the employees to exploit them by engaging bouncers in the guise of security personnel. Earlier growth rate of 7 per cent dipped down to less than 4 per cent. As a consequence the company was constrained to adopting measure such as cost-cutting, trimming the workforce, freezing or delaying the wages, leading to hardships & economic misery for workers.
- ⁵ In Wistron, the turmoil started with the wage dispute which ultimately turned violent. The workers’ version was that the organisation was playing fraud with them with regard to their overtime payment, salaries and even resorted to assault. They also contended that when employees queued up at the canteen and to punch in their attendance, the security personnel lathi-charged them. All the actions of the management had a reaction from the side of the workers which ultimately turned into violence. On the other hand the company’s version was that a large number of employees resorted to arson, loot and violence at its Narasapura manufacturing plant over wage related issues. It was further contended that these employees damaged the factory building, a large number of vehicles and costly equipments including machines and computers by setting them on fire. After the incident, an FIR was filed by the company against 7,000 unknown persons, including 5,000 contract employees for engaging in violence and the damage caused by them. The corporation alleged in the FIR that it lost over 437.7 crores due to the unrest. The violence at the Kolar plant of Wistron greatly hampered the Apple Inc.’s efforts to expand production in India.
- ⁶ The workers’ dormitories and dining rooms maintained by the contractors in Foxconn, did not meet the required standards as provided under labour legislation. The protest resulted when more than 250 women workers at the Foxconn plant living in one of such dormitories had to undergo treatment for food poisoning and more than 150 of them had even to be hospitalised. This apart, the organization was also not meeting the various health and hygiene standards in terms of providing adequate lavatories and toilets, etc. One of the major contentions of the workers was that most of these basic amenities were quite inadequate and far below the standards prescribed under the law. These problems and failure on the part of the organization was a matter of concern and caused great dissatisfaction among the workers. As a result, a group of 2,000 women from Foxconn dormitories near the plant came to the streets on December 17, 2021 according to the local government. The following day, male employees from a local car manufacturing company joined the demonstration. To control the situation, the local police intervened. The workers’ version was that the police hit the male employees first, then chased and hit several of the female workers. They even snatched their phones and warned them.
- ⁷ On 02nd January, 2022, a protest by contractual employees of the Thermal Power Plant in Madwa, Janjgir-Champa district, became violent, injuring 20 police personnel. The plant’s contractual employees, employed by the Chhattisgarh State Power Company, have been demanding permanent employment and agitating for the same. Things got violent when police and local officials sought to remove them due to an increase in COVID-19 cases in the area. During the altercation, 20 police officers were injured and numerous police cars’ windscreens were broken. A private car was also set on light.



A brief analysis of the incidents of industrial unrest in the above mentioned organizations/ industrial establishments reveals that some of the major factors responsible for this kind of situation primarily include: inter and intra-union rivalry, adoption of unfair means among unions for getting the status of sole bargaining agent, non-recognition of trade unions, demand on the part of contract workers for permanent jobs with the principle employer, glaring disparity between contract and permanent workers in terms of wages and various other benefits, stringent and inhuman working conditions, wage stagnation, disappointment among employers & workers caused due to non-reaching of settlement in cases of prolonged strikes, demand for reinstatement of dismissed employees and union leaders, non-agreement on the part of management to wage increase from time to time, vested interest of contractors/ service providers not to be replaced, political interest and self-interest of internal/ external trade union leaders, etc.. On the contrary, the measures which normally are helpful in creating an atmosphere of cordial industrial relations *inter-alia* include: channels of communication between management and the workers, workers participation in management, collective bargaining, mechanism for grievance redressal, skill development, social security and welfare schemes.

Hence, all possible endeavours need to be made to minimize the scope of these obstructing factors and to strengthen the factors helpful in promoting healthy industrial relations. Congenial and harmonious industrial relations are the condition precedent for improved higher productivity, uninterrupted production, better work culture and overall workplace discipline, deliberate well-planned constant efforts from all the stakeholders are of prime significance.

Industrial relations originated in the wake of industrial revolution during the phase of late 18th and early 19th century, in response to the persistent problems faced by the workers such as abysmally low rates of wages, excessively long working hours, sub-human and hazardous conditions of work and unfair treatment meted out to workers by their supervisors. These problems, quite frequently resulted in great uproar in the form of violent strikes and a high employee turnover.

The term 'industrial relations' gained currency in the initial years of the 20th century (late 1910s to early 1920s) with its frequent usage in England and North America. In its initial phases, the broad subject of industrial relations was referred to by many terms such as; personnel administration, labour management, employment management and labour relations. However, all these terms had the common thread of the focus of these terms being on the relations between employer and employees in respect of work and employment. With the passage of time, the practices encompassed by all these terms got subsumed in one generic term called 'industrial relations'⁸

⁸ Kaufman, B.E. "The role of economics and industrial relations in the development of the field of personnel/human resource management", Management Decision, Vol. 40 No. 10, pp. 962-979. (2002)



Industrial Relations (IR) can broadly be defined as a relationship between the management of an enterprise and the union / unions of an enterprise or between representative of employers and representative of employees. Both of these parties have common as well as conflicting interest. The Government plays a role in industrial relations based on the labour laws that are historically framed, amended with passage of time, and also the new legislations brought in with changing business and economic situation. Industrial relations is a dynamic socio-economic process. It is not the cause but an effect of social, political and economic forces⁹. The term 'industrial relations' refers to all aspects of work: wages, bonus, various kinds of allowances, leaves, working hours, health, safety & welfare, working conditions, terms and conditions of employment, rights and duties between the employer and employees. **The key aspects which can be helpful in strengthening of industrial relations in any organization in the long run primarily include: communication; workers' participation in management and workers' involvement in making of decisions affecting and impacting them; collective bargaining; incentive schemes; welfare and social security measures and measures concerning general well-being of the employees, etc.** It is pertinent to mention that in the context of industrial relations, the term industry in a wider sense refers to all economic activities; manufacturing, services, agriculture, etc.¹⁰

Context & Need of the Study

In the broad context as provided above, especially the importance of the sound and harmonious industrial relations for various stakeholders i.e. industry, workers and the government as well as the economy and nation as a whole, learning from the various unpleasant and avoidable incidents due to tensed industrial relations in the past assumes paramount importance. Equally important is the role of widespread dissemination of good practices pertaining to various aspects of industrial relations and details of these practices among various social partners. The systematic documentation of the same can definitely meet this objective as quite often good practices followed by some units remain confined with particular units only. Sharing of such good practices across wide spectrum through proper documentation, especially concerning aspects like communication; workers' participation in management and workers' involvement in making of decisions affecting and impacting them; collective bargaining; welfare measures both statutory and non-statutory and various incentive schemes (all of which have a key role in strengthening of industrial relations) can easily spur the drive towards emulation and follow ups. However, there is not much of proper documentation of such case studies despite the fact that there is sufficient information available on this subject. It is this gap, which the present study seeks to fulfil to the extent possible. Accordingly, the succeeding chapters would thematically focus on all these aspects with the help of case studies concerning these aspects.

⁹ Dale Younder, Personnel Management and Industrial Relations (Englewood Cliffs, New Jersey: Prentice Hall Inc., Sixth Edition, (1970).

¹⁰ Good Industrial Relations (IR) Practices at Enterprise Level in India, AIOE, November (2016).



Review of Literature

For the purpose of venturing into the documentation of the select policies and practices in the field of Industrial Relations in India, the first step involved was review of the relevant existing literature pertaining to the concept of industrial relations, its various facets and gradual evolution at the international and national level.

The major works referred for this purpose include: *Union Challenge to Management Control*, Chamberlain, Neil, (1948)¹¹; *Collective Bargaining*, Chamberlain, Neil and J W Kuhn, (1951)¹² *Philosophies of Labour Welfare*, S.T. Edwards, IJWS, TISS, Bombay (1953); *Personnel Management and Industrial Relations*, Dale Younder, (1970); 'Pluralism in Industrial Relations', Clegg, H A, (1975)¹³; *Two Case Studies on Workers' Participation in Management*, Leberman, Susan M., and Robert L. Leberman (1978)¹⁴; *Industrial Relations Theory and Practice: A Note*, Olive Clarke, (1987); *Determinants of Participation in Worksite Health Promotion Activities*, Health Education Quarterly, Davis KE, Jackson KL, Kronenfeld JJ, Blair SN. (1987); *From Control to Commitment in the Workplace*, Walton, Robert, (1990)¹⁵; *Rayon Spinners: The Strategic Management of Industrial Relations*, Ramaswamy, EA, (1994)¹⁶; *A Theory of Exchange in Industrial Relations Systems*, Colin Crouch, (1994)¹⁷; *Developing New Perspective on Industrial Relations: Role of Government*, S.Nath, (1995); *Industrial Relations*, C. S. Venkata Ratnam (2006).¹⁸

In addition, there are also a number of writings by IR practitioners from India focusing on several aspects of Industrial Relations for example, K.S. Alhuwalia¹⁹ emphasises that CEOs of companies must expand their investments to include employee empowerment, emotional engagement, value-based leadership and societal contributions; Dr. PVR Murthy²⁰ opines that HR needs to learn to

¹¹ *Union Challenge to Management Control*, Chamberlain, Neil, Archon Books, New York, (1948);

¹² *Collective Bargaining*, Chamberlain, Neil and J W Kuhn, McGraw Hill, New York, (1951);

¹³ *Pluralism in Industrial Relations*, Clegg, H A, *British Journal of Industrial Relations*, Vol 13, No 3, (1975)

¹⁴ *Two Case Studies on Workers' Participation in Management*, Susan M., and Robert L. Leberman, *SRC IR & HR*, (1978)

¹⁵ *From Control to Commitment in the Workplace*, Walton, Robert, *Harvard Business Review*, (1990)

¹⁶ *Rayon Spinners: The Strategic Management of Industrial Relations*, Ramaswamy, E A, Oxford University Press, New Delhi, (1994)

¹⁷ *A Theory of Exchange in Industrial Relations Systems*. In *Industrial Relations and European State Traditions*, Crouch, C., (1994-07-28) : Oxford University Press. Retrieved 9 Mar. 2022, from <https://oxford.universitypressscholarship.com/view/10.1093/0198279744.001.0001/acprof-9780198279747-chapter-2>.

¹⁸ *Industrial Relations*, C. S. Venkata Ratnam, Edition 5, Oxford University Press, 2006

¹⁹ K.S. Alhuwalia, Executive Coach and Mentor- Excalibre in 'Do Great Companies Think? Think Differently?', *Business Manager- Making HR People Complete*, Vol. 16 No.5 November, 2013

²⁰ Dr. PVR Murthy, Founder Director, Exclusive Search Recruitment Consultants, Union Office in the Air, *HR Window, Business Manager- Making HR People Complete*, Vol. 16 No.5 November, 2013.



handle future employees on logic and facts and it cannot depend solely on the traditional intelligence gathering mechanisms but should learn that currently almost in all sectors the profile of employees is undergoing changes. The number of younger generation is increasing at a fast pace. These employees are better educated, independent thinkers; they question everything and accept only when they are fully convinced, and they are ambitious, respect knowledge rather than hierarchal positions, are well networked, tech-savvy and transparent and expect HR also to be transparent. Hence, the Industrial Relation Policies, to be effective, take account of all these aspects; Debi S Saini²¹ observes that with recent cases of IR breakdown it has become imperative for organizations to understand the change that are taking place in the management of collective and individual IR issues. The need to adopt a softer, more flexible and proactive, faster resolution oriented approach in managing Employee Relations issues has to form the key part of an overall people-management philosophy. Harbhajan Singh²² emphasises on mutual trust and co-operation between employees and management as the same is core to industrial peace. He further observes that one should believe in change, but also be sensitive to the need of the people and credibility is the biggest strength in developing cordial IR.

For the purpose of having the first-hand knowledge concerning the currently prevailing policies and practices pertaining to in the context of India, the reliance was placed on the annual reports on Good Industrial Relations (IR) Practices at Enterprise Level in India by All India Organization of Employers (AIOE²³), for the recent years (2014-21). The AIOE, every year announces National Awards for Outstanding Industrial Relation for best practices prevailing in various private and public sector organizations since long. The parameters for announcing these awards *inter alia* include the prevalence of the factors and measures like: the overall attitude and approach of top management, mutual trust, channels of communication, personal connect with the workers, competency building, appreciation, recognition and rewards for performance, welfare measures, health and safety at the workplace and nurturing the nearby community to be partners in progress.

However, the limitation and constraint of this exercise is that the award winning organizations are judged as a whole based on above parameters rather than focusing in detail on the each parameter specifically. And the other writings discussed above also do throw enough light on several aspects in particular, the policies and practices in the area of Industrial Relations. This study seeks to fill this gap.

²¹ Debi S. Saini, Professor & Chairperson, HRM Area at Management Development Institute, Gurgaon, and member of Committee on Industrial Relations, CII, Gurgaon, The Emerging Dynamics., Employee Relations , Business Manager- Making HR People Complete, Vol. 16 No.5 November, 2013.

²² Harbhajan Singh, VP, General and Corporate Affairs, Honda Motorcycle and Scooters India Limited, Gurgaon, An unpredictable domain, IR: Are we Transforming, Business Manager-Making HR People Complete, Vol. 16 No.5 November, 2013.

²³ The All India Organization of Employers was set up in 1932 as an allied body of FICCI.



Objectives

1. To trace the origin and evolution of the concept of industrial relations in the international and national perspective;
2. To make a comparative analysis of the prevailing industrial relations practices in the private and public sector;
3. To make an analytical assessment of the roles and responsibilities of various social actors in maintenance of amicable & harmonious industrial relations.
4. To identify the key aspects and factors associated with industrial relations and their role in maintenance of sound industrial relations.
5. To draw conclusions for the purpose of promoting healthy industrial relations.

Area & Scope

The study primarily discusses the importance, concept and key factors of industrial relations and covers the select policies and practices in the area of industrial relations prevailing in organizations engaged in manufacturing, services (including financial services), banking, steel, oil, coal, energy, infrastructure, railways, automobile, etc. both in public as well as private sector from various regions in the country, with a view of drawing key conclusions for the purpose of drawing lessons worth emulation. The major focus of the study is the policies and practices pertaining to various aspects of industrial relations such as communication, collective bargaining, employees' engagement, welfare measures and schemes and programmes concerning social security and employee well-being. The overall contents covered in the study have been thematically organized accordingly.

Methodology

The study is primarily based on secondary sources such as the news reports, write-ups and research articles published by the scholars nationally as well as internationally and review of the policies, programmes and practices of more than 40 organizations representing various sectors of economy. It also makes use of the Annual Reports of several private and public sector organizations. Further, the reports of All India Organization of Employers, an allied body of Federation of Indian Chamber of Commerce and Industry (FICCI) have also been relied on, for the study. In addition, during the course of study, we also had discussions with various social partners for having a better and clearer understanding of the various issues concerning industrial relations in general and policies, programmes and practices concerning industrial relations in particular.



