

# Industrial Relations at Enterprise Level: A Case Study

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## Abstract

Industrial relations in India have witnessed a long journey, from the phase of industrialisation to independence era to the age of economic reforms, but a lot needs to be addressed given the role of cordial industrial relations in desired economic growth of a country. The key lies in recognition of workforce as an essential and integral part of the organisation and not merely a tool for the production. The second National commission on labour recommended consolidation of labour laws, given that there are numerous labour laws both at the state level and the central level. Most of the labour laws are applicable to organisations employing a given number of workers, mostly ten or more workers. In order to escape the laws, organisations have been using contract labour more, so as to avoid the constraints of hiring and firing in adjusting to production demands. This study concentrates upon how the broad structure of specific patterns of industrial relations operates in a given context, and thereby provide an insight for solving a number of emerging problems. It helps to locate where the problem is, which may require modifications in the structural patterns. This provides an objective analysis to which those responsible for managing industrial relations in industry can relate their own experiences and can help them to seek avenues of change in realising their industrial relations objectives.

## Introduction

During the last hundred years, relations between workers and management have considerably changed, from slavery to serfdom, serfdom to master-servant relationship, master-servant relationship to employer-employee relationship, commonly known as Industrial relations. Since Independence, India has attempted to take wide strides to achieve the twin objectives of growth and social justice, but the inevitability of conflict between the two objectives has manifested into the form of serious dissensions in industrial relations. The rapid industrialisation, increasing size of labour force, the socialistic pattern of society, the advent of intervention of state and the increase in educated component of workforce calls for recognition of human relations approach, given that the worker is more urban in his outlook and the labour force is better organised through the increasing strength of trade unions. Moreover, to tap the foreign markets and meet the increased competition in the wake of economic reforms including liberalisation of economic regime and disinvestment in public enterprises, several challenges in the area of industrial relations need to be overcome. Thus, the strategic management of industrial relations in the globalised setting has become the need of the day for the Indian Industry.

The underlying belief on which the post-independence Industrial relations system is founded was that between labour and capital, the former was the weaker party and therefore, required protection from the state. The plethora of labour legislations resulting from this approach, seek to provide not only protection but also a variety of benefits to the working class, particularly those in the organised sector. It has also meant frequent intervention of the government in the settlement of industrial disputes. This pattern continued for half a century, for the Indian economy being inward looking, self-reliant and protected by tariff walls experienced no internal compulsion for change, even though the need for change was voiced from time to time right from the time the National commission on Labour submitted its report in 1969. After the new economic policies were introduced in 1991, the Indian enterprises felt the need to reorient their system of management, including the man-management system. Industrial relations have two faces-cooperation and conflict. Cooperation, being the ideal one to be achieved, needs to be relentlessly pursued both by the employees and employers, conflict, a concomitant of industrialisation process, is dysfunctional and thus needs to be resolved amicably. Government being the third and important actor of the IRs drama has an important role in increasing cooperation and resolving conflicts.

The second National Commission of labour submitted its report in 2002 wherein six study groups were set to have an in-depth and focused study on – review of laws, umbrella legislation for workers in unorganised sector, social security, women and child labour and skill development, training and workers' education. Some of the noteworthy recommendations of the study group were to make employment the centre of all policies, the introduction of a scheme of unemployment relief at the national level, formulation of a national policy on social security and social security be made a fundamental right. It recommended that the provisions of all industrial relation laws should be judiciously consolidated into one single law called 'labour management relations' law. This study concentrates upon how the broad structure of

specific patterns of industrial relations operates in a given context, and thereby provide an insight for solving a number of emerging problems. It helps to locate where the problem is, which may require modifications in the structural patterns. This provides an objective analysis to which those responsible for managing industrial relations in industry can relate their own experiences and can help them to seek avenues of change in realising their industrial relations objectives.

### **Research Methodology**

For the purpose of the study, the use of both the primary and secondary information was made. Firstly, various schedules were developed to cover information about various aspects of the company- company operations, organisation and management, personnel, service and welfare conditions, trade union and industrial relations. These included the brief history and future plans of the company, products, financial analysis, departments and their functions, methods of communication, disciplinary actions, working hours, attendance method, recruitment and promotion policies, training schemes, loan, housing, medical and other benefits, recognition of labour union and facilities given by company, collective bargaining policy, grievance procedures and others. This was done by referring to the available documents and interviewing the key officials of the

company where required. The schedules were so designed so as to cover a period of five years where the historical development was of importance.

