

Report
of the study group on
sociological aspects of labour
management relations.

REPORT
OF THE
STUDY GROUP ON
SOCIOLOGICAL ASPECTS OF
LABOUR-MANAGEMENT
RELATIONS



NATIONAL COMMISSION ON LABOUR

Printed in India By M/s Samrat Press, Delhi in 1968.
Published by Manager of Publications, Civil Lines, Delhi-6.

Price { Inland : Rs. 0.55 P.
 { Foreign : 1 Sh. 4d. or 20 Cents.

FOREWORD

The National Commission on Labour appointed the Study Group on Sociological Aspects of Labour Management Relations in its attempt to understand some of the causes of changes in labour management relations since Independence. This was one of the series of Study Groups set up for different subjects. The Group was required to analyse available information on the sociological and psychological factors governing the relations between employers and workers and to see if it could provide guidance to the Commission on future developments in its area of enquiry.

The views expressed in the report are the views of the Study Group. In examining them for framing its final recommendations, the Commission will attach due importance to these views coming as they do from knowledgeable persons on sociological aspects of labour management relations. In the meanwhile, the report is being published by the Commission with a view to seeking comments on it from persons/institutions interested in the proper development of labour management relations.

The Commission is grateful to the Chairman and Members of the Study Group individually for completing their work within the time-limit fixed for them. The Commission is also grateful to all persons/institutions who may have helped the Study Group in reaching conclusions.

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ACKNOWLEDGEMENTS

The Study Group wishes to record its gratitude to Shri B.N. Datar, Member-Secretary, National Commission on Labour for his continual help and encouragement. In spite of the heavy burden of work he carries, Shri Datar accepted our requests to attend meetings and we benefited a lot from his guidance. He and his colleagues made valuable comments and suggestions on a draft of this Report.

We also acknowledge our appreciation for the initial work done by Dr. A.B. Bose, Joint Director in the Planning Commission, Government of India, who was appointed Member-Secretary of the Study Group but resigned from it later.

Our thanks are also due to Shri E. A. Ramaswamy and Shri B.S. Baviskar, Lecturers in Sociology, Delhi University, for the assistance they gave in the preparation of the report.

No. 6/2/67-NCL
Government of India
National Commission on Labour
New Delhi-16

Dated, New Delhi, the 24th April, 1967.

Subject :- Constitution of a Study Group for Sociological Aspects of Labour-Management Relations.

Reference :- Government of India, Ministry of Labour, Employment and Rehabilitation (Deptt. of Labour and Employment) Resolution No. 36/14/66-I&E, dated the 24th December, 1966.

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INTRODUCTION

The National Commission on Labour has performed a two-fold service in including the sociological aspects of labour-management relations as a separate dimension of labour conditions in India. In the first place, industrial relations have been conventionally studied in India by economists, management specialists, welfare agencies, trade unionists, politicians etc., and they have made substantial contributions to the understanding of labour problems. But unfortunately there has been a neglect of the sociological and psychological factors governing labour-management relations, although there is no doubt that overall social and cultural environment within which workers and managers function has a significant bearing on their interaction, and on productivity and industrial peace. This has been recognised for long in the industrially advanced countries in the West, and it has resulted in the rapid development of industrial sociology and psychology over the last forty years or so. Sociologists and psychologists in the West have done considerable work both in the pure and applied areas and their advice is frequently sought in finding solutions to practical problems.

1.2 Second, the appointment of this Study Group has offered a challenge, a welcome one, to sociologists. Whenever planners, reformers or policy-makers realise the importance of the sociological aspects of a problem, sociologists are forced to take stock of their contribution to the society in which they live. Until recently sociologists in India have been preoccupied with the studies of such fundamental institutions as caste, tribe, family, village, community etc., and with some general problems of social change centering round urbanisation and industrialisation. But there have been few attempts at assessing future trends in Indian social life by considering the sociological dimensions of urbanization, industrialization, education, politics etc.