Chapter 2: Communication

Importance, Concept, Key Elements & Evolution

The principal object in management of sound industrial relations is balancing of common and conflicting interest at the workplace. That in fact is the reason; why Section 3 of the Industrial Disputes Act, 1947 as well as now, Section 3 of the newly enacted Industrial Relations Code, 2020 provides for a Works Committee for focusing communication policy in the undertaking on common interests of the undertaking before going on to provide procedure for handling disputes. The rationale behind the same is that Works Committee will prevent and filter out disputes. When communication policy in the undertaking is focused on consultation and cooperation, a partnership automatically develops between workers and the employer²⁴. It prevents disputes, while primary focus on disputes without working on common interests leads to avoidable conflict, failure and job losses. Key elements of sound employer-employee relations therefore are: Communication, Consultation, Cooperation and Partnership. In other words:

1. Communication between the employer of the undertaking and his employees focused on common interests of the undertaking, thereby reducing conflicting interests. The understanding and cooperation developed in working towards common interests usually prepares a good background for adjusting conflicting interests.
2. Communication policy should be focused on consultation. Consultation promotes commitment and partnership. When somebody is consulted by someone at the time of preparing a programme, s/he automatically becomes responsible for ensuring the success of the programme.
3. Consultation aims at seeking cooperation of each other.
4. Process of communication and consultation focused on cooperation normally leads to partnership. When employer of the undertaking and his employees become partners, their interests normally become common, and conflicting interests are reduced. The conflict of interests in sharing the gains of productivity between giving dividends to share holders and increased wages or bonus to employees gets resolved because many high performing employees become share holders also.

All human relations are managed through communications. Industrial relations are also a kind of relationship, and the key to industrial relations is communications at the work place. Communication can be express or implied-verbal or non-verbal. A communication policy, therefore, is of paramount importance at every workplace for sound labour management relations.

²⁴ George S. Georgiev, The Human Capital Management Movement in U.S. Corporate Law, 95 TUL. L. REV. 639 (2021).



The main question is communications relating to what. It is obvious that communications should be focused on rights and interests of the employer and the employees. Rights are based on laws. India has a large number of Central and State labour laws. Most of these laws seek to secure what the ILO calls Basic Human Rights at the place of work. These are:

1. Freedom of Association and protection of the right to organize or form trade unions.²⁵
2. Right to Collective Bargaining, free from extraneous influence or interference by employers.²⁶
3. Abolition of Forced labour²⁷.
4. Equality of opportunity and non-discrimination.²⁸
5. Adjustment of family responsibilities of workers, which is an aspect of equality of opportunity²⁹

Communications at the work place should take due care of the observance of the above mentioned human rights and resolution of related grievances at an earliest. The other focus of communications policy should be, taking due care of the interests of employees and employer. These would include:

1. Job Description: Workers/employees are interested in knowing their job description and the employers in communicating and explaining the same to them. It is a common interest of both the parties and an important step at the time of induction into the job.
2. Training: It enhances skills, improves the quality of work and productivity, which contribute to the wage increase. This is also an interest common to both, workers/employees and employers.
3. Prospects of career advancement within the undertaking: This leads to satisfaction of the worker/employee which ultimately results also in a gain to the employer. Thus, in the interest of both.
4. Future prospects of the undertaking: This also is a matter of common interest. Job security, career advancement, wages, etc. depend on the future prospects of the undertaking.
5. Conditions of employment: Wages, rules relating to transfer, promotion, discipline, termination of employment, etc.
6. Working conditions: Hours of work, periods of rest, quality of working environment- light, ventilation, air and water quality, sound levels, glare etc. at the place of work.

²⁵ As regulated by ILO Convention No. 87 of 1948, Article 19 [1 (c)] of the Constitution of India and the Trade Unions Act, 1926.

²⁶ As regulated by ILO Convention No. 98 of 1949.

²⁷ As regulated by ILO Convention No.105 of 1957, and Article 23 of the Constitution of India.

²⁸ As regulated by ILO Convention No. 111 of 1958 and Articles 14-17 of the Constitution of India.

²⁹ As regulated by ILO convention No. 156 of 1981.



7. Health and safety at the place of work and welfare services at the place of work, like canteen, crèche, club, sports, medical facilities, etc.
8. Grievance redressal procedure, to provide for matters like to whom to complain, if there is a grievance, etc.
9. Rules for running the work place or 'standing orders', like dress code if any, entry and search procedure, leaves, holidays, work stoppages due to unforeseen conditions like power failure, law and order situation etc, discipline, misconduct, lay off , retrenchment, closure, termination of contract of employment, etc.
10. Social security at the place of work, like group insurance, medical insurance etc' and national social security like Provident Fund, Pension, Employees State Insurance (ESI), Employees compensation.
11. Methods of consultation and co-operation between workers and employer for promoting common interests, mutual understanding, credibility, trust and honesty, etc.

Communication policy at the level of the undertaking should include communications on all these interests. It is pertinent in this context that some interests are common interests of both the employer and employees like training, skill development, productivity, future prospects of the undertaking etc; while some others like wage, profit etc. are conflicting interests, which can lead to industrial disputes. It is worth noticing that conflicting interests like wages of the employees, profit of the employer, etc. depend on how well common interests, like productivity are managed; and the skill with which communication on these common interests is managed. Sharing the gains of productivity is an area where employers and employees interests are in conflict. Employer wants to retain as much share of the gains as possible in the form of profits or dividend, while employees want as much as possible in the form of wage increase and bonus. At times workers ask for wage increase even without any increase in productivity which employers find difficult to grant³⁰.

Good management of industrial relations requires primary focus on productivity and other common interests, and then skillful adjustment or negotiation on conflicting interests after working towards the common interests with the ultimate objective of promoting partnership.³¹ It is in line with the Directive Principle of State Policy for promoting Workers' Participation in the Management of Industries, Undertakings and Establishments, under Article 43 A of the Constitution of India. When we refer to workers' participation in the

³⁰ Employee Engagement and Commitment, Robert J. Vance, Ph.D. Robert J. Vance, Ph.D. SHRM FOUNDATION'S EFFECTIVE PRACTICE GUIDELINES, 2006.

³¹ Mr. Bijaya Kumar Sundaray, Dr. Chandan Kumar Sahoo, Dr. Santosh Kumar Tripathy Employee Relations Initiatives And Quality Of Work Life: A Study In Power Sector Units, Accessed at <http://dSPACE.nitrkl.ac.in:8080/dSPACE/bitstream/2080/1341/1/Conference%20Paper.pdf> Last accessed on 07th March 2020



management of industries, it obviously means workers participation through a communication policy at the workplace focused on consultation and cooperation. Thus, a communication policy focused on sound labour management relations can help in realizing the constitutional directive of workers' participation in management. The relevant legal framework concerning sound labour management relations is contained in the form of Works Committees under Section 3 of the ID Act, 1947. This section provides for setting up works committees in establishments employing 100 or more workmen. However, it makes the operation of this section dependent upon general or special orders of the appropriate government. Central government has issued such orders only for defence industries, which have a comparatively better record of managing industrial relations. Such a measure, if implemented in its true letter and spirit in other industries, can certainly improve communication, consultation, cooperation and partnership in industries.

The following section provides the illustrations from selected organizations with well established communication policies and practices in place.

Tata Steel

Established by Sir Dorabji Tata in 1907, a subsidiary of the Tata Group and formerly known as Tata Iron and Steel Company Limited (TISCO), Tata Steel Limited is an Indian multinational steel-making company. The company has its presence in many states and based in Jamshedpur, Jharkhand. Tata Steel is among the top steel producing companies in the world and one of the world's most geographically-diversified steel producers, with operations and commercial presence across the world. The company operates in 26 countries with key operations in India, Netherlands and United Kingdom, and employs around 80,500 people.³²

In the year 2003, Tata Steel celebrated 75 years of industrial harmony and mutual co-operation, coordination and understanding between the Management and the Union. Over the years the industrial relations in the company have been quite good at all of its locations. The Company firmly believes that a healthy union is an asset for it. Trade Unions are present and active at all locations, with 100% of employees (other than officers) represented by independent trade unions.

The company has the tradition of discussing on collective bargaining issues with the recognized unions at different locations on a regular basis. Tata Steel has a long-established communication system that allows employees to participate in decision-making. The three-tier consultative system in the organization which is made up of the Joint Consultative Council of Management, Joint Works Council & Joint Departmental Councils is supported by various sub-committees. These

³² The Internationalization of Indian Companies: The Case of Tata, Andrea Goldstein, paper presented in Conference titled, 'Thrust and Parry in the Global Game: Emerging Asian Corporate Giants and the World Economy', Tokyo Club Foundation for Global Studies, Tokyo, 13-14 November 2007.



councils have helped in: (i) Promoting improved performance for the general benefit of the enterprise, the employees and the country (ii) giving employees a better understanding of their role and importance in the working of the industry and in the process of production and (iii) satisfying their urge for self-expression.³³ This consultative system provides a forum to the employees to raise and discuss issues related to production, productivity, quality, safety, environment, welfare, training, planning for sustainable growth etc.

Bharat Heavy Electronics Limited (BHEL)

Established in 1956, BHEL is one of the Maharatna Central Public Sector Enterprises of the country. The company has several manufacturing units, regional offices, service centers, overseas offices, joint ventures and more than 150 project sites. The company's key areas of operation include: design, engineering, manufacturing, construction, testing, commissioning and servicing of a wide range of products, systems and services for the core sectors of the economy, viz. power, transmission, industry, transportation, renewable energy, oil & gas, and defence. It has employee strength of 40,000.

The company believes that the foundation of genuine employee engagement and industrial relations begins with the emotional connect of an employee with the workplace which comes with extensive and effective communication at three levels i.e. upward, downward and horizontal throughout the organization. This belief is based on the idea that in the turbulent times of changing business climate, it is important for leaders to be transparent and communicate openly with their employees about both; challenges and opportunities. The company further believes that well established internal communication system helps employees in maintaining a shared vision and a sense of belongingness and ownership in the organization in addition to many other advantages both at individual as well as organizational level.³⁴

Accordingly, BHEL specifically developed and adopted the 'Internal Communication Policy' in the year 2015. The policy aims at providing a framework for clear, regular and timely communication with employees to ensure that internal communications are well coordinated, effectively managed and responsive to the information needs of the employees and the organization and monitoring and measuring effectiveness of internal communication for review. It describes the communication process, categorization of information, organizational setup for internal communication, contents of communication and channels of communication. As per this policy, communication can take place at three levels:

1. **Downward**, which is used to share company related information with the employees and *inter-alia* communicates: Vision, mission, values; Company targets, challenges and strategies; organization/ unit/

³³ Good Industrial Relations [IR] Practices at Enterprise level in India, AIOE, November 2016.

³⁴ BHEL Internal Communication Policy, BHEL House, Siri Fort, New Delhi, August 2015.



department/ individual performance; policies and procedures and work instructions. Some of the downward communication channels in BHEL include: Intranet, In-house Journals/Newsletters, Notice/ Display boards; messages from top management, review meetings, circular/letters/office orders/ announcements, etc.

2. **Upward**, which is used by the employees to communicate their opinions, give suggestions and share concerns on work related issues. It comprises: work status reporting; unsolved work problems; suggestions for improvement; training needs; opinions; queries and grievances and union's charter of demands. The key upward communication channels include: Pre-management committee meetings; Plant Council; Works Committee meetings; Open-house meetings, Grievance Redressal Mechanism; Meetings with unions/ associations; Advisory Committee meetings; Union Bulletins; Idea portal/Suggestion box/Suggestion schemes; Quality circles; employee surveys, helpdesks, etc.
3. **Horizontal**, which consists of exchange of information among colleagues at the same or different levels of the organizations. It is also used for problem-solving and *inter-alia* seeks to address the issues like; inter-dependent targets; relationship building, best practices; sharing cross-functional information and failures and achievements. Some of the key channels of horizontal communication are: Inter Office Memorandum; Intranet; E-mail; Video Conferences; Inter-departmental meetings; Cross-functional teams; Management needs, etc.

As per this policy, the **information is classified** as: (i) Strategic Information, which is broad based with mixture of information gathered from both internal and external sources with a time scale from 01 to 05 years. Business scenario and environment and Strategic Initiatives and development are examples of the same; (ii) Managerial Information which is mostly internal and a few external sources being used, e.g. Strategic Plan implementation, Performance targets, policies and procedures. The same is used for managing or planning; (iii) Operational Information, is internal in nature where timescale is short, anything from immediately, daily or at the most weekly or monthly and is used at execution level for activities related to achieve the targets set at section/individual level.³⁵

As regards, the organization Setup for Internal Communication, the same comprises of **(i) Corporate Internal Communication Cell (CICC)**, which is responsible for implementation of the internal communication policy across the company. The key role and responsibilities of the CICC are: to act as a channel for flow of information from content providers to designated receivers; facilitate design, approval and communication of relevant information and messages; monitor implementation of the policy and ascertain effectiveness of a internal communication across the company through various feedback mechanisms including surveys and Management Information & Retrieval System and **(ii) Employee Communication Cell (ECC)**, which is to be constituted under Head

³⁵ Ibid.



(HR) at each establishment of the company. The cell has to ensure seamless flow of information and play a crucial role in the success of the internal communication at the establishment.³⁶

Key role & responsibilities of ECC: It acts as an effective channel to ensure flow of information from CICC to designated receiver(s); Sensitize the process owners concerned for effective utilization of Communication Channels; Facilitating design, approval and communication of relevant information and messages (posters, bulletin boards etc.) specific to the establishment; Reporting progress of internal communication activities to CICC through designated MIRS.³⁷

Contents of Communication: Information exchanged during the communication process can be static (does not change frequently) or dynamic (changes frequently); Static information shall be readily accessible to all employees either on intranet or other appropriate medium; Dynamic information shall be shared with designated employees as per defined frequency or need; Information shall be channelized from information owners to designated employees through CICC and then ECC; The updating of both static and dynamic information is responsibility of information owner. Corporate Internal Communication Cell (CICC) is responsible for collating and forwarding the contents of communication to internal Communication Cells at establishments for onward communication to designated employees.

Summing Up

A viable, strong, effective and dependable channel of communications, focusing on the areas of common interest of undertaking and skillful adjustment or negotiation on conflicting interests, is the most important facet of sound industrial relations practice³⁸. Well informed work force with facts and figures relating issues of common interests plays significant role in stable industrial relations. Lack of proper communication and absence of dialogue between stakeholders breeds mistrust and can lead to unwanted misunderstandings resulting into vitiating the peaceful environment. On the contrary, communication helps in creating an enabling environment for consultation which ultimately promotes cooperation and results in a win-win situation for both the employer as well as employees. The major aspects on which the communication policy should ideally inter alia focus on, include: Job Description; Training; Future prospects; Productivity; Working conditions; Health and safety at the workplace; Grievance Redressal Mechanism; Social security and welfare measures; etc. The overall health and status of industrial relations in any organization considerably depends on the extent of the measures adopted to promote the aforementioned aspects of communication. Based on the prevailing policies and practices in select organizations, the same has been discussed above.

³⁶ Ibid.

³⁷ Ibid.

³⁸ A Skilled Workforce for Strong, Sustainable and Balanced Growth: A G20 Training Strategy International Labour Office – Geneva, 2010



Chapter 3: Workers' Participation in Management

Importance, Concept & Evolution in the Indian Context

The workers' participation in management (WPM) is a *sine qua non* for industrial democracy. Without raising the status of the workers and recognizing them as partner in the industry, they cannot be expected to put in their best. In this context, S.T. Edwards (1953) observed that one can buy a man's time, his physical presence at a particular space, even a few muscular movements, but enthusiasm, initiative, loyalty and devotion to duty cannot be bought. They will have to be created through appropriate employer-employee relations, provisions of constructive opportunities for satisfying the major motivating desires of human action.³⁹ In this background, workers' participation in industry/management assumes paramount importance. WPM helps in creating an enabling environment for increased production and productivity by way of paving the way for more effective and efficient management with better industrial relations.