To have an idea about the state of relations in the organisation, an attitude survey of the employees and management staff was conducted with the help of a questionnaire. The sample size was 305. The respondents were stratified in two main groups-workers group and management group. Workers were further classified in skilled and unskilled class. Their responses were sought on five point Likert scale and were analysed department and sub-department wise. Management group was divided into three groups supervisors, assistant managers and managers group representing the three levels of management. Mean and standard deviation were used for analysis. Z test, t test, Analysis of variance, Spearman's rank correlation and Kendall's coefficient of concordance were used to test whether there was a significant difference in perceptions of respondents in various categories. The study was conducted at the plant of Relaxo Rubber Limited, Bahadurgarh, Delhi in the year 2002. The attitudinal survey covered the attitude towards management, communication, fairness of management policy, grievance handling, discipline, transfer, supervision, attitude towards work, satisfaction with pay, benefits, working conditions and others, productivity and efficiency of labour, workers' participation, workplace relations and trade union and disputes. The following hypotheses were tested:

$H_0$ : There is no significant difference in mean scores of various groups.

$H_A$ : There is significant difference in mean scores of various groups.

In some of the questions, respondents were asked to rank various factors, wherein the hypotheses were:

$H_0$ : K sets of rankings do not have significant agreement.

$H_A$ : There is significant agreement in rankings by various groups.

Kendall's coefficient of Concordance was used to test the above.

## Findings

There were 41 statements in all in the questionnaire, out of which only three are reproduced here, but the findings are summarised based on all the statements.

### Statements 12. Workers grievances are given due and fair consideration.

	5	4	3	2	1	Total	Mean	S.D.	Result
Workers	2 (1)	12 (6)	2 (1)	100 (50)	84 (42)	200	1.7	0.83	
Skilled	0	7 (7.9)	1 (1.1)	59 (66.3)	22 (24.7)	89	1.9	0.75	Z=2.53; $H_A$
Unskilled	2 (1.8)	5 (4.5)	1 (0.9)	41 (36.9)	62 (55.9)	111	1.6	0.86	
<b>Departments</b>									
Production	1 (1.4)	4 (5.6)	0	31 (43.7)	35 (49.3)	71	1.7	0.85	F=1.30; $H_0$

Maintenance	1 (3.5)	2 (6.9)	1 (3.5)	18 (62.1)	7 (24.1)	29	2.0	0.93	
Laboratory	0	3 (11.1)	1 (3.7)	11 (40.7)	12 (44.4)	27	1.8	0.94	
Packing	0	3 (16)	0	28 (56)	19 (38)	50	1.7	0.74	
Stores	0	0	0	4 (36.4)	7 (63.6)	11	1.4	0.48	
Personnel & Administration	0	0	0	8 (66.7)	4 (33.3)	12	1.7	0.47	
<b>Sub-departments</b>									
Production I	1 (2.5)	4 (10)	0	21 (52.5)	14 (35)	40	1.9	0.98	Z=2.95;H <sub>A</sub>
Production II	0	0	0	10 (32.3)	21 (67.7)	31	1.3	0.47	
Maintenance I	0	0	0	9 (90)	1 (10)	10	1.9	0.3	F=0.25;H <sub>O</sub>
Maintenance II	1 (11.1)	1 (11.1)	0	2 (22.2)	5 (55.6)	9	2	1.41	
Maintenance III	0	1 (10)	1 (10)	7 (70)	1 (10)	10	1.9	0.3	F=0.25;H <sub>O</sub>
Lab. I	0	2 (11.8)	1 (5.9)	8 (47.1)	6	17	1.9	0.94	t=0.81; H <sub>O</sub>
Lab. II	0	1 (10)	0	3 (30)	6 (60)	10	1.6	0.92	
<b>Management Groups</b>									
Supervisors	32 (53.3)	24 (40)	0	3 (5)	1 (1.7)	60	4.4	0.86	F=2.93;H <sub>O</sub>
Assistant Managers	8 (26.7)	19 (63.3)	0	1 (3.3)	2 (6.7)	30	4	1	
Managers	9 (60)	6 (40)	0	0	0	15	4.6	0.49	

Statement 14. What are the reasons indiscipline among workers in the organization? (Rank)

- A. Lack of commitment to work;
- B. Dull, monotonous, highly fractioned and unchallenging character of job;
- C. Reluctance of management to share information about main activities in the organization;
- D. Employees' non-adherence to factory culture;
- E. Employees' failure to satisfy, at least partially the social and economic needs; and
- F. Absence of intrinsic rewards in the form of recognition or workers' appreciation