1.3 Moreover, while sociology, like other social sciences, does demand objectivity, it is equally essential for social scientists to be involved in shaping the future of the society they live in. An assignment such as the present pointedly poses the

question: how far can sociological knowledge be utilized for promoting better industrial relations, increasing productivity and creating a secure, educated, healthy labour force?

1.4 The conceptual framework for the present study may be described as follows: Labour-management relations exist within the total social-economic-political structure of Indian society. They must, therefore, be examined in relation to the overall institutional and ideological goals. In the present context, these goals may be described as democratic socialism and economic growth. It is likely that these goals may be incompatible to some extent, at least in the immediate future. Hence difficult choices will have to be made.

1.5 In the context of these wider goals, the goals of industry and industrial relations may be formulated as maximum productivity leading to rapid economic development, the amelioration of economic and social inequalities between capital and labour, and the recognition of both management and labour as independent entities enjoying the utmost freedom within the legal structure of the State. These goals can be further explicated as follows: (a) adequate understanding among employers, workers and government of each other's roles in industry, (b) commitment to industry and to the industrial way of life on the part of labour as well as management, (c) sound unionism, (d) efficient, institutionalised mechanisms for handling industrial disputes, and (e) a willingness among parties to co-operate as partners in the production system.

1.6 Let us explain the term "commitment" used in (b) above. This word is used in several different senses—descriptive and philosophical—and is, therefore, likely to be misunderstood. In this report, we use "commitment" to refer to the acceptance by labour and management of certain basic standards of performance necessary for an industrial society, such as, technical competence, adjustment to the factory routine, punctuality and regularity in work, etc.

1.7 Assuming that the goals mentioned above are valid, we must raise certain basic questions regarding labour-management relations. What are the types of relations between managers and workers which would be most conducive to the realization of these goals? How far are the existing networks of industrial relations in India compatible

with the goals we are pursuing ? In so far as they are not compatible, how should the social factors conditioning industrial relations be altered so as to make possible the realization of these goals ? Answers to questions such as these ought to provide guidelines for future labour policy. In short, we should try to understand the facts and policies of industrial relations in the context of the wider social goals. Moreover we should remember that there are networks of beliefs, attitudes and assumptions underlying the field of industrial relations which have to be identified before effecting any changes in the system.

1.8 In order to be able to answer the above questions, we must first identify the areas of labour-management relations which we can handle. Here, it is necessary to point out that industrial relations are conceived in many different ways. There is a convention of measuring industrial relations in terms of absenteeism, labour turnover, strikes, lockouts, disputes, collective agreements, etc. The National Commission on Labour has appointed various study groups to examine labour-management relations from this angle and we shall not, therefore, be concerned with it here. Our emphasis will be on the various aspects of concrete behaviour patterns, degrees of co-operation, mutual beliefs and attitudes etc., among the groups involved in industrial relations, viz., employers, workers, trade unions, employers' organisations and the government.

1.9 At the beginning of its work, this Study Group attempted to clarify ideas on the scope of its work and the strategies to be employed to carry it out. Shri Datar, Member-Secretary of the National Commission on Labour, and Dr. Bose, the former Member-Secretary of this Study Group, both actively participated in our discussions, and also gave us much other valuable help. Dr. Bose prepared a working note on the scope of the Study Group and it provided the basis for our decision to cover the following issues in the study :

- (i) Employer-worker relations in agriculture. Patron-client relationship. Differences between rural and tribal areas.
- (ii) Social composition of industrial labour and management. Commitment to the industrial way of life and to the new technology.
- (iii) Social relationships at the plant level. Formal and

- informal relations. Communication—formal and informal channels.
- (iv) Social costs of industry. Effects of housing, sanitation, education, transport, etc., on industrial work and morale.
- (v) Management-worker relationships at various levels. Employers' and workers' organisations

1.10 After formulating the scope of our study, we felt that we needed some data on the projections made by planners about the size and dimensions of labour and management in the country. Shri Datar helped us in the matter by getting a paper prepared in which some vital issues of industrial relations were brought into focus. At the end of this paper, the following questions were raised :