The term 'workers participation in management' covers within its ambit, the institutional mechanism providing the scope for participation of the employees in decision-making in the organization. This can be at three levels i.e. shop floor level, departmental level and at the top level. The participation includes the willingness on the part of the management to share the responsibility of the organization by the workers. As observed by Kieth Davis, it refers to the mental and emotional involvement of workers engaged in industry that motivates them to contribute in achieving the collective goals of industry and workers.⁴⁰

For the purpose of promoting workers' participation in management and the modalities for the same, in the context of industries in India, the Industrial Policy Resolution (1956) suggested the need for joint consultative machinery between the employer and the employees to promote industrial peace. For this purpose, the government of India sent a study group in 1957 to study the schemes of workers' participation in management in countries like the Belgium, France, United Kingdom and Yugoslavia. The report of this study group was considered by Indian Labour Conference (ILC) in its 15th session in 1957.⁴¹ The ILC recommended in this regard that: (i) The scheme should be set up on a voluntary basis in selected undertakings; (ii) A sub committee consisting

³⁹ Philosophies of Labour Welfare, Indian Journal of Social Work, Department of Publications, Tata Institute of Social Sciences, Bombay, Volume- XIV No. 1, S.T. Edwards, 1953.

⁴⁰ Determinants of Participation in Worksite Health Promotion Activities, Health Education Quarterly, Davis KE, Jackson KL, Kronenfeld JJ, Blair SN. 1987.

⁴¹ Leberman, Susan M., and Robert L. Leberman. "Two Case Studies on Workers' Participation in Management." *Indian Journal of Industrial Relations*, vol. 13, no. 4, Shri Ram Centre for Industrial Relations and Human Resources, 1978, pp. 467–510, <http://www.jstor.org/stable/27765684>.



of representatives of employers, workers and ; government should be set up for considering the details of worker' participation in management schemes, and; (iii) The above sub-committee should select the undertakings where the schemes would be introduced in the first stage on an experimental basis.

Subsequent to this, in 1958, Joint Management Councils (JMCs) were introduced in several organizations. The JMCs are entrusted with the administrative responsibilities for various matters relating to welfare, safety, vocational training, preparation of schedule of working hours and holidays. They are to be consulted in matters concerning changes in work operation, general administration and alteration in standing orders, rationalisation, closure etc. The key objectives of JMCs include: (i) To determine the means of promoting better understanding between workers and management; (ii) To improve the efficiency of workers; (iii) To suggest measures of reduction in wastage and increasing profits; (iv) To educate workers so that they are well prepared to participate in these schemes; (v) To promote a more stable work force and workers safety, and (vi) To satisfy the psychological needs of workers.

In view of the vital importance of the WPM in industrial relations as highlighted above, the following paragraphs give an account of the select good practices, relating to the workers participation in management prevailing in various industrial organizations in India.

Tata Steel Limited

Tata Steel Limited, a subsidiary of Tata group, is one of the pioneering Indian multinational steel making companies, headquartered in Mumbai in Maharashtra. The company is known for best possible industrial relations practices in the country ever since it's beginning in 1907. It employs more than 36,000 employees. It has the reputation of being one of the most welfare oriented companies. The company has a long history of introducing the schemes for the participation of workers in management in fact; the government introduced such scheme at the national level much later, though in Tata, the system was introduced on a purely voluntary basis. In fact, Tata Steel introduced the system by way of constituting an Advisory Joint Committee as early as in 1920s.

Subsequently, in 1956 the management and the union entered into an agreement for closer association of employees with the management by way of putting in place the Joint consultative set up at three levels, which continues to be the architecture of the industrial relations in the company. These levels are:- (i) Joint Consultative Council of Management (JCCM), (ii) Joint Works Council (JWC) and (iii) Joint Departmental Council (JDC). Each joint body consists of equal representatives from management and the union. These bodies have several sub-committees on aspects like- Quality, Training & Development, Amenities, Hospital, Canteen, Sports, Community Development, and Suggestions etc. (1). JCCM at the apex level has Apex Safety Council, Joint Works Quality Council, Joint Committee for Employee Training & Development, Hospital Advisory



Committee, Joint Amenities Committee, CD & SW Advisory Committee. (2). JWC at the works level has Central Canteen Managing Committee, Suggestion Box Committee, Zonal & Central Works Committees, Job/ Trade Test Specification Committee and House Allotment Committee. (3). JDC at the departmental level has Safety, Health & Environment Sub-committee, Welfare Sub-committee, Training Sub-Committee and Suggestions Sub-Committee. The meetings of these committees are held from time to time for discussing the various issues as per their respective mandate.⁴²

These councils have been instrumental in promoting improved performance for the general benefit of the enterprise, the employees and the country; improving the understanding of employees with regard to their role and importance in the working of the industry and in the process of production and in satisfying their urge for self-expression. With this approach of working together, the committees at various levels with the experience gained over the years, have matured and their relationships over a period of time which was handholding in 1956 moved to association in the 80's and then to participation in the 90's and finally to partnership in 2000's and this relationship has further got strengthened over the years.

Steel Authority of India Limited (SAIL)

The Steel Authority of India Limited is one of the leading public sector enterprises of the country having the long history and glorious tradition of maintaining conducive employer-employee relations with a successful model of workers' participation in management, since its very inception in 1973. The healthy practice of sorting out the various industrial relation issues through discussions with trade unions/workers representatives has enabled the company in ensuring and promoting the workers' participation at different levels and establishing a peaceful industrial relation environment.⁴³ In June 1979, the organization constituted a joint committee of the management and workers' representatives, which was subsequently renamed as the National Joint Consultative Committee. This committee includes two members, one representing the company and the other representing the employees' trade union. The SAIL joint committee has been instrumental in maintaining a favourable environment for amicable labour relations. SAIL has also established joint machinery at the plant and shop level to enable employee participation in decision-making, production, workers' welfare and safety, among other things. They have established a three-tier system, including a shop floor committee, a plant level committee, and a national level committee.

Various bi-partite forums are functioning smoothly in the organization since beginning and have succeeded in addressing different issues related to wages, safety and welfare of workers. These bi-partite forum primarily include National Joint Committee on Steel Industry (NJCS), Joint committee on Safety, Health &

⁴² Good Industrial Relations [IR] Practices at Enterprise level in India, AIOE, November 2016.

⁴³ Dr, Ratna Sen, Employee Participation in India, ILO Working Paper Series No. 40, August 2012



Environment in Steel Industry (JCSSI), which have representations from major central trade unions as well as representative unions of plants/ units. These committees meet on periodic basis and jointly evolve recommendations/ action plans for ensuring a safe environment and harmonious work culture which gets substantiated from the harmonious industrial relations witnessed over the years by SAIL plants/ units marked with diverse work culture at multi locations.⁴⁴

Durgapur Steel Plant (a subsidiary of the Steel Authority of India Ltd, or SAIL) illustrates an elaborate system of participation involving three major unions. There are 33 departmental committees and several more at the apex level. A total of 75 bodies take all major decisions jointly. Decisions include those on manning, redeployment, training, promotion criteria, incentives, restrictive practices as well as on production targets, rationalization and change. All minutes are recorded and signed by the participants.⁴⁵ In addition, Quality Circles, Suggestion Schemes, Shop Floor Committee, Safety Committee, Canteen Management Committee and Productivity Committee, etc. also offer multiple avenues for enhanced worker participation. Workers are also kept abreast of strategic business decisions and their views are sought their own through structured/ interactive workshops. The SAIL scheme of workers' participation management has been effective in raising earnings and lowering expenses.

Mahindra and Mahindra

Mahindra & Mahindra Limited, established in 1945 with its headquarters at Mumbai, is the Mahindra group's main firm. It is India's largest utility vehicle manufacturer and the world's leading manufacturer of dependable, fuel-efficient, and environmental friendly tractors, utility vehicles and commercial vehicles. Each of the organization's units has a single union. In the organization, plant-level collective bargaining is conducted to determine wage/salary rates in relation to the local cost of living (with the bonus remaining the same throughout all the plants). The activities of the organization have been running quite well, with consistent increases in earnings and pay (through collective bargaining). This is also due to the fact that management respects unions and its members and takes their views into account.

Employee participation at Mahindra & Mahindra Limited is multifaceted and diversified. Company's focus continues towards propagating proactive and employee centric practices. The transformational work culture initiative that aims to create an engaged workforce with an innovative, productive and a competitive shop-floor ecosystem continues to grow in strength. Some examples of the programs put in place include: 'Rise for Associates'; Industrial Relations skills for frontline officers transformational work culture projects; e-compliance, e-portal for reward and recognition of associates, and Code of Conduct for associates. The company's well-known Total Employee Involvement Program (TEI), which

⁴⁴ Future is Steel, Future is SAIL, Annual Report 2019-20

⁴⁵ Supra note 20 Dr, Ratna Sen, Employee Participation in India, ILO Working Paper Series No. 40, August 2012



attempts to encourage employees, establish trust, and boost engagement, was introduced in the year 2000. Group Kaizen, Self-Managed Teams, Total Preventive Management, and other methods are used in the TEI Program. At various levels, several communication programmes have been implemented. On the shop floor, communication kiosks have been installed to ease discussion of any ideas between employees or workers and the company's CEO. As a result, the number of Kaizen initiatives climbed from 4,903 in 2005 to 21,294 in 2011.⁴⁶ There has been a substantial increase in this number continuously in the subsequent years. The TEI Program has also helped to increase workers' commitment, knowledge, and confidence. Workers have been putting in, longer hours and working extra hours as needed by the firm. They now deem the company's expansion and growth as their own, and vice versa. This demonstrates how important it is for workers to be involved in management.

The newly constituted Employee Relations Council is taking forward the work of Transformational Work Culture Committee (TWCC) and leads the design and implementation of these programs and reviews its progress. With the objective of capability building, developing future ready workforce and fostering togetherness at the workplace, the company implements multiple training and engagement programs on an ongoing basis. These include various behavioural and functional programs such as team effectiveness, individual effectiveness, safety and environment, quality tools, skill building programs, continuous improvement, result orientation, relationship management, decision making and programs on union leadership development.

Summing Up

Workers' participation in management/industry assumes paramount in the overall scheme of industrial relations as it helps in inculcating a sense of belongingness with the organization among the workers and thus creating an enabling environment for increased commitment towards industry and productivity. The workers' participation in management can broadly be at three levels i.e. shop floor level, departmental level and at the top level and demands willingness of the management to share the responsibility of the organization by the workers. Works committees, quality circles and participatory mechanisms in management- their effective constitution and meaningful realistic functioning on a regular basis- all these develop strong bond with the organization and with its objectives. There are umpteen examples where effective functioning of quality circles have succeeded in evolving cost reducing innovative practices, in reduction of wastages, in improving the quality of product and in ensuring strict delivery schedules. WPM leads to overall involvement of workers in achieving the collective goals of industry and workers. Based on the prevailing policies and practices prevailing in various kinds of organizations concerning workers' participation in management, the same has been discussed above.

⁴⁶ Annual Report for Financial Year 2020 – 21 and Secretarial Audit Report, Mahindra & Mahindra



Chapter 4: Grievance Redressal

Grievances originate from the dissatisfaction of workers/employees and may be individual or collective in nature, normally arising out of factors related to an employee's job which s/he deems unfair, unjust, inequitable or unconscionable. In common parlance, grievances are the express complaints pertaining to the working conditions and the environment in which the employee works. A dissatisfied employee/ worker may not work one's full capacity, which may cause significant loss to the organization. This apart, a prolonged discontentment may also pose a challenge to the sound industrial relations. Thus, an effective system of grievance management with well laid grievance redressal procedure is in the interest of each and every organization.

Based on the source of their origin, the various workplace grievances may broadly be classified as follows:

1. Grievances emanating from Management Policies, which may *inter alia* include: Wages including, rates of wages, unauthorized deductions and delayed payment; Policy relating to leaves; overtime and the rate of payment for the same; lack of career planning; role conflicts; Non-respect for collective agreements and mismatch between the skill of workers and the job responsibility.
2. Grievances arising out of Working Conditions, which may primarily include: Unsafe, unhygienic and sub-standard condition of work; bad physical conditions; Non-availability of required tools, proper machinery and personal protective equipments; stringent rules of discipline and Unrealistic targets.
3. Grievances originating from inter-personal issues, such as: Estranged relationships with members of the team; In-human approach and arbitrary attitude of superiors, etc.

However, in general the matters arising out of and concerning, collective disputes/bargaining such as salary, allowances, hour of work and other benefits; disciplinary procedures; Annual performance appraisal /confidential report; grievance not relating to individual employee; removal or dismissal of an employee; initial appointment/absorption; terms and conditions of appointment settled prior to joining or appointment/absorption; Non exercise of a discretion vested with the Competent Authority in favour of the aggrieved employee, etc. do not come within the purview of grievance.

In order to fulfill its desired objective, ideally a Grievance Redressal Procedure in an organization should in particular provide for- An avenue to the aggrieved employee to present her/his grievance; systematic handling of every grievance; A method to relieve an aggrieved employee of her/his feelings of dissatisfaction with her/his job, working conditions, or with management and; promptness



in the handling of the grievance. The following sections of this chapter, give an account of the Grievance Redressal Policies & Procedures from select organizations.

Steel Authority of India Limited (SAIL)

SAIL has evolved an effective Internal Grievances Redressal Mechanism for its various Plants and Units, separately for Executives and Non-executives in the form of Joint Grievance Committees for redressal of grievances. SAIL maintains a three-tier grievance handling mechanism and employees are given an opportunity at every stage to raise grievances concerning wage irregularities, transfers, leave, work assignments, working conditions, and welfare amenities, etc. Majority of grievances in the organization are redressed informally as a result of the participative nature of environment prevailing in the Steel Plants/Units.

The Grievances Redressal system prevailing in SAIL is quite comprehensive, simple and flexible. Over the years, it has proved to be effective in promoting harmonious relationship between employees and management. During the year 2019-20, a total of 91 staff grievances were received with 13 grievances pending from the previous year. 298 staff grievances were disposed of during the year, achieving success rate of 98%. Further, during 2019-20, 649 grievances were received under Centralized Public Grievance Redressal and Monitoring System (CPGRAMS), a National level online system managed by Department of Administrative Reforms and Public Grievance (DARPG), Government of India and 16 grievances had been carried forward from the previous Financial Year. Total 633 grievances were disposed of during 2019-20, with an average time of 12 days, thereby achieving fulfillment rate of 95%. Only 32 grievances were pending for disposal as on 31st March, 2020.⁴⁷

Central Railside Warehouse Company Limited (CRWC)

In CRWC, a Government of India Enterprise, the issues pertaining to handling of grievances are governed by the Circular delineating the 'Grievance Redressal Procedure for Employees and Officers', adopted in 2012.⁴⁸ As per this circular, the grievance covers within its scope, the matters relating to: payment of wages/salary; increment; leave; compensatory holidays; working conditions; seniority; work assignment; non-extension of benefits under rules; interpretation of service rules and settlements, etc. of an individual nature.