Groups	A	B	C	D	E	F	Result
Workers	6	4.5	1	4.5	3	2	
Skilled	6	4	1	5	3	2	$r=0.88$ ; $H_A$
Unskilled	6	5	2	4	3	1	Agreement
<b>Departments</b>							
Production	6	4	1	5	3	2	$W=0$ ; 898;
Maintenance	6	4	2	5	3	1	$S=566$ ; $H_A$
Laboratory	6	4	2	5	3	1	Agreement
Packing	5	6	1	4	3	2	
Stores	5	6	2	4	3	1	
P & A	6	4	2	5	3	1	
<b>Sub-departments</b>							
Production I	6	5	1	4	3	2	$r=0.829$ ; $H_A$
Production II	5	4	1	6	3	2	Agreement
Maintenance I	5	3.5	2	6	3.5	1	$W=0.916$ ;
Maintenance II	6	5	2	4	3	1	$S=141-50$ ;
Maintenance III	6	4	1.5	5	3	1.5	Agreement
Lab. I	6	4	2	5	3	1	$R=1$ ; $H_A$ , Perfect
Lab. II	6	4	2	5	3	1	Agreement
<b>Management Groups</b>							
Supervisors	3	2	6	1	5	4	$W=0.74$ ;
Assistant Managers	1	2	3	4	6	5	$S=15.50$
Managers	1	3	4	2	6	5	Agreement

Workers and supervisors =  $r = 0.729$ ;  $H_0$ ; Disagreement.

Workers and Assistant Managers =  $r = 0.529$ ;  $H_0$ ; Disagreement.

Workers and Managers =  $r = 0.729$ ;  $H_0$ ; Disagreement.

Statement 30. The management has provided sufficient welfare facilities for employees.

	5	4	3	2	1	Total	Mean	S.D.	Results
Workers	8 (4)	13 (4.6)	0	98 (49)	81 (40.5)	200	1.8	1.00	
Skilled	6 (6.7)	13 (4.6)	0	31 (34.8)	39 (43.8)	89	2.1	1.28	$Z=2.80$ ; $H_A$
Unskilled	2 (1.8)	0	0	67 (60.4)	42 (37.8)	111	1.7	0.66	
<b>Departments</b>									
Productions	0	3 (4.2)	0	30 (42.3)	38 (53.5)	71	1.6	0.71	$F=3.22$ ; $H_A$
Maintenance	1 (3.5)	1 (3.5)	0	13 (44.4)	14 (48.3)	29	1.7	0.91	



Laboratory	2 (7.4)	3 (11.1)	0	12 (44.8)	10 (37.0)	27	2.1	0.21	
Packing	2 (4)	4 (8)	0	29 (58)	15 (30)	50	2.0	0.99	
Stores	1 (9.1)	1 (9.1)	0	8 (72.7)	1 (9.1)	11	2.4	1.06	
Personnel & Administration	2 (16.7)	1 (8.3)	0	6 (50)	3 (25)	12	2.4	1.38	
<b>Sub-departments</b>									
Production I	0	1 (2.5)	0	19 (47.5)	20 (50)	40	1.6	0.63	Z=0; H <sub>0</sub>
Production II	0	2 (6.5)	0	11 (35.5)	18 (58.1)	31	1.6	0.80	
Maintenance I	1 (10)	1 (10)	0	6 (60)	2 (20)	10	2.3	1.19	F=4.56; H <sub>A</sub>
Maintenance II	0	0	0	5 (55.6)	4 (44.4)	9	1.6	0.40	
Maintenance III	0	0	0	2 (20)	8 (80)	10	1.2	0.40	
Lab. I	2 (11.8)	2 (11.8)	0	9 (52.9)	4 (23.5)	17	2.4	1.28	T=1.62; H <sub>0</sub>
Lab. II	0	1	0	3	6	10	1.6	0.91	
<b>Management Group</b>									
Supervisors	15 (25)	29 (48.3)	0	2 (33.3)	14 (23.3)	60	3.5	1.49	F=2.07; H <sub>0</sub>
Asst. Managers	10 (33.3)	12 (40)	0	6 (20)	2 (6.7)	30	3.7	1.29	
Managers	4 (26.7)	11 (73.3)	0	0	0	15	4.3	0.44	