- (i) The Groups which have been providing management personnel so far are likely to be less influential in framing policies in the future. What will be the effect of this loss of influence on the policies which will emerge ?
- (ii) It is possible that some members of the management group will come from modest environment and many from the working class leadership will share this environment. How will such a common environment help in developing common goals ?
- (iii) How will 'the sons of the soil' movement operate in forging a better link between management and worker groups ?
- (iv) The emergence of different political power groups at the Centre and in the States in the last few months, accompanied by political uncertainty, is likely to be reflected in the policy making decisions in the years to come. How far would this affect the labour-management relations at a national level ?
- (v) With the spread of literacy amongst the working class, there is bound to be growing desire among them to organise their own affairs. How far will the weaning of the influence of outsiders on the trade union movement affect the attitude of workers towards management ?
- (vi) With the rapid increase in the labour force, and particularly the organisable class among them, the task for the leadership in the field is going to be

tremendous. How would this phenomenon influence labour-management relations in the next ten years ?

- (vii) The gradual decline in the importance of traditional industries in the total economy will also affect the influence of their work-force over policy decisions. How would such pressures operate on the totality of decisions taken by the workers' organisations ?

1.11 Although these questions specified certain areas of interest for intensive concern, we felt that our original demarcation of areas included them and we, therefore, decided to present the study as we had planned it originally.

1.12 Generalisations on the subject are hazardous. Added to this is the heterogeneity of labour conditions in the country. The patterns of industrial relations vary not only from region to region, but also from industry to industry and from town to town. There is also considerable variation in the technology of different industries. For example, labour-management relations in a food-processing industry will be significantly different from those in an oil refinery or a coal-mine. The data on which we have had to depend are depressingly meagre. This imposes serious limitations on the range of our study and the validity of our observations. This lack of information can only be made good by focussed research of a high quality. One of our tasks is, therefore, to identify those areas where such research could be pursued.

II

AGRICULTURAL LABOUR IN INDIA

2.1 The agricultural labourers constitute a large section of India's rural population. As a class they are also the weakest section of Indian society. Attempts to improve their position will have to contend with powerful economic and political forces which to-day, as in the past, appear to be weighted heavily against them. Economically, their bargaining power is weak. Their chances of organizing themselves politically to bargain from a position of strength are also limited. It is in this context that we will have to make an assessment of agricultural labourers in rural society and their prospects for the future.

2.2 At a rough estimate, the agricultural labourers constitute between 25 and 30 per cent of the rural population engaged in agriculture. It is difficult to be more precise because exact figures would vary with the definitions and methods of enumeration used. The census figures reveal a decline in the proportion of agricultural labourers to cultivators between 1951 and 1961. This decline is not very large and may disguise difference of definition and method of remuneration. Any significant and real decline in the proportion of agricultural labourers would of course affect their economic and political position.

2.3 The bargaining power of agricultural labourers will depend a great deal on the extent to which they are homogeneous. There are many regional variations in the size and composition of agricultural labourers. These regional variations depend upon demographic, ecological and other social factors. A major difference seems to obtain between areas where agriculture has been commercialised and those where it has not. The former constitute a small proportion numerically but they may be indicative of trends for the future.

2.4 Within any given region too, there is differentiation. There are two kinds of intra-regional differentiation which appear to be of particular importance. The first concerns the extent to which the role of agricultural labourer is combined with other roles, viz., share-cropper, cultivator, construction workers, etc. The second relates to divisions

within the class of agricultural labourers on the basis of caste, particularly the division into Harijans and 'clean' castes.

2.5 It is well-known that agricultural labourers do not everywhere form a 'pure' type. The extent to which they are mixed with other occupational categories would depend on the distribution of land in the area, the crop pattern and the availability of alternative occupations both within and outside the rural economy. Here a number of factors interplay with one another in a complex manner. Where employment in agriculture is not easily or always available, seasonal migrants may travel long distances to work as agricultural labourers outside their village, district or region.