As regards the processing of the grievances, an employee/officer, may submit his grievance to the designated Officer-In-Charge of the Grievance Cell in the prescribed grievance format. However, in case of the employee/officer subordinate to the Terminal Manager has to route his grievance to the Officer-In-Charge of the Grievance Cell at Corporate Office through Terminal Manager who in turn has to forward the same within two days of the receipt of

⁴⁷ Future is Steel, Future is SAIL, Annual Report 2019-20

⁴⁸ Circular No. CRWC-I/GRO/.....12-13 dated 14- 08- 2012.



the same along with his comments/ recommendations and also to inform the employee /officer in writing. In case of the Terminal Manager, s/he forwards her/his grievance in the prescribed format directly to the Officer-In-Charge of the Redressal Cell. Officer-In-Charge has to make all possible efforts to redress the grievance at his level and has to communicate the employee/officer of the decision directly or through the Terminal Manager, as the case may be within fifteen days.

In case the grievance not being resolved, at the level of Officer-In-Charge or dissatisfaction of the employee with her/his decision or failure to get a response from Officer-In-Charge within the stipulated time s/he may request the Officer-In-Charge to refer the grievance to the Grievance Redressal Committee (GRC)⁴⁹ within fifteen days of the employee's request. The GRC is supposed to: (i) meet at least once in a month; (ii) Go into the cases of alleged injustice and other grievances of individual nature as submitted to the committee; (iii) Seek additional information/ clarification from the management/ officers or individual concerned in case of need; (iv) give oral hearing during its sitting or may also consider written brief submitted to the committee; (v) Investigate or Inquire into the matter or cause it to be inquired with a view to remove injustice, allegedly suffered by the persons whose cases are referred to the committee and; (vi) to take conclusive decisions and submit its recommendations to the Authority vested with the powers to take decision for removal of alleged injustice/grievance. The GRC has to inform the employee of its decision in writing with reasons within 45 days, which is normally final. But, in exceptional cases, there is also a provision for an option of an appeal by the employee to the Managing Director (MD) of the company, subject to the concurrence of the GRC. The decision of the Managing Director is final and binding.

However, there is a provision that in case of Officers reporting directly to the MD; or such person being a member of the GRC; or in case of the grievance remaining unresolved for more than three months; or likely to affect adversely the morale of other employees, such matters would not fall within the purview of GRC of the Corporate office and they may directly approach the MD for resolving their grievances.

Power Trading Corporation of India Limited (PTC)

PTC India Ltd. (formerly known as Power Trading Corporation of India Limited), was incorporated in 1999 to undertake trading of power to achieve economic efficiency and security of supply and to develop a vibrant power market in the country. The company has two subsidiaries, namely PTC India Financial Services Ltd. (PFS) & PTC Energy Ltd (PEL). Established in 2006-07, PTC India Financial Services Ltd. (PFS) is engaged in the business of making investments in, and providing financing solutions to companies with projects in the power

⁴⁹ The GRC comprises: One member each from (i) Accounts Section; (ii) Engineering Section and; (iii) Marketing & Operation Section. The senior-most member chairs the committee.



sector and related areas across the entire energy value chain. The business model and commitment of PFS is to partner in infrastructure development and support the Power Sector by catering to the financial requirements of the sector. PTC Energy Ltd. (PEL), was established on August, 2008 to play a pivotal role in India's emerging energy sector through asset based businesses. PEL has successfully commissioned wind projects of 288.8 MW capacity which is spread over 7 projects which are in Madhya Pradesh, Andhra Pradesh and Karnataka. As per the Annual Report 2020-21⁵⁰ of the company there are 102 Permanent Employees and 467 Temporary/Contractual/Casual Employees.

The extant 'PTC India Ltd. Grievance Redressal Policy' provides the regulatory framework for tackling the various grievance related issues. As per this Policy, PTC is committed "PTC is committed to providing a productive and conducive work environment where grievances are dealt with fairly and promptly. The objective of this policy is to facilitate a work culture where no grievances exist and also help in improving performance and productivity of the concerned employees of the Company." The policy covers all employees except officers who are one step below the Board Level and officers reporting directly to Chairman and Managing Director of the company. As per this policy a grievance is a concern, problem or complaints which may be related to work, working environment, reporting relationship, etc.

Initially, the employee having the grievance has to submit the grievance to her/his immediate supervisor at the earliest and within a maximum period of one month from the date of arising of the grievance, who is supposed to redress the same within a period of two working days. However, in case of a policy level matter, the grievance has to be referred to the HR head for Redressal. If the concerned employee is not satisfied with the response, the grievance goes to the Grievance Officer⁵¹ who should resolve the issue within three days. If the grievance still persists, the Grievance Officer the same goes to the Grievance Redressal Committee (GRC)⁵², who after analyzing the grievance in the light of the feedback of its members, submit recommendations within seven working days to the chairman for appropriate action, whose decision shall be final and binding. If the employee concerned is not satisfied with the decision of the committee, the committee has to refer the matter to the Chairman of the company. The entire process of Redressal of the Grievance has to be completed within a maximum of two weeks' time. There system in place in the company which enjoins the quarterly submission of written reports of all the grievances handled and there is the stipulation to the effect that the Chairman and Managing Director shall be the final authority in matters of the interpretation of the policy.

⁵⁰ We bring Life to Power, 22nd Annual Report, PTC India Limited

⁵¹ designated by the Chairman & Managing Director of the company

⁵² comprising of one Functional Director, One representative from HR Department and the Company Secretary



Summing Up

In any workplace, grievances are bound to occur which need to be minimized to the extent possible and resolved at an earliest. The major forms of grievances *inter alia* include: wages, leaves, overtime, career planning, working conditions, interpersonal issues, safety & health at workplace, unrealistic targets and stringent rules of discipline, etc. If these grievances are not resolved in an effective manner, may lead to adverse implications for the industry. Therefore, a systematic and effective mechanism for redressal of grievances assumes paramount importance for maintaining harmonious labour relations in any organization. This chapter accordingly has discussed above, the prevailing grievance redressal mechanisms and procedures in various forms of organizations.



Chapter 5: Collective Bargaining

Collective bargaining occupies an extremely important place in the realm of industrial relations. It is in the interest of both, the employees as well as the management in numerous ways and also has far reaching implications for the economy and the society as a whole. It benefits the workers in terms of- improvement in the conditions of the work in the form of higher wages, enhanced allowances, fringe benefits, economic security, reasonable working hours, better terms and conditions of employment, physical working conditions, etc. It acts as a check on autocracy in industry; helps in promotion of lasting industrial peace; increase in managerial efficiency and development of industrial rules/standards to be observed by the industry and the workers. In countries having attained the developed stages of collective bargaining, it has been exercising substantial influence on the governmental policies and programs, social institutions, standards of living, distribution of national income, economic and social development⁵³.

Sidney Webb⁵⁴ and Beatrice Webb⁵⁵ were the first to use the term 'collective bargaining' in 1891. Later, Samuel Gompers⁵⁶ considered collective bargaining as the most important tool for determining the terms and conditions of employment. With the passage of time, the term came to be used widely not only by the parties to the industry but also by the governmental agencies and others.

The Encyclopedia of Social Sciences, defines collective bargaining as "a process of discussion and negotiation between two parties, one or both of whom is a group of persons acting in concert. The resulting bargain is an understanding as to the terms and conditions under which a continuing service is to be performed. More specifically, collective bargaining is a procedure by which employers and a group of employees agree upon the conditions of work."⁵⁷ Stevens defines collective bargaining as a 'social-control technique for reflecting and transmitting the basic power relationships which underlie the conflict of interest in an industrial relations system.'⁵⁸ This definition emphasizes important characteristics of collective bargaining, that it is concerned with the application of power in the adjustment of inherent conflicts of interest.

The ILO Convention No. 154, 1981 describes collective bargaining as "Negotiations about working conditions and terms of employment between an employer and a group of employees or one or more employees' organization

⁵³ Collective Bargaining, Industrial Relations, Trade Unions and Labour Legislation, P.R.N. Sinha, Indu Bala Sinha, Seema Priyadarshini Shekhar, Pearson Education, 2006.

⁵⁴ Sidney Webb was a British socialist, economist and reformer, who co-founded the London School of Economics.

⁵⁵ Beatrice Webb was founder of the field of industrial relations in Britain.

⁵⁶ Samuel Gompers, the President of American Federation of Labour, USA.

⁵⁷ Encyclopedia of Social Sciences, Vol. III, 1951.

⁵⁸ Stevens, C.M., Strategy and Collective Bargaining Negotiations, Literary Licensing (LLC), 2012



with a view to reaching in an agreement wherein the terms serve as a code of defining the rights and obligations of each party in their employment relations with one another; fix a large number of detailed conditions of employment; and during its validity, none of the matters it deals with can in normal circumstances be given as a ground for a dispute concerning an individual worker". The Hon'ble Supreme Court of India has defined 'Collective bargaining' as the technique by which disputes as to conditions of employment are resolved amicably by agreement rather than coercion.⁵⁹

To sum up, collective bargaining is a process of discussion and negotiation between employer and workers relating to the terms of employment and working conditions in which workers are generally represented by trade unions for the purpose of expressing their grievance concerning conditions of service and wages before the employer/management. This has proved to be an effective system as it paves the way in employers undertaking actions in resolving the issue of workers.

The process of collective bargaining typically starts with placing of the 'Charter of Demands' (drafted through discussions and consultations with union members) by the Trade Union before the employer. In certain cases, the employer may also initiate the process *suo-moto*. The 'Charter of Demands' generally contains matters concerning wages, working hours, bonus, various kinds of allowances, holidays, terms of employment, etc. Submission of 'Charter of Demands' is followed by negotiation, wherein trade unions and the employer engage in debates and discussion concerning the demands in the charter submitted by trade unions. In case of success of collective bargaining, the same is followed by collective bargaining agreement either in the form of a 'Bipartite Agreement'⁶⁰ or 'Memorandum of Settlement'⁶¹ or 'Consent Award'⁶².

The 'Collective Bargaining' agreement normally contains the clauses pertaining to: Duration of the memorandum of settlement as may be agreed between the parties; Settlement terms with respect to wages, benefits, allowances, arrears, concessions, working hours, overtime etc; Conditions with respect to strikes and lockouts by trade unions and employers respectively; Obligations of

⁵⁹ Karol Leather Karamchari Sangathan vs. Liberty Footwear Company, (1989) 4 SCC 448.

⁶⁰ Bipartite (or voluntary) agreements are drawn up in voluntary negotiations between the employer and the trade union.'

⁶¹ Settlements are tripartite in nature, as they involve the employer, trade union and conciliation officer. They arise from a specific dispute, which is then referred to an officer for reconciliation. If during the reconciliation process, the officer feels that the parties' viewpoints have indeed been reconciled, and that an agreement is possible, s/he may withdraw herself/himself. If the parties finalize an agreement after the officer's withdrawal, it is reported back to the officer within a specified time and the matter is settled.'

⁶² Consent awards are agreements reached while a dispute is pending before a compulsory adjudicatory authority, and incorporated into the authority's award. Even though the agreement is reached voluntarily, it becomes part of the binding award pronounced by the authority constituted for the purpose.'



workmen; Obligations of employer; Penalties with respect to non-compliance of the obligations of workmen and employers; Dispute resolution; Miscellaneous clauses including severability, notice, etc.⁶³

In India, collective bargaining takes place at three levels i.e. (i) National Level; (ii) Industry-cum-Regional Level; and (iii) Enterprise or Plant-level. 'National-level bargaining' is common in core industries such as banks, coal, steel, ports & docks and oil where the central government plays a major role as the employer. In these industries, the trade unions participate in the collective bargaining through a 'Coordination Committee', whereas, wage increase is determined by Wage Boards (which are tripartite organizations established by the government and include representatives from workers, employers and independents) for several industrial sectors, such as journalists. 'Industry-cum-Regional bargaining' is prevalent in industries where the private sector dominates, such as cotton, jute, textiles, engineering, tea plantation, ports and docks. At this level, the bargaining generally occurs in two stages: company-wide agreements are formed, which are then supplemented with regional (i.e. plant-level) agreements. Basic wage rates and other benefits are usually decided at the company level, whereas certain allowances, incentives etc., are decided at the regional or plant level. In an 'Enterprise or plant-level bargaining' there is no uniform collective bargaining procedure as the practices differ from case to case. Generally, the bargaining council (or negotiating committee) is constituted by a proportional representation of various unions in an establishment. In the private sector, the enterprise-level bargaining is preferred by the employers as it gives an opportunity to ignore the uniformity of wages and by the trade unions because labour issues can be resolved more quickly and easily at the plant-level.⁶⁴

The following section provides the collective bargaining practices prevailing in select industrial organizations/ sectors in India.

Oil and Natural Gas Corporation Limited

The Oil and Natural Gas Corporation (ONGC) established in 1956 is an Indian Maharatna crude oil and natural gas company with its registered office in New Delhi. ONGC is an oil and gas exploration and production company producing around 70% of India's crude oil and 84% of its natural gas. In a survey by Government of India for fiscal year 2019-20, ONGC was ranked as the largest profit making PSU in India. It was also ranked 11th, among the Top 250 Global Energy Companies Survey of 2019-20 by S&P Global Platts.⁶⁵ It owns and operates over 11,000 kilometers of pipelines in the country with its national & international subsidiaries namely- ONGC Tripura Power

⁶³ Nishith Desai Associates, India: Trade Unions and Collective Bargaining 2019.

⁶⁴ Ibid.

⁶⁵ S&P Global Platts is a provider of energy and commodities information and a source of benchmark price assessments in the physical commodity markets. The business was started with the foundation in 1909 of the magazine National Petroleum News by Warren C. Platt.



Company (OTPC), ONGC Petro additions Limited (OPaL), Mangalore Refinery and Petrochemicals Limited (MRPL), ONGC Videsh Limited (OVL)- [with projects currently in 17 countries] and ONGC Mangalore Petrochemicals Limited (OMPL) which is an Indian company promoted by ONGC and MRPL. There were 28,479 employees on rolls of the company as on 31.03.2021, who dedicated themselves to securing the company's performance during the year, even amidst the challenges of a global pandemic situation of COVID-19.

The company accords due priority and importance to the collective bargaining and has a well developed system in place to promote the same. Currently, around 30% of the ONGC employees including all class III and IV level employees are covered under the collective bargaining agreements. For this purpose, ONGC engages with its employees on matters related to pay and allowances, perks, social security and welfare issues. Discussions are held with recognized trade unions representing the unionized staff. All collective bargaining agreements clearly specify that changes will be effected only after joint discussions with all stakeholders involved. MRPL has one trade union of non-management employees'- MRPL Employees Union⁶⁶. The contract workers have their separate union- MRPL ONGC Karamchari Sangha⁶⁷. The MRPL offers a common industrial relations grievance Redressal Cell to both its regular employees and contract workers to approach in case of any concerns. MRPL engages with its trade union in bilateral discussions before implementing any significant operational changes that could substantially affect them. Occasionally, it also invites Government Officials both from Centre and State, like Assistant Labour Commissioners and Deputy Chief Labour Commissioners, Deputy Director of Factories, etc. to the discussions related to its industrial relation related issues. ONGC provides a minimum 21 days notice period regarding operational changes, in line with section 9A of the Industrial Disputes Act, 1947. As a matter of practice, ONGC discusses all operational changes with representatives of all those likely to be affected and avoids unilateral changes.