The workers do not have trust in management of the company. They accuse the company for not looking after their interests, and for exploiting them at every chance it gets, they also allege that the company does not observe fairness in its policies towards the workers. It does not give fair treatment to employees in terms of financial and material gains. In dealing with workers' problems, workers find the approach of management to be unsympathetic. These views are maintained by all the departments invariably. Skilled workers group and unskilled workers group both maintain the same viewpoints. Out of various departments, lab department and stores department suspect the management's attitude more strongly than others. Production department always follow these two closely. Unskilled workers are more aggrieved with management's attitude than the skilled class. Production strap department finds the approach of management more unsympathetic than the production sole department. Lab process control also regards the management's approach to be more unsympathetic than the lab research and development department. However, all the management groups do not agree with the worker's perceptions. According to these groups, the management observe a sympathetic approach for dealing

with worker's problems. The management looks after the interests of workers, do not exploit them and observes fairness in its policy of providing financial and material gains to the employees.

Workers and management groups are satisfied with the wages and salaries provided by the company. The satisfaction level increases as one goes up the hierarchy in the organization. The managers group is most satisfied followed by assistant group & supervisory group. The workers have comparatively, low satisfaction index to these groups. The stores and lab departments are more satisfied than all others. The respondent of production and packing departments are least satisfied. There is a difference in perception of this satisfaction level as between production sole department and production strap department, the satisfaction of former is higher than the later. No significant difference is observed in satisfaction level of various respondents belonging to different groups or departments.

With regard to level of bonus in the organization, the skilled workers are satisfied but unskilled workers are not. Only the respondents of Personnel & Administration department are satisfied with this aspect, all others are dissatisfied. The respondents of production strap are more dissatisfied than those of production sole department. Management groups are however satisfied with the bonus, managers group being the most satisfied one, then comes assistant managers group and the satisfaction of supervisors group is least amongst the there. The safety measures in the organization are considered to be inadequate by the workers but this view is opposed by the management groups. Managers group believe that safety measures are adequate and this belief held is more strongly by this group than the other two groups. The workers' respondents from various categories do not differ in their perceptions very much in this regard.

Dissatisfaction prevails among the works regarding the welfare facilities also. Unskilled workers group feels this insufficiency more acutely than the skilled workers group. Similarly, this is the strongest perception for production department than all others. However, the management groups are satisfied again with this aspect also and satisfaction grows as one moves up in the organization. Workers are also dissatisfied with the working conditions with respondents of production department being most dissatisfied and those of stores and lab department being least dissatisfied. Unskilled workers are more dissatisfied than skilled workers. The workers of other categories share similar perception. But management groups find the working conditions to be satisfactory. Workers do not feel secured about their job in the organization. Unskilled workers feel more insecure about their jobs than skilled group. Similarly, the respondents of packing department feel more insecure than all others. Management groups on the other hand enjoy due job security, the level of security decreases as one goes down to levels of management.

The informal work place relations are not very satisfactory. The workers (except those of stores department) find their fellow workers friendly and pleasant to work with but they feel that their rational views and suggestions are not given due weightage by the superiors. (This fact is maintained most strongly by stores department closely followed by production and lab department). Strengthening one's own personal position &

influence seems to be the main concern in the organization instead of developing peoples' skills and skilled expertise. Unskilled workers advocate this view more strongly than the skilled group. However, the perception of other categories does not vary significantly. The management groups also agree that strengthening personal position and influence is the main concern (through less strongly than workers) but assistant managers group and managers group maintain that developing skill of people is also matter of concern in the organization supervisors group maintain the same opinion as that of workers.

The supervisors-workers' relations are not cordial. The leadership is task centered, the superiors adopt paternalistic and autocratic style of leadership towards their subordinates. They believe in theory X according to which workers are lazy, and have dislike for work. They need to be closely and directly supervised. Subordinates know exactly what is expected of them and superior gives specific instructions. All respondents whether workers class or management class maintain the above perception. Unskilled workers maintain this point more strongly than the skilled workers group. Also, the superiors use formal authority in influencing their subordinates rather than their experience and competence (packing and production department feel this more strongly than others, Production strap department advocates this more strongly than production sole department). This is the perception held by workers, supervisors and managers but the assistant managers group is of the view that expertise and competence is also made use of in influencing them. Similarly, all respondents from all categories maintain that the basic purpose of supervision in the organization is usually to check for mistakes and to catch the person making mistakes. Unskilled workers hold this perception more strongly than the skilled group.

