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## Industrial relations in Steel authority of India limited

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### Abstract

The Industrial revolution in England used in an era of unparalleled peace and Prosperity. Modern science boro fuit in an unprecedented technological development and industrial progress. This left countries like India, where Industrialization was still in its fancy, feeling slightly dazzled and overwhelmed. The Public sector steel Industry entered a new phase in April 1973 with the formation of the holding company. The steel authority of India Limited (Sail). In 1978 sail was restructured and recognized as an operating company: with the result of the output and per capita consumption of steel have in crease during the cost four and a half decades considering the large size of the country and a sizable domestic, market its huge material base and the necessary infrastructure. Indian steel industry has great potential for rapid growth, with such presumption, industrial relation climate of a prestigious PE, Viz, Sail has been depicted in this paper with focus on IR Probability.

**Keywords:** Industrial relations steel authority the industrial revolution in England

### Introduction

State happens to be as Dunlop's model <sup>[1]</sup> unfolds one of the three major actors of the drama of the I.R. System drama (i) under a mixed economy system, where state is also an active partner in development, state's intervention for industrial peace has got significant role. in such system, (NA resembling cent percent free system) as National Commission on Labor (1969) points out, "... varying degrees of state participation will be required in the building up of industrial relations" In case of a nationalized undertaking, state will have a more decisive role. Being directly involved in ownership and management of a public enterprise, state can be a strong actor in preparing and maintaining its industrial relation climate. Its model employer role requires effective implementation of labour related policies better standard of HRD efforts and HRM management, so that the employer should have satisfaction, positive motivation, correct role perception, and les inclination to conflict. With such presumption, industrial relation climate of a prestigious PE, viz. SAIL has been depicted in this paper with focus on IR probability.

### Sail: It's IR Climate

The steel Authority of India Ltd. was registered on 24th January 1973 as a holding company with eleven subsidiaries. Further, Visvesvaray Iron and steel Ltd. was taken over by SAIL in August 1989. Likewise Visakhpathanma steel plant has been made a unit of SaIL, despite separation through natural and VRS routes, SAIL has got big manpower. SAIL axed jobs by 20,000 between 1998-99-2001-02 (4) Still its manpower strength in 2005-06 was 1, 38, 211 comprising 15206 executives and 1, 23, 005 non-executive. How to increase labour productivity is a crucial question for it.

Inspite of in modernization of major steel plants labour productivity in iron and steel industry in India has been only 90-100 tones per man per year in 1996, where as it was 600-700 tones in Korea and major steel producing counties. The race of productivity growth requires that operational constraints in working of iron and steel producing units a of SAIL should be removed, and for effective contribution of human factor, a co-ordinal industrial relation climate must be maintained.

Now, from the history of public sector iron and steel concerns, two things become clear firstly that different concerns have varying I.R. climate and secondly post reform situation reflects more peaceful environment. In the past-when SL was in operation, of it's these units, Bhilai steel plant had most stable Irritation Sri U.K.

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Chaubey (1972) <sup>[7]</sup>, claimed that the situation in BSP had become model to be followed by other public undertakings. On the other hand, Durgapur steel plant faced very acute labour relation problems. Portraying its picture CPU in its 67th Report (Fourth Lok Sabha), laid down, "The Durgapur steel plant had to face frequent interruptions and as a matter of fact there were as many as 23 interruptions in a single day. Within a four year period 1967-68-1970-71 Quantum of production loss due to labour unrest, was to the extent of Rs.52.8crores in Durgapur steel plant, Rs.25.47crores in Rourkela steel plant and only Rs 5.27 crores in Bhilai steel plant. In some of the years, Durgapur steel plant appeared as a battlefield. Consequently, on several occasions, management had declared lay off and lock outs in many operative units. Recourse has been taken to firing also (as on the 24th March 1969 to disperse the unruly mob of the workers. Likewise the extremist element became more violent in 1970-71 and the figure of Durgapur was sustained with blood. There were many instances of assault and stabbing in the township in which a worker and an officer died. So, in the past Durgapur unit presented. A record of most uncordial relationship,. It had worst industrial relations climate. Likewise during pre-reform period the two years 1984 and 1985 had been years of severely tense IR situation in Bokaro Steel Ltd. The company suffered a sales value loss of Rs 18.8 crores, due to labour unrest in 1984 as against a sales value loss of only Rs 2.71 crores in 1983 due to industrial conflict. Again, in the financial year 1985-86, there was a general strike in support of a 59 point demand of the workers. This labour trouble started as a flame from the Blast furnace of BSL on 5.4.85 and captured the whole plant. It led to complete stoppage of the working of the plant. There developed an acute situation of unrest having working of the plant. There developed an acute situation of unrest having cent per cent employee involvement. Such wide-scale strike, as it occurred in BSP in 1985 has not been witnessed by other plants like Bhilai, and Visakhapatnam units of SAIL. But after 1985, Bokaro Steel Ltd. has moved to a favorable I.R climate. This year (1985) produced a good lesson for man led crisis management. If all the unions' f BSL played unified role in conflict organization, in 1985, management, rather with a mood of Stern re-action and reply used whole strength for crisis control. Management did not take recourse to counter-acting measures; rather all executives, undertook the task to be performed by the workers, to save the plant from great hock. Such decision and practices of those who do not work rather manage the works, have acted as cool-water pouring on the flame of conflict. Workers' ego that without them plant cannot operate, was severely hurt and since then, may be due to other factors also, BSL, has availed stable industrial relation climate. Post reform period (1991 onward) presents a more peaceful I.R. climate.