Coal India Limited

Coal India Limited (CIL), the state-owned coal mining company came into being in November 1975. With a modest production of 79 Million Tonnes (MTs) at the year of its inception, CIL presently is the single largest coal producer in the world and one of the largest corporate employers with the manpower of 2,59,016 (as of 1st April 2021). CIL is one of the Maharathna companies which functions through its subsidiaries in 85 mining areas spread over eight (8) states of India. Coal India Limited has 345 mines (as on 1st April, 2021) including underground mines, open cast mines and mixed mines.

⁶⁶ MRPL Employees Union is affiliated to Petroleum and Gas Workers Federation of India (PGWFI).

⁶⁷ MRPL ONGC Karamchari Sangha is affiliated to MRPL Employees Union and PGWFI.



CIL has seven producing subsidiaries namely: Eastern Coalfields Limited (ECL), Bharat Coking Coal Limited (BCCL), Central Coalfields Limited (CCL)⁶⁸, Western Coalfields Limited (WCL), South Eastern Coalfields Limited (SECL)⁶⁹, Northern Coalfields Limited (NCL), and Mahanadi Coalfields Limited (MCL)⁷⁰; and one mine planning and consultancy company that is Central Mine Planning & Design Institute (CMPDI). In addition, CIL has a foreign subsidiary in Mozambique namely- Coal India Africana Limitada (CIAL). CIL has in the recent past incorporated two more subsidiaries i.e. CIL Navi Karniya Urja Limited (for the development of non-conventional/clean & renewable energy) and CIL Solar PV Limited (for development of the solar photovoltaic module).

CIL assigns due priority and importance to collective bargaining. Accordingly, most of the important decisions by CIL pertaining to wage structure, conditions of service, various kinds of fringe benefits and welfare measures of the employees, especially the non-executive employees in the organization are settled through consultations and bipartite negotiations. For this purpose, since its inception these negotiations have been taking place through a committee constituted by Government of India, namely, Joint Bipartite Committee for the Coal Industry (JBCCI)⁷¹ consisting of the representatives of Central Trade Unions and the management of the coal companies i.e. CIL (and its subsidiaries), Singareni Collieries Co. Ltd (SCCL), TISCO, and Indian Iron and Steel Company. The negotiations finally culminate into an agreement known as 'National Coal Wage Agreement (NCWA)'. Starting from 1974 (11.12.1974 and effective from 01.01.1975) a total of ten such agreements have been entered into so far. The latest of these agreements i.e. 10th Wage Agreement for CIL & SCCL (effective from 01.07.2016 to 30.06.2021) was entered into on 10.10.2017. The initial duration of the agreement, which used to be four years, is presently five years.

The key aspects covered by National Coal Wage Agreement (NCWA) include: Wages, Wage Structure and Dearness Allowance; Wage Rates & Work Norms for Piece Rated Workers; Underground Allowance and Other Allowances; Service Conditions; Leaves and Holidays, Travel Assistance for visit to hometown and Bharat-Bhraman; House Rent Allowance; Pension; Social Security and Welfare; Housing, Water Supply; Medical & Educational Facilities;

⁶⁸ CCL has four subsidiaries namely: i) MJSJ Coal Limited, ii) MNH Shakti Ltd, iii) Mahanadi Basin Power Ltd iv) Neelanchal Power Transmission Company Private Ltd

⁶⁹ SECL has two subsidiaries i) M/s Chhattisgarh East Railway Ltd (CERL) ii) M/s Chhattisgarh East-West Railway Ltd (CEWRL);

⁷⁰ Mahanadi Coalfields Limited CCL has one subsidiary – Jharkhand Central Railway Ltd.

⁷¹ JBCCI is a committee consisting of the representatives of management and Central Trade Unions operating in the coal industry, which negotiates and decides the wages/ salaries and other allowances for the workers of the coal industry. In 1973, a Joint Bipartite Wage Negotiations Committee for the coal industry was set up which later came to be known as the JBCCI. The tenure of one JBCCI exists till the next committee is constituted.



Production, Productivity, Efficiency & Industrial Harmony and Regulation of Contract Labour, etc.⁷²

The Key Highlights of National Coal Wage Agreement (NCWA)-X are as follows:

- The agreement revised the minimum wage from INR 17,565.93 to INR 29,394.23 per month or INR 675.61 to INR 1130.54 per day w.e.f. 1st July 2016 with an increase of around 40% as compared to NCWA-IX.
- For Piece Rated Workers in M.P., Chattisgarh and Maharashtra Coalfields for 100 cft. and 118 cft. workload, the NCWA-X resulted in an increase of wages to INR 1375.32 from INR 821.89 and to INR 1622.83 from INR 969.80 respectively with an increase of around 40% as compared to NCWA-IX.
- The agreement provides for attendance bonus @ 10% of Basic Wage to be paid quarterly and minimum guaranteed benefit @ 20% of Basic Wage.
- A large proportion of workers in coal industry comprises of the contract workers engaged in mining activities. As per JBCCI's 10th Wage Agreement (for CIL & SCCL), the wages of these workers are to be paid based on the recommendations of the high power committee especially constituted for this purpose.
- According to Officer Order⁷³ dated 09/10/2018 issued by Coal India, the basic rate of wages of these workers falling under the categories of Unskilled, Semi-Skilled/Unskilled Supervisory, Skilled and Highly Skilled were fixed at the rate of INR 787/-, INR 817/-, INR 847/- and INR 877/- per day respectively as compared to the earlier rates fixed in terms of NCWA-IX (effective from 01.07.2011), at INR 367/-, INR 387 and INR 430/- for such Unskilled, Skilled and Highly Skilled workers. As a result of the above mentioned Officer Order⁷⁴ dated 09/10/2018 issued by Coal India, the per day minimum wages for the lowest category got increased to INR 1203.35.
- The Special Dearness Allowance has been increased from INR 282.05 to INR 471.96. In addition, NCWA-X resulted in increase of INR 25.47, 26, 26.61, 26, 79, 33.25 and 33.43 from INR 15.22, 15.54, 15.90, 16.01, 19.87 and 19.98 in Special Piece Rate Allowance (SPRA⁷⁵) per day (paid annually) for piece rate workers for the employees falling in Group- I, II, III, IV, V and VA, respectively as compared to the NCWA-IX with an increase of around 10% to 13.5% across various groups.

⁷² Memorandum of Agreement, 10th Wage Agreement for CIL & SCCL (JBCCI), New Delhi, 2017.

⁷³ Ref. No: CIL/C-5B/JBCCI/JC Wages/995

⁷⁴ Ref. No: CIL/C-5B/JBCCI/JC Wages/995

⁷⁵ SPRA is paid to provide motivation for achieving higher productivity by the piece rated employees.



- NCWA-X provides for accumulation and encashment of Earned Leave/ Annual Leave with wages up to 150 days as compared to the limit of 140 days provided under NCWA-IX. It also provides for an increase in sick leave from 110 to 120 days.
- The agreement also provides for financial assistance for visiting hometown and Bharat Bhraman where under the employees are entitled to such assistance once in a block of four years @ a lump sum amount of INR 8,000/- INR 12,000/- respectively.
- NCWA-X also resulted in increase in amount under the Life Cove Scheme from INR 1,12,800/- to INR 1,25,000/- and an increase in ex-gratia in case of death or permanent disablement resulting on account of accident arising out of and in course of employment. It also provides for payment of an amount of INR 5,00,000 to be paid to the next of kin of an employee in case of a fatal mine accident.
- It also provides for pension to its employees under the Coal Mines Pension Scheme- 1998 (CPMS-1998) to be paid out of the pension fund raised out of the equally matching contribution @ 7% of Basic and VDA both by the employee and the employer.
- The NCWA-X provides for Contributory Post-Retirement Medicare Scheme for Non-Executives. At present an employee has to contribute INR 40,000 and the management at the rate of INR 18,000/- per member for membership under this scheme and there is a stipulation for its review after every 2 years for the purpose of necessary modifications.
- The NCWA-X provides for the continuance of the existing practice of grant in aid to private committee managed schools with the stipulation that the welfare board of the subsidiary company will regulate payment of such grants/ evolve norms for such payments. In addition, there is a provision that where the workers come forward with their own contribution for the running of educational institutions, matching grants will be given by the coal companies.
- The NCWA-X also provides for re-imburement of tuition fee and hostel charges to the wards of the employees for securing admission, pursuing engineering degree in IITs, NITs and all government engineering and Medical Colleges within India.
- Finally, NCWA-X provides that the existing benefits and facilities not covered or altered by this agreement such as facilities for working in heavy watery conditions, reimbursement of railway fare and leave travel benefit, gratuity, canteen, ambulance facilities, etc. shall continue as earlier.
- The National Coal Wages Agreement- X, very much in line with earlier agreements accords due importance to production, productivity,



efficiency and Industrial harmony and contains a number of stipulations and measures to take care of these aspects *inter alia* by providing that management and workers' representatives agree to cooperate for creating a harmonious industrial environment conducive to the growth of health and financial viability of coal industry.

- With this objective in view, both the management and workers' representatives have committed themselves to the accomplishment of the following tasks: To achieve targets of production and productivity at each Unit, Area and Company level; To ensure optimum utilization of resources like manpower, equipments, materials, power, etc., and ensuring that wastage of all kinds are minimized; To jointly endeavor to achieve an increase in productivity by 20% every year and to strive to achieve increase in capacity utilization by 6% every year.
- In addition, both the management and workers' representatives have also committed to introduce productivity linked incentive scheme at the production units based on Industrial Engineering studies; to undertake jointly a programme of training and retraining of workers for introduction of new technology and to cooperate in redeployment of trained workers; to cooperate in ensuring full equipment utilization; and in rationalization of manpower whenever called for on account of reorganization of introduction of new technology.
- The NCWA-X also incorporate the provision for evolving a participative culture in the Management of Industry at all levels and to ensure industrial peace and harmony; to strive continuously to reduce cost and bring austerity so that financial health of the industry will improve; to cooperate in ensuring maximum level of safety and accident free working in coal mines and ensuring good and healthy working conditions; to cooperate in introduction of a reliable information system to build up strong data base; to eliminate wastage and misuse of free amenities like power, water, coal and medical facilities, etc and to cooperate in improving the quality of life and implementation of welfare measures.

Banks

Collective bargaining has been playing a very crucial role in establishing and promoting healthy and cordial industrial relations in the banking industry in India. At present, the collective bargaining in banks covers not only wages/ salaries, dearness allowance, bonus and working conditions but also the rights related to the management and unions in negotiating and implementing bilateral settlement. The banking sector in India is one of the sectors having well established system of collective bargaining in place since long (1966; when the 1st Bipartite Settlement took place between the Indian Banks' Association and Bombay Exchange Banks' Association as employers & All India Bank Employees



Association and All India Bank Employees Federation as representative of employees. Prior to this, the various issues were settled through adjudication by the Industrial Tribunals.)⁷⁶ and the unions in the banking industry are well organized and possess a high level of bargaining capacity in order to effectively bargain with the management. Starting with 1st Bi-partite Settlement arrived at on 19.10.1966 between Certain Banking Companies and Their Workmen up till now, eleven Bi-partite Settlements have taken place.

The key aspects covered by the Bi-partite Settlements (BPS) include: Scales of Pay; Dearness Allowance; House Rent Allowance; Transport Allowance; Hill and Fuel Allowance; Fixed Personal Pay, Payment of Overtime Allowance; Pension; Dearness Relief on Pension; Family Pension; Medical Aid; Leave Fare Concession; Hospitalization; Compensation on Transfer; Halting Allowance; Washing Allowance; Privilege Leave; Maternity Leave; Paternity Leave, Special casual Leave, Annual Encashment of Privilege Leave, Performance Linked Incentive Scheme, Voluntary Cessation; Disciplinary Action and Procedure thereof, etc.

The key features of the 11th Bi-partite Settlement (11th BPS) dated 11th November 2020 (operational w.e.f. 1st November 2017 for a period of five years i.e. up to 31st October 2022) are as follows:

- The All India Bank Employees Association (AIBEA), National Confederation of Bank Employees (NCBE), Bank Employees federation of India (BEFI), National Organization of Bank Workers (NOBW) and Indian National Bank Employees' Federation (INBEF) on behalf of 37 banks⁷⁷ including public, private and foreign banks, collectively submitted their Charter of Demands dated 5th June, 2017 for revision in wages and other service conditions of workmen to Indian Banks Association (IBA) and requested for negotiations on the same, with a view to arrive at an amicable settlement. Simultaneously, IBA also raised with the Unions, issues on behalf of the managements of banks

⁷⁶ Two of the important adjudication awards are: (i) Sastry Award, 1953- passed by All India Industrial Tribunal Bombay Disputes, Bombay chaired by Shri. S. Panchpagesa Sastry (in which the major issues involved, included: Scales of pay; Dearness allowance; HRA; Special allowances, Working hours and overtime; Bonus, Provident fund, Gratuity, Pension Scheme, Medical aid, Insurance against Old Age; Leave Rules; and Method of Recruitment; Condition of Service; and Termination of Employment, etc.) and (ii) Desai Award, 1962- passed by the National Industrial Tribunal (Bank Disputes), presided over by Shri Justice Kanti Lal T. Desai (in which the key issues involved, included: Scales of Pay alongwith Principles of Wage Fixation and Method of Adjustment, D.A., HRA, Travelling allowance, Halting allowance, Leave fare concessions, PF including the rate of contribution and rate of interest, Pension & Gratuity, Maternity Leave, Study Leave, Leave preparatory to retirement, Hours of Work and Overtime, medical Aid 7 expenses; Uniforms and liveries allowance, etc.)

⁷⁷ The number got reduced to 29 banks as on the date of settlement, on account of merger of banks during the period starting from giving of Charter of demands up to signing of the settlement on 11th November 2020.



concerned, to be discussed and settled with a view to improving efficiency of operations in banks.