The company does not observe fairness in its recruitment and promotion policies according to workers' perception. Workers (except those from lab R & D department) regard influence as the most important factor for securing employment in organization. Unskilled workers advocate this view more strongly than the skilled class. Production and stores department likewise hold this opinion more firmly than others. They also maintain that company gives promotion to only those employees who are loyal to management groups, however managers' group deny all these allegations. Negative discipline is prevalent in the organization. The workers do not follow the rules and regulations out of their own free will but for the fear of punishment, penalties, demotions, transfer etc. Even the management groups support this view point. The workers allege that reluctance of management to share information about main activities in the organization, absence of intrinsic rewards in form of recognition or appreciation of workers and employees' failure to satisfy the needs of workers are the major reasons behind indiscipline in the organization. On the other hand, management groups say that it is the lack of commitment to work and non-adherence of workers to organizational culture, which are the factors responsible for lack of discipline in the organization. Workers complain that before any disciplinary action is taken against a worker, he is not given any opportunity to explain himself (however the respondents of stores department do not hold this opinion). Unskilled workers group seem to be more aggrieved than the skilled workers group on this account.



The grievances of workers are mostly connected with working conditions followed by transfer issues, money matters, welfare facilities and lastly promotion matters. Workers are not satisfied with the present grievance procedure in the organization. Even the management groups find it unsatisfactory. This dissatisfaction goes on increasing as one moves down the hierarchy in the organization. Unskilled workers are more dissatisfied than the skilled workers. Workers also allege that their grievances are not given due and fair consideration. This accusation is denied by the management groups.

### **Discussions**

In order to understand the present state of industrial relations in the said company, we need to go into its historical background. The company has been growing since inception, more so, during the nineties. It has been operating as a family run unit. The needs of business and work had been highly ad-hoc during the early fourteen years of its existence. Managers had little powers and waited for the proprietor's instructions on any and every decision. Factory manager and the production supervisors had a total say in the implementation of policies, as the brief to them was to complete the job at all costs. So was the case with the other senior officers at the corporate office. Profit making has been the driving force. The company began in a small way as a family concern. Having made it big, personal approach to management continued. In fact, the whole process of getting big was never planned and came about in a haphazard manner. Management as a function was never an issue on the cards. The erratic nature of the growth was due to uncertain demand. There were periods in which large orders had to be met followed by little work. Now the work force is employed on a somewhat regular (though non- permanent) basis, but the policies have remained ad-hoc, largely because of unplanned growths and the necessity of meeting production targets. In effect, a crisis management is practiced most of the time.

Supervisors and managers who were able to get the work done by any means were rewarded with high increases in the salary. Over a period of time they had become more powerful and enjoyed the confidence of the seniors. They have become the trusted ones. Such managers were least interested about professional human resource policies. They neither had time, nor the aptitude to learn and practice professional management. This approach has resulted in the lack of the culture of work in the organization. Delays in meeting production targets were common. The usual attitude was to pass the buck. Last minute problems of non-availability of raw material, cartons etc. come up frequently. Since work was individualized, the sum total always had many uncovered areas. Deadlines were met with threats, cajoles, bribe etc. no experiential learning took place. At the completion of one job, the next began exactly in the same manner, at times resulting in more problems than before.

The company does not offer any career opportunities and higher emoluments in other companies attracted the workers to leave the jobs after gaining some experience. Employment policies of the firm also are highly unprofessional. According to workers, the management took advantage of excess supply of manpower. The

management accuse the workers for frequent late coming and enjoying extended lunch and tea breaks. And also, they have a usual habit of spending time on the pretext of easing themselves. Supervisors and managers complained that they washed their face, combed and gossiped in the washrooms many times a day. On an average, each time about ten minutes were wasted. In fact, the management had posted an employee outside the washroom to keep a check on the offending employees. At the factory level, the production supervisors were ruling the roost. Some were good nature and friendly. By and large, their management practices left much to be desired. Every worker was being stretched to the maximum limits. Leave was not tolerated. Strict watch was being kept on workers. Labor laws were being flouted and the department officials were kept away from visiting the factory premises.

Working conditions were not appropriate. In some of the departments, particularly in the production and packaging departments, temperature was usually very high. At times, during the breakdown of electricity, even the other departments also had high temperatures. The production supervisors' behavior was being perceived as rude by a large number of workers. In terms of industrial relations, little has changed. During the last few years, there has been an awakening and the feeling for developing human resource management related policies. In practice, the past practices were well entrenched. At the corporate office, a consultant was invited to look into the compensation structure of the employees and suggest policies. During the process of this exercise, the senior managers, who had thrived in the ad-hoc environment, were not very enthusiastic. The concept of human resource management or a professional approach is yet to find its feet in the organization. The managing directors, had, of late, been asking his subordinates to introduce human resource policies. But the senior officials were totally uncomfortable in the attempts towards professionalization.