2.6 Some have gone so far as to argue that it is often difficult to identify a class of agricultural labourers *per se* within the more general category of rural labourers. The work of the agricultural labourer has a markedly seasonal character, particularly, in unirrigated areas, growing only food crops. As such, for long periods in the year he is either unemployed or employed in ancillary occupations including domestic service. The 'attached' agricultural labourer was by tradition much more than merely a worker on the farm. Commercial agriculture often demands more intensive and continuous labour on the farm than is usually the case where only food crops are grown. It would be interesting to ascertain how far the commercialization of agriculture creates a category of labourers unmixed with other occupational types.

2.7 The extent to which ownership of land and of labour on it are polarized varies greatly from one region to another and also within any given region. At one extreme we have those who own land but do not contribute any labour; at the other are those who own no land and contribute only labour. The bulk of the population engaged in agriculture falls somewhere in between. Many small owners of land require to engage agricultural labourers for only certain operations. Some may hire themselves out for these same operations while hiring in others to work on their own fields. A considerable proportion of those enumerated as agricultural labourers in the two Agricultural Labour Enquiries themselves owned some land. Where this happens on a large scale it becomes difficult to define the interest of 'land' and 'labour' clearly, and in mutually exclusive terms.

2.8 As categories, cultivators and agricultural labourers are different and distinct. It is far more difficult to make such

a distinction even in principle between agricultural labourers and tenants. In spite of land reforms, various forms of disguised tenancy are known to exist in different parts of the country. The acreage under tenancy is estimated to be anywhere between 25 and 40 per cent of the land under cultivation. At one end tenants are economically and socially close to the cultivator, themselves supplying inputs such as plough, cattle, seeds and fertilizers and occasionally employing labourers to perform hard manual work. At the other end are share-croppers whose position is very little different from that of farm servants.

2.9 The relationship between the land owner and his agricultural labourer exists within a wider framework of social relations. It is necessary to enquire as to the kinds of changes that are taking place in this wider framework. Broadly speaking, one would expect the older type of relationship between master and servant based on traditional conceptions of status to give place to relations of a more contractual kind. The extent to which this does actually come about will again depend upon a variety of factors such as the nature of production, the extent of commercialization and the availability of employment outside agriculture. On the whole it seems that attached labourers are being increasingly replaced by casual labourers. Also payments in kind are being replaced by payments in cash.

2.10 When the agricultural labourer gains 'formal' freedom in relation to his employment, this does not always or necessarily improve his economic position. Contractual relations deprive the agricultural labourer of a variety of dues to which custom entitled him. Most important among these is a measure of security. Some attempts have been made to provide security of employment to the agricultural labourer through legislation. But the new legal institutions do not as yet seem to provide an adequate substitute for the rights which were traditionally protected by custom.

2.11 The 'ethnic' composition of agricultural labourers is another factor which cuts across their unity as a class. In many areas there are certain castes, i.e., Brahmins, Rajputs, etc., whose members are debarred by considerations of status from the actual work of tillage. Apart from these, agricultural labourers are to be found amongst most castes. But everywhere the proportion of agricultural labourers increases steadily as one proceeds downwards from the middle of the

caste hierarchy to its bottom. Particularly noticeable is the high concentration of agricultural labourers among the Harijans.

2.12 In many parts of the country the rural population is divided sharply by the so-called line of population. It has to be emphasized that this division which separates the Harijans from the 'clean' castes is not merely an economic division but has deep roots in traditional values. The Harijans are till now excluded from many areas of social life and even their settlements are often segregated from the rest of the village. There are thus important structural barriers which prevent agricultural labourers of the 'clean' castes from combining for economic and political action with Harijans who are similarly placed in the agrarian system.

2.13 Where agricultural labourers are already weak and disunited it is possible for their employers to play off one section of the class against another. Often the collective strength of the class is so small that the agricultural labourer is prepared to settle individually with an employer on terms dictated by the latter. This kind of settlement is generally to the disadvantage of the labourer, particularly where traditional conceptions of equity have broken down.