- As many as 35 rounds of intense negotiation meetings spread over nearly three years took place before reaching the settlement and nearly 8.5 lakh bank employees got directly benefitted from the wage hike of 15% as a result of the settlement effective from 1st November 2017, which worked out to INR 7,898 crore on pay slip components.
- As compared to the 10th BPS, the 11th BPS substantially increased the special pay for clerical staff, falling in the categories of Single Window Operator 'B', Head Cashier II and Special Assistant from Rs. 820/- to Rs. 1,250/-; Rs. 1,280 to Rs. 1,940 and Rs. 1,930/- to Rs. 2,920 respectively (around 34% across various categories). Similarly, it also increased the special pay for subordinate staff falling in the categories of Armed Guard, Bill Collector, Daftary, Head Peon, Electrician, AC Plant Operator and Driver from Rs. 390/- to Rs. 590/-; Rs. 390/- to Rs. 590/-; Rs. 560/- to Rs. 850/-; Rs. 740/- to Rs. 1,120/-; Rs. 2,040/- to Rs. 3,090/-; Rs. 2,040/- to Rs. 3,590/- and Rs. 2,370/- to 3,590/- respectively.
- As regards, the House Rent Allowance, which is one of the key components of pay/ salary, the 11th BPS, enhanced it from the earlier rates of 7.50%, 9% and 10.0% (for employees posted at places with the population below 12 lakhs; 12-45 lakhs and 45 lakhs and above respectively for both the clerical and sub-staff) to 10.25% on pay all over India.
- 11th BPS also resulted into an increase in the banks' contribution to NPS (New Pension Scheme) Fund to 14% of pay and dearness allowance instead of the earlier 10% from the date of signing the agreement, as well as in removing the cap and offering 30% of the pay of the deceased employee as family pension.
- The 11th BPS also substantially increases the Graduation Pay/ Professional Qualification Pay by around 34%; Transport Allowance by around 29%; and Medical Aid. It also introduced the provision of annual encashment of privilege leave at the rate of 5 days for each calendar year at the time of any festival of employees' choice and in case of the employees having completed 55 years of age and above, the limit for leave encashment is for 7 days for each calendar year in addition to the existing provisions.
- As compared to the newly introduced special allowance in the 10th Bipartite Settlement (10th BPS), at the rate of 7.75% of Basic Pay + D.A., the 11th BPS resulted in the increase of the same to 16.40%, i.e. almost double the earlier.



- As compared to the 10th BPS, the 11th BPS also increased the upper ceiling of the Hill & Fuel Allowance to be paid to the employees posted at hilly locations at the elevation of 1000 mtrs -1500mtrs; 1500mtrs -3000mtrs and 3,000mtrs and above, from 500/-, 600/-, 1500/- to 750/-, 900/-, 2250/- respectively.
- It introduced the Performance Linked Incentive (PLI) Scheme with effect from financial year 2020-21 with the stipulation that the same shall be payable to all employees annually over and above the normal salary depending on the matrix of the bank's performance based on the criteria of operating profit of 5% - 10%; 10% - 15% and above 15% at the rate of 5 days, 10days and 15 days of pay respectively.
- As compared to 10th BPS, which provided for 8 stagnation increments⁷⁸, the 11th BPS provides that the clerical and subordinate staff including part-time employees on scale wages, on reaching the maximum in the respective scales of pay shall be eligible to draw nine increments at the rate of Rs. 1,990/- and Rs. 1,000/- each due under this settlement and at a frequency of two years from the dates of reaching the maximum of the scales.

Summing Up

Collective Bargaining serves as an important tool in determining the overall terms and conditions of employment between employer and employees. This process normally begins with 'Charter of Demands' by the workers' representatives/ trade union(s) followed by negotiation and discussions on the demands raised. At times, it may also be initiated by the employer *suo-moto*. The negotiations and discussions culminate into mutually agreed terms of settlement. Thus, 'Collective Bargaining' minimizes the chances of avoidable conflict and strife and thus helps in promoting amicable and harmonious industrial relations. Many of the sectors and organization in India have a long tradition of collective bargaining and fairly well developed systems for the same which have been discussed above in this chapter.

⁷⁸ for Clerical staff: 5-once in three years, 3- Once in two years & for Sub- Staff: Once in two years



Chapter 6: Skill Development and Training

“Education, vocational training and lifelong learning are central pillars of employability, employment of workers and sustainable enterprise development”⁷⁹ Skill development is critical for economic growth and social development. To enable employment ready workforce in the future it needs to be equipped with necessary skills and education. Skill development enhances both people’s capacities to work and their opportunities at work, offering more scope for creativity and satisfaction at work. The future growth and prosperity of any organization in particular and country in general depends ultimately on the number of persons engaged in employment and how productive they are at work.

A number of studies reveal that there is direct relationship between education and skills on the one hand productivity and economic growth on the other. Estimates for European countries showed that a 1 per cent increase in training days leads to a 3 per cent increase in productivity, and that the share of overall productivity growth attributable to training is around 16 per cent.⁸⁰ Productivity is directly affected by the efficiency of labour and capital inputs. Therefore, labour needs to be sufficiently skilled as per the changing industry dynamics, in order to contribute to growth⁸¹.

Available evidence firmly establishes that a combination of good education with training that is of good quality and is relevant to the labour market (i) empowers people to develop their full capacities and to seize employment and social opportunities;(ii) raises productivity, both of workers and of enterprises; (iii) contributes to boosting future innovation and development; (iv) encourages both domestic and foreign investment, and thus job growth, lowering unemployment and underemployment; (v) leads to higher wages; (vi) when broadly accessible, expands labour market opportunities and reduces social inequalities.⁸²

Skills development is an area that spans across all sectors of the economy. From manufacturing to services and agriculture, skilled labour is a key requirement to fuel the growth engine of any economy. The key stakeholders in skills development are the Industry (both the Service and the Manufacturing sectors), labour and the Government. As regards the role of industry in India in this regard, a number of organizations both from the private and public sector

⁷⁹ Martha Pacheco, Director, ILO Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR) at a Round Table hosted by the National Training Agency of Trinidad and Tobago on 23 March 2012.

⁸⁰ Publications and database catalogue, Office for Official Publications of the European Communities, European Centre for the Development of Vocational Training (CEDEFOP), 2007.

⁸¹ Skills Development, Sector Profile, Federation of Indian Chambers of Commerce and Industry (FICCI), Industry’s Voice for Policy Change

⁸² A Skilled Workforce for Strong, Sustainable and Balanced Growth: A G20 Training Strategy International Labour Office – Geneva, 2010



have taken various initiatives either at their own or in collaboration with the government and International Organizations to strengthen and upgrade their In-house training facilities and also to offer training to potential employees to prepare them for job. Organizations like Hero group, Larsen & Toubro, Bharti Group, ITC, TVS Motors Company Ltd., Manhindra & Mahindra, GAIL, BHEL, SAIL, etc. have well established training and skill up-gradation facilities of a sufficiently high standards with an ever- expanding learning environment. The following Paras focus on training and skill development initiatives of some of these organizations.

ITC Limited

Initially established in 1910 as Imperial Tobacco Company, with the progressive Indianization of the company's ownership, the name of the Company was changed to India Tobacco Company Limited in 1970 and again to ITC Limited in 1974. It is a diversified conglomerate with businesses spanning Fast Moving Consumer Goods comprising Cigarettes and Cigars, Branded Apparels, Foods, Personal Care, Education & Stationery Products, Incense Sticks and Safety Matches; Hotels, Paperboards and Packaging, Agri Business, Information Technology, etc. The company was having an employee strength of around 37,000 in 2019-20 (36,572 to be more precise). Ever since its beginning the company has been giving due importance and priority to capacity building of its employees by way of various skill development and training programmes. For the last 3-4 years, the total training days of the training imparted to its employees has been more than 1,00,000 per year.⁸³

The company also runs Vocational Training with a focus on providing market relevant skills to make potential job seekers industry-ready and employable. The programme is closely aligned to the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), which aims to help Indian youth take up industry-relevant skill training to secure better livelihoods. The programme is being implemented around ITC's factories and agribusiness catchments in 34 districts of 17 states and has covered 81,510 young people in total. 34% of the youth were from the SC/ST communities and 44% were female students in FY 2019-20. The programme offered courses in 8 skills with the most sought after being hospitality, electrical, computer skills and bedside assistance. 73% of the students trained in 2019-20 have been placed so far with salaries ranging from 6,000/- to 18,000/- per month.

In this context, it is important to mention that ITC entered into a partnership with NITI Aayog in 2018 for improvement of agriculture and allied sectors in 27 Aspirational Districts of 8 states (Assam, Bihar, Jharkhand, Rajasthan, Madhya Pradesh, Maharashtra, Odisha and Uttar Pradesh) under Mission Sunehra Kal. It entails building capacities of government extension staff to create a cohort of Master Trainers for disseminating sustainable agricultural practices amongst

⁸³ Reimagining the Future, ITC Limited, Integrated Report 2020.



farmers and creating templates for seasonal planning at the Gram Panchayat level. The training content was developed in consultation with scientists from agriculture universities and Krishi Vigyan Kendras (KVKs) and the training kits have been finalised in 4 local languages – Hindi, Marathi Assamese and Odiya. Additionally, ITC also trained 2.43 lakh farmers directly by establishing Farmer Field Schools to provide field demonstrations in 1,350 villages to complement the cascade training programme. In 2019-20, more than 6,000 government staff were trained as Master Trainers and Village Resource Persons, who in-turn trained around 10 lakhs farmers. Further, 3.8 lakh farmers were brought onto digital training platforms by forming 4,836 WhatsApp groups in around 5,000 villages. The total number of farmers trained till date during five cropping seasons is 25 lakhs.⁸⁴

TVS Motors Company Limited

TVS was initially incorporated on September 1, 1945 as a public limited company as Tata Locomotive and Engineering Company Limited, the name was changed to Tata Engineering and Locomotive Company Limited in 1960, and again to Tata Motors Limited in 2003. The company produced only commercial vehicles until 1991 and thereafter started producing passenger vehicles as well. In September 2004, it became the first company from India's automotive sector to be listed on the New York Stock Exchange.

TVS has well-developed training and skill development systems in place, as part of the overall Human Resources Development framework of the organization with **Learning and Development** as one of its key constituents. In the organization, current and future skill-based competency development are planned and executed through both in-house programmes and globally acclaimed programmes, continuing education, challenging project assignments and job rotations.

TVS Institute of Quality & Leadership (IQL), spread over 75 acres campus near Attibele, Karnataka, was certified as a Corporate University in 2018, by Global Council of Corporate Universities. TVS-IQL is responsible for supporting change and transformation of people, and processes towards institutionalized learning for individual and collective contribution towards future challenges. This institute focuses on cultural capabilities, collective capabilities, supporting strategy delivery and enhancing sustainability. Towards collective capability and supporting strategy, IQL adapted the concept of **Community of Practice (CoP)** in the last 4 years. During **2020-21**, three CoPs were launched for Operations Research (OR), Reliability Engineering and TRIZ (Inventive problem methodology). These CoPs have been instrumental in contributing significantly in making substantial business impact. Skills training center in IQL has been helpful in increasing production volumes by training the freshers for the Company's plants and also for suppliers, which trained 2584 persons in the areas of assembly, fabrication, painting, etc.

⁸⁴ Reimagining the future, Agility in the climate of Change, Sustainability Report 2021.



The company places high importance to develop its employees. It provides training to each and every employee inducted and as a routine skill up-gradation is also done. The institute organized over 100 role-based competency training programs where more than 1000 employees were trained across the functions in different role-based competencies through combination of self-learning and virtual instructor lead training sessions. These included certified training courses in Technology, Future Mobility, Data Analytics through relevant tools & techniques. The company has also developed an online learning platform to enable self-learning opportunities for all the employees under various areas like- functional skills, behavioral skills, innovation, sustainability, etc.⁸⁵

Mahindra & Mahindra Ltd.

Mahindra & Mahindra, is one of the prominent organizations, according high priority to capacity building of its employees, through training and skill development. In order to meet the requirement of future ready workforce and fostering togetherness at the workplace, the company conducts multiple training and engagement programmes on a regular basis. These primarily include: programmes focusing on various behavioural and functional aspects such as team effectiveness, individual effectiveness, relationship management, decision making; safety and environment, quality tools, continuous improvement, result orientation, and programs on union leadership development.

Recently, the company launched the 'Success Factors Learning Management System' (SFLMS) for its employees with the objective of self-paced learning on a digital space. The yet another example of the company's skill development initiative 'Mahindra Skill Excellence', is a holistic approach to enhance the skill and capabilities of shop floor associates which is receiving good participation across from its various manufacturing units. This initiative has resulted in the company's participation at various international skill competitions in the recent past, such as: **China Arc Cup 2020, WorldSkills 2019 and Beijing Arc Cup** in which the employees won various medals and awards.⁸⁶

Gas Authority of India Limited (GAIL)

GAIL (India) Ltd was incorporated in August 1984 as a Central Public Sector Undertaking under the Ministry of Petroleum & Natural Gas. The company was initially given the responsibility of construction, operation & maintenance of the Hazira - Vijaypur -Jagdishpur (HVJ) pipeline Project. It was one of the largest cross-country natural gas pipeline projects in the world. This 1800 Km long pipeline laid the foundation for development of market for Natural Gas in India. GAIL has diversified interests across the natural gas value chain of trading, transmission, LPG production & transmission, LNG re-gasification, petrochemicals, city gas, etc. GAIL commands ~70% market share in gas transmission and has a Gas trading share of over ~ 50% in India. GAIL and its

⁸⁵ TVS Motors Company Limited., 29th ANNUAL REPORT 2020-21

⁸⁶ Annual Report for Financial Year 2020 – 21 and Secretarial Audit Report, Mahindra & Mahindra



Subsidiaries / JVs also have a formidable market share in City Gas Distribution. It is also expanding its presence in renewable energy like Solar, Wind and Biofuel.

As on 31st March, 2021, the organization had an employee strength of 4,705. The organization considers its employees the most precious resource and makes an effective investment in them. For this purpose, it has well developed institutional arrangements in place to develop its human capital through training and mentoring. GAIL has established processes for effective capacity building of the existing resource base and its consequent development. The GAIL's capacity building measures of its employees are aimed at holistic development of employees. It encourages the workforce to improve their leadership potentials and their technical skills. This is enabled by providing workforce with a wide range of engaging training programmes, skill development programmes, performance appraisal and feedback sessions to further the career growth of the employees.

The company imparts one year apprentice training to ITI/Diploma/ Degree Graduates equivalent to ten per cent of its total manpower every year as part of its skill development initiatives at its various centres. GAIL provides personal and professional development opportunities to its employees through a large number of training programs conducted periodically. The focus of these programmes is to assist them to develop new skills and to create awareness about the recent developments. This ongoing and continuous process, which involves learning and development on the part of both the employees and the management helps in contributing in improvement of the performance and competencies. Annual Training Need Assessments (TNA) are carried out to learn and understand the training needs of the employees across various domains and functions. Based on this assessment analysis, an annual training schedule is rolled out by the GAIL Training Institutes (GTI). All the employees are allotted at least one Functional / Cross functional / Behavioral training based on their Annual Training Schedule at GAIL Training Institutes located at Noida and Jaipur.

As part of its preparedness for future challenges, GAIL has put in place Integrated Leadership Development Framework and Succession Planning Framework for facilitating leadership development and career planning. GAIL Succession Planning Framework is an Executive Development oriented initiative. It aims at putting in place a structured framework to ensure adequacy of talent pool/ skill set availability, both in terms of quantity and quality of potential successors, in line with Company's business plan. GAIL has an Integrated Leadership Development Framework comprising two focused Talent Development Interventions: 360 Degree Feedback Exercise and Senior Management Development Centre (SMDC) Exercise.



The organization also plays a proactive role in supporting the National Skill Development Mission through active participation in the activities of Hydrocarbon Sector Skill Council (HSSC), the establishment of Skill Development Institute (SDI) at Raebareli, and providing Training and Recognition of Prior Learning (RPL) under Pradhan Mantri Urja Ganga Pipeline and City Gas Distribution Projects. More than 170 students have been trained so far in SDI Raebareli, and 669 candidates have been trained in RPL Skill Development Program. Additionally, 430 candidates in GAIL Institute of Skills, Guna, M.P and 88 candidates in GAIL Institute of Skills, Nagaram, A.P have been trained during FY 2020-21.⁸⁷

Summing Up

Productivity and efficiency is substantially linked to the level of skill possessed by an employee and there is always a scope for up-gradation of skill. Whereas, the formal education definitely has a role in the acquisition of skills, the role of training in further honing the same can also not be ignored. The higher level of skills also enhances the chances of employability. The employee, the industry and the society as a whole, all get benefitted from the skilled workforce. Therefore, all have the role in this regard and in this context, the role of industry becomes quite crucial. Accordingly, various initiatives are taken by the organizations operating in different sectors to fulfil this role of skill development and training of their employees. Some of these efforts, initiatives and arrangements have been discussed above in this chapter.