Strains on industrial relation system of SAIL have declined in the post reform period. But it would be an error of justice to say that SAIL has created tension-free IR climate for years to come factors up setting industrial relations stability, viz. multiplicity of union vis-a-vis interunion rivalry, clash of personality within major unions and consequent intra-union rivalry political ties of unions vis-a-vis division of unions on political lines, growing regional trade union influence etc., are quite alive in the SAIL. Even today there are 240 trade unions in SAIL. Such multiplicity of union often does more harm to industrial relation climate. Because these union

happen to be wedded to different party-ideologies and consequently nourish conflict which ultimately does upset stability in IR system. Multiplicity of unions whether in SAIL or in any other holding company is a bad indication for industrial peace. Because at any time they may become competitive in trouble creation.

Now, though centrifugal forces, taking industrial relations far off the centre of co-ordination are alive what are the reasons for relative peace in SAIL's IR system in the post reform period? Such a query can be explained, with the help of multiple factors as given below:

A. SAIL has implemented exit policy in a very effective way with a view to stabilize its manpower at about 1 lakh. Employees in a large number have left the undertaking through VRS route as well as due to natural separation. Of course, the phenomenon and falling membership strength of members reduces union capacity.

B. Management of steel plants has become more conscious for co-operation of human factor. It is doing many things which if done by the unions could have added significantly to their popularity and strength. Catlin rightly observes, "The greater the number of phases of the worker's life which union serves, the more secure, presumably will be its hold on his allegiance and the more effective its control of trade." But instead of unions, management of public sector steel plants is doing many things for labour welfare and for better life condition of the workers. The units of SAIL have adopted community development scheme. Thus, as an example in the Bokaro Steel Ltd., a scheme of community development has been adopted to rich different socio-economic overhead facilities in an area of 22 square km around the plant. Other units of SAIL also have implemented such schemes. This is, of course, very wise investment, as it promotes feel-good factor among the local people. Consequently, they do not want to become party to agitation approach.

C. Employees have been awakened to the up-to-date need of core competence. They are understanding the fact that competition in the market of iron and steel product has increased. They have become careful for right role perception and consequently have increasing orientation to co-operation and team-spirit. Work-culture tends, to improve.

D. Management of steel plants is also anxious to develop labour relation friendly atmosphere by extending opportunities for employee's participation in managerial activities, encouragement to quality circles and rapid handling of grievances. Not only in case of SAIL; but in other PES also relative improvement in IR climate owes greatly to quick operation of the settlement machinery of industrial disputes. Prof. Ruddar Datt <sup>[12]</sup> rightly observes: "The machinery of settlement is brought into action more swiftly in the public sector than in the private sector."

Thus, there are various factors which have contributed to more stable character of labour relations in the SAIL during the post reform period, last one must not ignore the fact that multiplicity of trade unions and their political character which are beyond the control of management can be at any time an important source of strain on I.R system. Labour problems can be compared to wild fire which arises at point, but brings the entire forest into its fold, if the initial flame is not extinguished effectively of course, in this context autocratic behavior of managerial personnel will be like pouring gasoline to extinguish the fire. For industrial

harmony, management will have to flatten inroads for WPM and develop ways to effects unity of minds and understanding of different sections of human side, driven by different ideologies and vision. There is need of a holistic approach, because OB- HR-IR are integral and inseparable parts.

### **Probability of IR stability**

To foretell stability of IR system is very different. IR system bears the imprint of interaction of human groups, groups of employees' representatives, management representatives, and the state. Reactions being human, may assume different shapes at different points of time. Man is wonder of wonders; so how far reaction will be mild or aggressive, it is difficult to say. However, following factors, as observable in case of SAIL, may be regarded as stability promoters:-

- a) State is playing more active role to promote co-ordinal relations. In case of a public concern, state is itself owner as well as controller. As a model employer it looks after effective implementation of labour laws, whereby the scope of controversy is produced.
- b) Management with growth oriented HRM philosophy tries to be responsible as well as responsive to employees' viewpoints. Even if some conflict develops, managerial person do not personalize it.
- c) Labour representative are also showing preference to persuasion to get their views accommodated, and
- d) Feel good factor has been developed for industrial relations climate and collective bargaining.
- e) These factors are helpful; but more co-ordinal and stable IR system may be obtained in future; if the actors of the system tend to be more responsible to the requirement of stable IR environment.

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