2.14 It is difficult to estimate the part played by migrant labour in the agrarian economy but its prevalence is known to be widespread. Migrant labourers often travel wide distances from dry and infertile areas to come and work during certain peak agricultural seasons in areas where there is a demand for them. Thus, migrants from Ramanathapuram come regularly during the ploughing season to work as casual labourers throughout Tanjore district. By providing an alternative supply of labour, particularly during the peak seasons, they tend to depress the wages of local agricultural labourers.

2.15 Farmers sometimes prefer to have quasi-permanent arrangements with such labourers who, being outsiders, are generally more submissive than the local people. For example, in certain parts of Burdwan and Midnapur districts it is common for farmers to get tribal labour (generally Santals) to work on their fields during the agricultural season. The farmer may even give an advance towards the cost of the journey which is later deducted from the wages. Usually the farmers find such labourers more submissive and hard-working than the local people. These tribals, in their turn,

have very little common ground with local agricultural labourers with whom their ties are likely to be weaker than those which link them vertically to their masters. Sometimes tribal agricultural labourers settle down in the villages where they come to work, providing thus an additional element of diversity to its class of agricultural labourers.

2.16 We have confined ourselves so far to a consideration of the social character of the class of agricultural labourers within a more or less static frame of reference. There are, however, several important changes taking place both within the agrarian economy and in the wider economic system. It is only in the context of these changes that a total assessment of the prospects of agricultural labourers can be made.

2.17 There has been some development in Indian agriculture during the twenty years since Independence. This development is most noticeable in irrigated areas which are also the areas where commercial farming has become highly organized. In areas of commercial farming the agricultural labourer has generally a higher income than elsewhere. Money wages tend to rise although the real income may not increase significantly. One thing seems to be clear, viz., that wages form a smaller proportion of the total cost of production in commercial as opposed to subsistence farming. And although money wages rise in the developing areas, the agricultural labourers do not appear to get very much of the benefits of development.

2.18 In areas of commercial farming the real income of the agricultural labourer is likely to rise to the extent that farming becomes more labour-intensive. In this context it is necessary to investigate the new techniques being put into use in areas of intensive development. The trend for the short run, at least, seems to be in the direction of using more labour-absorbing than labour-saving devices.

2.19 The rise in the income of agricultural labourers is also, and perhaps to a greater extent, dependent on the development of the economy as a whole. This is illustrated by the case of the Punjab, where along with commercialization of agriculture, there has been an expansion in industry.

2.20 Apart from creating a shortage of labour within agriculture, industrial growth may have another and perhaps more far-reaching effect on the agricultural labourer. Where

new industries are set up, they draw landless labourers from the surrounding areas and sometimes across great distances. Some of these come as seasonal migrants during the slack period in agriculture. There is thus a growing category of landless people who work for part of the year in agriculture and for part of it in industry. Now the relations between the worker and employer (or manager) in a factory are quite different from such relations in a farm. In a factory the worker acquires new attitudes and sees new possibilities for bargaining. The agricultural labourer is traditionally submissive towards his master; the industrial worker is not. Some of the new attitudes acquired through exposure to industry are carried back by worker to the village when he returns to seek employment in agriculture. These are people who are likely to take the lead in making demands for higher wages and less onerous conditions of work. Even if the number of people who have been actually exposed to industry is small, they are likely to influence other agricultural labourers either directly or indirectly.

2.21 Land reforms were instituted with the objective of strengthening the weaker sections of the agricultural population. What has been their effect on the class of agricultural labourers? To the extent that land reforms have been successful they seem to have strengthened the position of the owner-cultivators rather than of the landless. In fact some landless people who enjoyed a measure of economic security as tenants seem to have lost this, where owners of land took to direct cultivation through casual labourers instead of tenants. The effective legal security which the labourer has to-day seems to be very limited.