⁸⁷ Energizing Growth, Energizing Possibilities, GAIL India Ltd, Integrated Annual Report 2020-21



Chapter 7: Social Security, Labour Welfare & Employee Well-being

One of the key indicators of social development in its real sense is the level of social security provided by a nation to its countrymen. In common parlance social security is defined as the security provided by the society to its members against the contingencies of life (such as sickness, unemployment, old age, employment injury, family, maternity, invalidity and survivors' benefits, etc). It may be either in the form of social assistance- financed by the state funds or funds arranged by the state or in the form of social insurance- which is generally financed through the contributions of employers, workers or other beneficiaries and in some cases supplemented by state grants.

Social security occupies a pivotal place in the context of good and sound industrial relations. It encompasses a host of measures, both, the ones obligated by various social security statutes as well as the ones extended voluntarily by the employers. In the Indian context, the important legislations containing provisions concerning social security are: The Employees Compensation Act, 1923; The Employees State Insurance Act, 1948; The Employees Provident Fund and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. Subject to fulfilment of various conditions, the provisions of these legislations have to be mandatorily complied with by various kinds of establishments and therefore do not logically fall in the category of select practices for the purposes of the present study.

An equally important aspect of employment relations in general and industrial relations in particular is the provision of various welfare measures by the employer. This leads to a satisfied labour force and ultimately the production (both in terms of its quantity and quality) and productivity. These measures include both the ones obligated by the statutes as well as the ones voluntarily provided for by the employers. In the Indian context, the important legislations containing provisions concerning labour welfare are: the Factories Act, 1948; The Plantation Labour Act, 1951; The Mines Act, 1952; Shops and Establishments Acts of various States and also up to some extent under the Contract Labour (Regulation and Abolition) Act, 1970 and The Inter-State Migrant Workers (Regulation of Employment & Conditions of Service) Act, 1979. Depending on the nature of establishment and subject to the conditions laid down under these legislations, the provisions contained therein have to be complied with, mandatorily.

In addition, the measures targeted at the overall employee well-being also contribute a lot in promoting cordial industrial relations and cannot be lost sight of. Hence, this chapter focuses on the non-statutory social security, welfare and employee well-being measures prevailing in organizations as a matter of practice. As COVID-19 posed unprecedented challenges the world



over, the same necessitated adopting of effective policies to tackle the same by the organizations, in terms of- reviewing of various HR Policies on Employee Compensation, Welfare, Social Security and General Terms and Conditions of Service, etc. Accordingly, this chapter in brief also deals with some of these measures and practices adopted by select organizations.

Oil and Natural Gas Limited

ONGC provides an enabling environment for work-life balance of its employees. For this purpose the company's townships have developed facilities like gymnasiums, clubs, sports, library, music rooms, etc. These facilities are also provided in off-shore living quarters. Apart from social communities such as Officers Club, Employee Welfare Committees, Resident Welfare Associations, Mahita Samiti, etc. the company also has a unique adventure wing named '**ONGC Himalayan Association**', which organizes adventure programmes like mountaineering, trekking, water rafting, etc.

ONGC conducts a number of programmes and activities as a part of employee welfare. For example, the company provides 1,000 scholarships at the rate of 48,000/- per annum per student, for meritorious SC and ST students for pursuing higher professional courses at different institutes and universities across the country in Graduate- Engineering, M.B.B.S, M.B.A. and Masters in Geo-Sciences.

The company recently organized a unique engagement event for Persons with Disabilities (PwD) called Mosaic 2020- Online games consisting of quiz, debate, extempore, poetry recitation, art and crafts, poster contest and a unique talk show named '**Candid for Covid**'- where PwD employees shared the thoughts and experiences on the pandemic. The event concluded on the International day for PwDs on 3rd December, 2020. Similarly, during the year 2020-21, it organized online engagement such as 'Make a Mask' contest for employee and their family member, story writing contest called 'Humans of ONGC', 'Case Study' contest, Memoir writing contest, etc. apart from a number of webinars and virtual meets on relevant topics including productivity, health and emotional well being.⁸⁸

Tata Steel

Tata Steel has recently announced the **Tata Steel Millennium Scholarships 2021-22** inviting applications from eligible sons/ daughters/spouse of Workers, Supervisors and Officers of the company under two categories viz. 'Category A' - Medical Students & Category B- Students pursuing other courses. Category-A pertains to students studying in MBBS (4.5 years) in all State, Private & Central Government Medical Colleges seeking admission through NEET. The number of scholarship under Category-A is limited to a maximum of 120 (80 seats for wards of Workers and Supervisors general candidates, 20 seats for wards of

⁸⁸ The Unstoppable Energy Soldiers, ONGC-Annual Report 2020-21.



Officers general candidates and 20 seats for wards where employee has availed 'Sunhere Bhavishya Ki Yojana [SBKY] 2.0'. The amount of the scholarship is Rs. 50,000/- (Rupees Fifty Thousand only) per annum per student. 'Category B' pertains to students who have secured admission in any of the following professional courses : a) Integrated degree courses in Medicine or Engineering (any branch), including extension centres of BITS Pilani, VIT-Vellore and BIT-Mesra; b) Post graduate studies in Engineering, Medicine, Computer Sciences, Business Management, Personnel Management, Agriculture Science, Bio-Technology, Bio- Chemistry, Information Technology and B.Sc. Hospitality & Hotel Management; c) Diploma course in any branch of Engineering; d) Degree or Full Time Diploma courses in Hotel Management & Catering and Fashion Technology; e) Five years degree Course in Law, Five years integrated course in Law; f) Degree course in Journalism / Mass Communication; g) Sports Management; h) Film Fine and Arts and; i) Other courses/programmes from the approved institutions. Total Number of Scholarship are 240 (130 for Boys & Girls, 30 for Girls only, 40 for wards of officers and 40 seats for wards where employee has availed Sunhere Bhavishya Ki Yojana [SBKY 2.0]) under Category-B. The scholarship amount is Rs.24,000/- (Rupees Twenty Four Thousand) per annum per student.⁸⁹

Dabur India Limited

Dabur India Ltd. is one of the leading fast-moving consumer goods (FMCG) Indian multinational companies, founded by S. K. Burman in Kolkata in the year 1884, headquartered at Ghaziabad, Uttar Pradesh. It manufactures Ayurvedic medicines and natural consumer products.

Currently the company has its business in 15 countries across the world and engages 7,617 employees, out of which 5,201 are employed in India.⁹⁰

Dabur gives due importance to the overall happiness and well being of its employees and has in place a number of programmes and adopted various measures in the recent past to ensure the same. This apart, the company is also committed to its responsibility towards the society as part of CSR and its vision 'Dedicated to the Health and Well being of every Household' and has taken a number of initiatives in this direction. For example, to help its employees to tackle the challenges posed by COVID-19 in terms of emotional and psychological stress, it organized special webinars with renowned medical practitioners to address matters on mental wellbeing. As one of its CSR initiatives, the company also established a 'DABUR Care Fund for COVID-19' to protect lives and livelihood and support those affected by the COVID-19 pandemic. The company earmarked a fund of Rs. 15 crore towards relief efforts in 2020-21 to help the immediate needs of those affected the most by

⁸⁹ Tata Steel Millennium Scholarships 2021-22 Notice, issued by Chairman, Tata Steel Millennium Scholarship Committee, Dated 21 December 2021.

⁹⁰ Greater Growth comes from Greater Good, Dabur India Limited, Integrated Annual Report 2020-21.



the pandemic. In addition, the company donated Rs. 5.05 crore to PM CARES Fund, distributed 30,000 cotton face masks, screened 55,000 people at special COVID Screening Camp for CRPF in Rampur and conducted 50,000 COVID tests in NOIDA.⁹¹

Tata Tele Services Limited (TTSL)

Tata Tele Services Limited (TTSL), is an Indian broadband, telecommunications and cloud service provider based in Mumbai. It is a subsidiary of the Tata Group, an Indian conglomerate. It earlier operated fixed line services under the brand name Tata Tele Broadband in various telecom circles of India. Tata Teleservices used to provide mobile services under Tata DoCoMo. In November 2017, Tata Teleservices customers transitioned to the Airtel mobile network under an Intra Circle Roaming (ICR) arrangement. SIM cards and billing plans remained the same. The consumer mobile businesses of Tata Docomo, Tata Teleservices (TTSL) and Tata Teleservices Maharashtra Limited (TTML) have been merged into Bharti Airtel from 01 July 2019. Tata Teleservices Limited spearheads the Tata Group's presence in the telecom sector. The number of permanent employees on the rolls of Company as on March 31, 2020 was 1,214 employees.⁹²

As an innovative social security measure Tata Tele Business Services Limited (TTBSL) has recently chalked out an employee assistance programme in the name of 'SABAL' in partnership with '1to1_help', an online counselling platform to take care of the health and well being of its employees in order to ensure their safety and other related concerns with a focus on mental and emotional well-being during the critical phase of COVID-19 and its aftermath. The facilities under the programme didn't confine to only the employees but also extended to dependant members of the employee.

The programme includes 24*7 counselling via a secure website, facility to talk with the counsellor on the telephone and face to face counselling. Counselling is offered on workplace relationships, sleep related issues, anger and tension management and parenting amongst other subjects. It also includes a '**Doctor-on-Call**' facility to all the employees and their families.

Gas Authority of India Limited (GAIL)

GAIL accords due priority to the health of its employees. It has a provision of full health check-up menu for both the permanent and contractual employees. To ensure the same, it has 100% representation of its workforce at formal joint management health and safety committees with the role of *inter alia* to create awareness about the health and safety issues. To ensure safety and efficiency at the workplace, GAIL provides 15 days' notice period to its workforce in the event of any operational change. The **Corporate Medical Cell (CMC)** of GAIL

⁹¹ Ibid.

⁹² Smart Solutions for Smart Business, Tata Tele Services Limited, Annual Report 2019-20.



conducts regular health check-up for its employees and keeps a continuous track on individual employee's health. Annual occupational health check-up is being done for the employee health and an ergonomic survey is conducted for employee welfare.

Being an unprecedented year amid challenges on account of COVID-19 pandemic, several preventive measures including but not limited to were undertaken by GAIL such as: (i) Allowing Work From Home arrangement at various Work Centers/ Offices in order to maintain social distancing protocols at the workplace; (ii) Review of several policy provisions related to leave, claims procedures, travel, etc; (iii) Special dispensation in the form of extra leave and issuance of appreciation letters to the employees, who performed continuous duty at plants/installations; (iv) Facilitating the employees in procuring sanitizers, masks, face shields and preventive medical equipment, etc. for ensuring safety, well-being, and business continuity of GAIL.

Summing Up

Social Security and labour welfare measures are the integral aspects of cordial employment relations. These measures have a very wide scope which along with other employee well-being measures, lead to a satisfied labour force and ultimately the overall health and prosperity of the organization. Investment on these measures is the backbone of healthy industrial relations. Recognizing the same, the organizations and establishments from various sectors adopt a host of such statutory as well as non-statutory measures covering these aspects as per their available resources. The above chapter has provided a synoptic view of some of these measures in select organizations from private and public sectors.



Chapter 8: Employee Stock Option

An 'Employee Stock Option' refers to a system which gives the employees, an ownership option in the stakes of the company. Under this system, the employer allocates a certain percentage of the company's stock shares to each eligible employee at no upfront cost. These shares are then allocated to individual employee's account. The distribution of shares is primarily based on the factors like- employee's pay scale, seniority, terms of service, etc. New employees usually have the option to join the plan, only after they have completed a specified period. These shares of an Employee Stock Ownership Plan (ESOP) are held in a trust to ensure the safety and growth until the employee exits or retires from the company.

ESOP benefits both, the employees as well as the company. The employees enjoy the tax benefit, out of it as they are not required to pay tax on the contributions made under Employee Stock Ownership Scheme and taxed only when they receive stock shares from ESOP. As regards the benefits of ESOP to the company/employer, companies with ESOP in place have a higher employee engagement and involvement and also increased trust of the employees in the company. Further, it allows the companies, to make tax-deductible contributions to the employee stock option plan, and in using the ESOP to borrow money to buy the shares. In public companies, employee stock option plans are often used in conjunction with the employee savings plan. Rather than matching the employee's savings through cash, the employers can match the employee's savings through stocks from an employee stock option plan, and usually, the employers will match the savings at a higher level through stocks.

Quite often, the start-up companies are not in a position to afford to offer large compensation packages to their employees at the initial stage and instead prefer to offer an ESOP to their employees. When the ESOP is offered to the employees, the employer gets the employees vested in the interests of the company and provides the employees with a sense of ownership, which in turn, motivates them to perform a task with an actual vested interest in the company, being a part-owner.

Some of the companies/organizations having the ESOP in place, include: Freshworks, Tata Motors limited, Mahindra & Mahindra Limited, Hindustan Unilever Limited, Aavin, Indian Potash Limited, J Thomas & Co. Pvt. Ltd., Larsen & Toubro, Space Development Network, Mobikwik, Meesho, Classplus, Paytm, Phonepe, Razorpay, Unacademy, Licious, Stanza Living, etc. The following paragraphs provide details with regard to the initiatives and practices pertaining to employee stock option in select organizations.

Larsen & Toubro

Larsen & Toubro Ltd, commonly known as L&T, is an Indian multinational conglomerate, founded in 1938 in Bombay by two Danish engineers, Henning



Holck-Larsen and Søren Kristian Toubro. After India's independence in 1947, the firm set up offices in Calcutta, Madras and New Delhi. In December 1950, L&T became a public company with a paid-up capital of ₹20 lakh (equivalent to ₹19 crore or US\$2.5 million in 2020). The sales turnover in that year was ₹1.09 crore (equivalent to ₹102 crore or US\$14 million in 2020).

At present, L&T Group comprises of 118 subsidiaries, 6 associates, 35 joint operations companies and 25 joint-ventures. The key products/services which L&T is engaged in are: construction and project-related activity; manufacturing and trading activity; and engineering services. For administrative purposes, the firm has been structured into five broad categories i.e. **Construction; EPC Projects** - (this includes hydrocarbon engineering, power and power developments); **Services:** (realty, information technology, technology services and financial services); **Manufacturing** - (this includes defence equipment & systems, heavy engineering, construction, mining & industrial machinery, industrial valves and electrical & automation systems); and **Other areas:** (Hyderabad Metro, Infrastructure Development Projects and other corporate functions).