The managing director was not very well acquainted with the happening, in the factory. The factory did have a few good supervisors and whenever they expressed their feeling, the MD was considerate, but nothing was being done in a systematic manner. The managing partner claims that they had kept an open system. This had been done to get a first feel of major issues faced by the employees as well as to encourage fresh ideas which had been, according to him, blocked in the past by senior (older) employees. It is in view of this he had attempted to keep himself approachable to the lower staff too. In its application, the open door policy boiled down to the fact that anyone could enter the managing partner's room in case of a grievance. However, few dared to go with personal grievances. Only senior staff members usually approached for seeking advice. Factory workers had remained precluded from this exercise. The concept of openness had neither been perceived in the right spirit nor had it percolated down to the senior officials.

Personal relations have remained individualized. Some supervisors had better relations and got every work done amicably. Such supervisors had been helping workers at the time of need. In case of electrical failure in a department which in the last case lasted for more than a month, the supervisors worked with the affected employees at high temperatures. This resulted in a high level of confidence of workers in him. However, this was not true in all instances. Over the years, more work was being contracted out. Supervisors, by and large, indulged in blatant favouritism. Those close to them got lighter work and others the difficult one. Employees

felt that they were not being viewed as important part of the whole set up. A sense of belonging with the organization, was totally missing. In the total environment, work and meeting production targets were more important than employees. In many cases genuine problems of employees were not listened to sympathetically.

### Summary

The attitude of management in the organization is more of paternalism than participation. The focus is not on employees' development and career progression. Notions of caring, humanity and welfare are highlighted as a means of legitimizing managerial authority and the subordinate position of the lower level people who have limited expectations of possibility of changing their work rules and natural place in the hierarchy. Due to the paternalistic style, the subordinates are likely to remain dependents with little opportunity for independent action. Thus, management and subordinates enact what has been ingrained in them-a dependency syndrome whereby paternalism forms a relevant strategy rather than participation.

Notwithstanding considerable changes which have taken place, there is a vast socio-cultural differences between the managers and workers in the Indian organizations. The similar situation is observed in this organization. Indian managers are generally drawn from high castes and high or middle class. They are rarely the sons of blue collar workers. They are generally educated in English medium schools and westernized management institutions located in urban settings. Although they are generally 'modern' in outlook, they are quite conscious of the culture and status gap between them and the rank and file workers. They have very little perception of the needs and aspirations of the common workers around them. Thus, in the face of such differences, collaboration with labour even if it does take place is likely to be superficial. In addition to their social-cultural differences, it is felt that the managers do not have the requisite education, skill and training for democratic systems. The transformation which is necessary to work in participative systems has not taken place among Indian managers. They are elite who enter an organization with inflated egos. Any defiance or even disagreement with what they consider as their prerogatives is likely to hurt their egos. The Indian education system both at the primary level and the professional level does not stress the necessity of participation or collaboration. In addition, the socio-economic environment of cut-throat competition stresses a "win as much as you can" attitude. Budding managers in professional schools, by their behaviour lend considerable credibility to play the win-lose game & it is difficult to believe they can transform soon.

Thus, the labour management relations in the company are to a great extent unstructured. There is no formal grievance procedure. The effectiveness of the existing informal grievance procedure is difficult to assess but judging from the results of the attitude survey, it is not satisfactory. There is no works committee or other comparable joint committee. The plant is small and in spite of the heavy investment, looks more like a workshop. The production has increased steadily and the workforce has also increased proportionately. The increase in production and profitability has been accompanied by two wage revisions and now the wage level is substantially higher as compared to the initial wage levels. The labour turnover has been steadily rising, particularly of unskilled groups. Discipline measures regarding the unskilled group have also been on

the increase. The level of wages paid to workers are just sufficient to retain them in the present job. But, virtually no consideration is paid to other aspects and needs of workers. Wages are not linked to performance or productivity of workers. No monetary or non-monetary incentives are provided to motivate the workers. Working conditions are in bad shape, welfare facilities are very little. Safety measures are inadequate. The workers are not given any incentive for increased productivity or efficiency. Thus, a lot needs to be addressed at the industrial relations level and more of the attitudinal changes on the part of management is required to mark any desirable and effective change.

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