L&T is currently having two Employee Stock Ownership Schemes i.e. *Employee Stock Ownership Scheme 1999* and *Employee Stock Ownership Scheme 2006*. As regards the details with regard to the stock ownership to the employees under the Employee Stock Ownership Scheme, 1999, a total number of 123,62,268 options were approved with the vesting requirement of one year from date of granting of shares and every year thereafter. These included a total number of 1,04,000 options during the FY 2020-21 and the company realized an amount of Rs. 5,60,898 at the rate of Rs. 7.80 per stock option. Similarly under the Employee Stock Ownership Scheme 2006 (**ESOP 2006A**) a total number of 140,01,935 options were approved with the vesting requirement of one year from date of granting of shares and every year thereafter. Under the **ESOP 2006A** scheme, the company realized an amount of Rs. 1,57,953,591.50 at the rate of Rs. 267.10 per stock option.

Larsen & Turbo Infotech Ltd., a subsidiary of L&T Group is running *Employee Stock Ownership Scheme 2015* operational from September 14, 2015. The company approved a total number of 8,062,500 stock options with the vesting requirement of vesting at the rate of 20% each year. Out of these stock options 83,650 related to FY 2020-21 whereby the company realized an amount of Rs. 623,839 at the rate of Re. 1/- per stock option. The weighted- average fair value of the options granted during the FY 2020-21 was Rs. 2,348.93.

One97 Communications- Paytm

One97 Communications, headquartered in Noida and founded in year 2000, is an Indian e-commerce and fintech company with the current employee



strength of about 2350 (2339 to be more precise)⁹³. As of June 2021, the company valued at \$16 billion, making it one of the most valuable companies in India. A variety of venture capitalists including Softbank⁹⁴ have stakes in the company. It launched **Paytm**, as one of its well known subsidiary in 2009 as a digital payments platform to facilitate cashless payments. Paytm is an Indian multinational technology company specializing in digital payment system, e-commerce and financial services and headquartered at Noida. It started off as a prepaid mobile and DTH recharge platform, and later added services like data card, postpaid mobile and landline bill payments in 2013. Paytm is currently available in 11 Indian languages and offers online services. As of 2020, Paytm valued at US\$16 billion, making it one of the highest valued fintech companies in the world.

One97 Communications is having two employee stock option schemes, namely, One 97 Employee Stock Option Scheme 2008 ('**SOP -2008**') and One 97 Employee Stock Option Scheme 2019 ('**ESOP - 2019**') collectively, known as the '**ESOP Schemes**'.

ESOP - 2008: ESOP - 2008 was approved pursuant to a Board resolution dated September 8, 2008 and shareholders' resolution dated October 22, 2008, and further amended by shareholders' special resolutions, including, resolutions dated March 31, 2015, October 21, 2015, March 28, 2017, September 30, 2019 and July 12, 2021. Under ESOP - 2008, an aggregate of 37,625,210 options have been granted, 14,159,341 options have vested and 13,974,135 options have been exercised as on October 26, 2021⁹⁵.

ESOP - 2019: ESOP - 2019 was approved pursuant to a Board resolution dated September 4, 2019 and shareholders' resolution dated September 30, 2019, and further amended, including by shareholders' special resolution dated July 12, 2021. Under ESOP - 2019, as on October 26, 2021, an aggregate of 32,956,239 options have been granted, 716,628 options have vested and 381,074 options have been exercised and an additional 15,364,516 options remained subject to grant under ESOP - 2019⁹⁶.

Surya Roshni Limited (SRL)

Established in the year 1973 as a Steel Pipe manufacturer and gradually diversified into Lighting in 1984, PVC pipes in 2010 and Consumer Durables in

⁹³ One97 Communications Limited overview, <https://www.easyleadz.com/company/one-97-communication> Last Accessed on 28-01-2022

⁹⁴ SoftBank Group Corp. is a Japanese multinational conglomerate holding company headquartered in Minato, Tokyo, and focuses on investment management. The Group primarily invests in companies operating in technology, energy, and financial sectors.

⁹⁵ RED HERRING PROSPECTUS, Dated October 26, 2021, Under Section 32 of the Companies Act, 2013.

⁹⁶ Ibid.



2014-15. The Steel Pipes and Strips business, under the brand 'Prakash Surya', manufactures a wide range of products, and is India's largest manufacturer of GI pipes and the largest Exporter of ERW Pipes. The Lighting business, under the brand 'Surya' manufactures an array of conventional to modern LED lighting, and is one of the leaders of the lighting industry. The Consumer Durable business offers a variety of Fans and Home Appliances. As on 31st March 2021, the total number of permanent employees in the company was 3,407 employees and that of the hired on temporary/contractual/casual basis was 5,234.⁹⁷

SRL Employee Stock Option Scheme 2018 ("ESOS 2018"): The Shareholders of the Company approved the SRL Employee Stock Option Scheme - 2018 vide their Special Resolution dated September 28, 2018. The Company as on 31st March 2021 had granted 6,44,000 options to its Employees. Further, Surya Roshni Limited Employees Welfare Trust had also acquired 8,00,000 Equity Shares from the open market. During the year, there has not been any change in the Company's Employee Stock Option Scheme. The Employee Stock Option Schemes of the Company have been implemented in accordance with the Regulations and the resolutions passed by the Members in this regard.⁹⁸

Freshworks

Freshworks started its operations in Chennai with only six members in 2010 which increased to 500 employees in 2015. 'Freshworks' is the Indian software-as-a-service company to get listed on the Nasdaq⁹⁹. Girish Mathrubootham, the Indian founder & CEO of Freshworks recently expressed his excitement by saying "I am excited about what this means for India. We have a whole list of entrepreneurs who are building companies. We all share the dream of seeing India as the next product nation. I am excited to see the next set of companies." The company has a total staff strength of 4,300; 76 per cent of them now hold stock or equity rewards in the company.

When asked about the wealth generation the IPO (Initial Public Offering) has created via employee stock options, Girish Mathrubootham, said that 'he truly believe that wealth has to be shared with the people who created it, and not just for the founders to get richer. More than 500 of our employees in India are crorepatis. He believes, it is well deserved. Over 70 of these new crorepatis are under the age of 30. According to him, all the employees have earned it.' He further said that the company's experiment of IPO in the form of ESOP has given him the opportunity to fulfil his responsibility to all those employees who have believed in Freshworks for over 10 years. This is truly something

⁹⁷ Towards a Self-reliant Future, Surya Annual Report 2020-21, Surya Roshni Limited.

⁹⁸ Ibid.

⁹⁹ Nasdaq, Inc. is an American multinational financial services corporation that owns and operates three stock exchanges in the United State namely: Nasdaq Stock Exchange, the Philadelphia Stock Exchange, and the Boston Stock Exchange, and seven European stock exchanges.



that India needs to do more often. This is going to have a life-changing impact for many employees,” he added.

Summing Up

‘Employee Stock Option’ is one of the recent and innovative practices currently adopted by several organizations nationally as well as internationally. This practice is preferred more by the start-ups which are in the initial phase have constraints in paying high packages in terms of salary and other allowances. It has the inbuilt features of getting the employees vested in the organizational interest and promoting employee belongingness with the organizations and helps a lot in creating harmonious industrial relations. Due to the benefits flowing from the same and merit attached with it these days more and more organizations have started adopting this practice, a brief description of which has been made in this chapter.



Chapter 9: Conclusions

- Lack of proper communication and absence of dialogue between stakeholders breeds mistrust and can lead to unwanted misunderstandings resulting into vitiating the peaceful environment. On the contrary, a viable, strong, effective and dependable channel of communications, focusing on the areas of common interest of undertaking and skillful adjustment or negotiation on conflicting interests, is the most important facet of sound industrial relations practice.
- Well informed work force with facts and figures relating issues of common interests plays significant role in stable industrial relations. It helps in creating an enabling environment for consultation which ultimately promotes cooperation and results in a win-win situation for both the employer as well as employees.
- The major aspects on which the communication policy in any establishment should ideally inter alia focus on, include: Job Description; Training; Future prospects; Productivity; Working conditions; Health and safety at the workplace; Grievance Redressal Mechanism; Social security and welfare measures; etc.
- Some units have evolved good practices of organizing bilateral meetings on a regular basis at the unit levels inviting union(s) of workers and also some key workers and in these monthly /quarterly meetings. Issues of common interests and also those of immediate concerns like unit's present goals, future perspectives, unit's financial health are discussed in these meetings.
- Further, several common strategies to improve the industrial relations, such as workers concerns in matters of their and their family's health, transport, children's education, scholarships to meritorious wards, Life coverage, easy loans, workmen compensation insurance policies, extension of assistance to eligible workers in ensuring coverage in various governmental schemes are also discussed and deliberated in these meetings with a view to evolve consensus and willing co-operation from all the sides.
- Such efforts towards effective communication and dialogue have definite positive outcomes in stabilizing harmonious functioning in the unit. Another positive outcome of such available inbuilt infrastructure is that in times of crisis, this mechanism at the unit levels succeeds in many cases in resolving issues without the necessity of running to third parties for mediation in every such case. Bi-lateralism is any time a better option.



- Workers' participation in management/industry assumes paramount in the overall scheme of industrial relations as it helps in inculcating a sense of belongingness with the organization among the workers and thus creating an enabling environment for increased commitment towards industry and productivity. The workers' participation in management can broadly be at three levels i.e. shop floor level, departmental level and at the top level and demands willingness of the management to share the responsibility of the organization by the workers.
- Works committees, grievance handling mechanisms, quality circles, participatory mechanisms in management- their effective constitution, meaningful and realistic functioning on a regular basis- all these develop strong bond with the organization and with its objectives. There are umpteen examples where effective functioning of quality circles have succeeded in evolving cost reducing innovative practices, in reduction of wastages, in improving the quality of product and in ensuring strict delivery schedules. WPM leads to overall involvement of workers in achieving the collective goals of industry and workers.
- In any workplace, grievances are bound to occur which need to be minimized to the extent possible and resolved at an earliest. The major forms of grievances *inter alia* include: wages, leaves, overtime, career planning, working conditions, interpersonal issues, safety & health at the workplace, unrealistic targets and stringent rules of discipline, etc.
- These grievances if not resolved in an effective manner, may lead to adverse implications for the industry. Therefore, a systematic and effective mechanism for redressal of grievances assumes paramount importance for maintaining harmonious labour relations in any organization.
- Collective Bargaining serves as an important tool in determining the overall terms and conditions of employment between employer and employees. This process normally begins with 'Charter of Demands' by the workers' representatives/ trade union(s) followed by negotiations and discussions on the demands raised. At times, it may also be initiated by the employer *suo-moto*. The negotiations and discussions culminate into mutually agreed terms of settlement.
- Thus, 'Collective Bargaining' minimizes the chances of avoidable conflict and strife and helps in promoting amicable and harmonious industrial relations. Many of the sectors and organization in India have a long tradition of collective bargaining and fairly well developed systems for the same which have been discussed above in this chapter.



- Productivity and efficiency is to a large extent, linked to the level of skill possessed by an employee and there is always a scope for up-gradation of skill. Whereas, the formal education definitely has a role in the acquisition of skills, the role of training in further honing of the same can also not be ignored. The higher level of skills also enhances the chances of employability.
- The employee, the industry and the society as a whole, all get benefitted from the skilled workforce. Therefore, all have the role in this regard and in this context, the role of industry becomes quite crucial. Accordingly, various initiatives are taken by the organizations operating in different sectors to fulfill this role of skill development and training of their employees.
- ‘Employee Stock Option’ is one of the recent and innovative practices currently adopted by several organizations nationally as well as internationally. This practice is preferred more by the start-ups which are in the initial phase have constraints in paying high packages in terms of salary and other allowances.
- It has the inbuilt features of getting the employees vested in the organizational interest and promoting employee belongingness with the organizations and helps a lot in creating harmonious industrial relations. Due to the benefits flowing from the same and merit attached with it these days more and more organizations have started adopting this practice.
- Stable, well documented, easily understandable and strictly adhered rules of day to day workplace conduct envisaging in unambiguous terms do’s and don’t’s – both for workers and management are of prime significance. In the Indian context, reference may be made to certified standing orders or model standing orders as the case may be.
- Social Security and labour welfare measures are the integral aspects of cordial employment relations. These measures have a very wide scope which along with other employee well-being measures, lead to a satisfied labour force and ultimately the overall health and prosperity of the organization.
- Investment on these measures is the backbone of healthy industrial relations. Recognizing the same, the organizations and establishments from various sectors adopt a host of such statutory as well as non-statutory measures covering these aspects as per their available resources.
- Well thought out, planned and effectively implemented schemes like production incentives, attendance incentives and the like have definite



bearings on improving work commitments. Periodic recognition, honouring and rewarding such workers excelling in these schemes have definite positive overtones in stabilizing harmonious industrial relations.

- In one such notable case in Ghaziabad in Uttar Pradesh known for zero industrial unrest over the years, as shared by one of the senior labour administrators from Government of Uttar Pradesh, management organized on yearly basis large public functions in their premises duly participated by workers at large and top management wherein such workers with proven records of excellence in areas like these were recognized, honoured and rewarded. Such innovative practices help not only in strengthening the bond with the workers but also act as encouragement to other workers to emulate the success models.
- Strict, unfaltering, unwavering and unbiased adherence to rules/regulations of orderly conduct and discipline instill a sense of purpose and commitment amongst all stakeholders whether workers or management. Any unwanted deviation could only be counter-productive. Sometimes management relents and compromises in the hope of winning goodwill of workers or in the interests of shielding some lower level functionary but this only paves the way towards indiscipline and resultant disharmony and often work cessation.
- The keyword is adherence to the well established rules with overall fairness. In one case workers in an export oriented unit resorted to illegal strike which had already been banned by the Government resulting in wage losses. However, the management after lapse of sometime, released full wages to workers in the hope of earning goodwill thus thwarting not only government initiative in the interest of unhindered production but also discipline in the unit.
- Fairness, transparent and humane approach from the management goes a long way in winning workers' esteem, respect, dedication, commitment and identification with the organization and with its goals. There are innumerable examples where such approach of the employer on a lasting basis have yielded congenial industrial relations so much so that in certain cases workmen shunned the idea of forming trade unions deemed as not warranted in the circumstances. There are innumerable instances where actions by employers acting purely on humane considerations though not warranted by any law have significantly improved the cordiality and trust between stakeholders.
- Strict adherence to basics of Labour Laws like enforcement of statutory minimum wages or negotiated wage; timely payment of wages without unauthorized deductions; wage slips; Identity cards; Compliances with EPF and ESI provisions; enforcement of statutory obligations

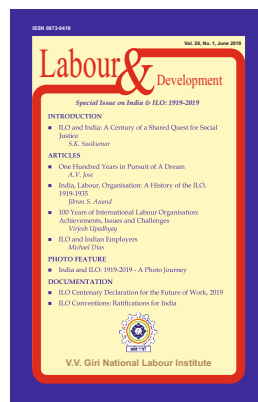


and those arising from settlements & adjudication succeeds in creating healthy conducive and amicable environment. Interactions with labour administrators from central and state labour departments from India, Employers' Organizations and Central Trade Union Federations suggest that violations cause only bad blood and vitiate healthy environment.

- The overall health and status of industrial relations in any organization considerably depends on the extent of the measures adopted to promote the aforementioned aspects, which have been dealt with in detail in the study.

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For all editorial/business correspondence, please contact:

Editor

Labour & Development

V.V. Giri National Labour Institute

Sector-24, Noida-201 301, U.P., India

E-mail: labouranddevelopmentvgnli@gmail.com

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