2.22 In conclusion, any programme which seeks to improve the condition of the agricultural labourers must devise means for strengthening their bargaining power. The obstacles to this are many. The economy must generate conditions for increasing the demand for such people both within agriculture and outside. At the same time, conditions of political organization have to be created which will enable the agricultural labourers to put forward their demands in a united and effective manner. This seems to be happening to some extent in different parts of the country including such traditionally conservative areas like Tanjore and parts of Uttar Pradesh and Bihar. The recent events in Naxalbari can

perhaps be regarded as an extreme instance of such a development. The extent to which agricultural labour is emerging as a distinct social category or interest group in different parts of the country is an important area of research.

III

COMMITMENT TO THE INDUSTRIAL WAY OF LIFE

3.1 An important aspect of labour relations in industry is the extent to which labour, as well as management, accept the way of life and value-system of modern technology. The production system of modern industry demands attributes such as formal and professional training and competence, relevant to specific jobs, an intelligent and rational outlook on work and life, willingness to accept the routine, authority, discipline and even the monotony of factory work, and finally, a desire on the part of a large number of people to move up economically and socially. The degree to which these attributes are possessed by a worker or manager provides a measure of his commitment to industry. It is assumed that such commitment enables him to be a good worker or manager and this will be reflected in his contribution to productivity.

3.2 It has been stated earlier that we are using the term commitment in a restricted sense. In the total framework of an industrial society, commitment is essential not only among labour and management but also among the political and administrative leaders who are responsible for labour policy and programmes. Unfortunately, we do not have adequate data to analyse commitment in all its implications. We shall briefly refer to leaders' commitment in the section on social costs of industry. In this section, we shall deal with the issues of labour and managerial commitment to the culture of modern industry.

3.3 In an important sense, the concept of commitment is psychological. The extent to which workers and managers are committed to industry depends largely on their individual motivation, morale, aptitudes, abilities, training etc. Sophisticated psychological measures are available in this regard and are increasingly being used by Indian employers for recruitment and training. It is beyond the scope and competence of this Group to touch on these aspects of commitment.

3.4 We assume that while individual differences in

motivation, morale, abilities etc., are of great significance, the socio-cultural context is equally important for understanding problems of commitment. This context will, therefore, be the subject of our concern in the following paragraphs.

3.5 Industrialisation in the West resulted in large-scale changes in social organisation such as the concentration of population in industrial centres, a complex division of labour, social mobility, rationality in outlook etc. Modern technology has so completely dominated western society that it has come to be known as "industrial society". From this point of view societies such as India are called non-industrial or "traditional" societies.

3.6 Some social scientists have been led to assume that when the mass-production system is introduced into a non-industrial society, it encounters a social structure and value system which is incompatible with the requirements of industry. This incompatibility is believed to result in an industrial labour force which is pushed into factories by economic considerations, but continues to be influenced by the traditional social structure and values. This provides the ground for the problem of commitment assuming such an importance in discussions of industrialisation.

3.7 The facile assumptions mentioned above are now increasingly questioned in the light of empirical research in different parts of the world. In the first place, we must remember that "industrial society" and "non-industrial society" are only ideal types or models which actual societies only approximate to a more or less degree. Social scientists have shown that even in the most advanced industrial societies the problem of incompatibility between the demands of industry and those of other social groups exists. Conversely, the traditional social institutions and values of the so-called non-industrial societies are not always and entirely incompatible with the demands of industry. For instance, the study of a Guatemalan community by Manning Nash points out several aspects of traditional social life which facilitated workers' commitment to the factory. The process of learning agricultural activities and the values of time and space prevailing in Guatemala were conducive to the learning of factory jobs and work-schedules. We should not, therefore, regard the problem of labour commitment as a special problem characterising underdeveloped societies. The

problem needs to be investigated with reference to concrete labour situations in given societies.

3.8 The problem of labour commitment in India came to the fore in 1931, when the Royal Commission on Labour pointed out that the Indian industrial workers who were by and large landless labourers, village artisans thrown out of employment, and Harijans who wanted to free themselves from the tyranny of caste Hindus, continued to maintain contact with the village, and were ready to get back home if they could earn their livelihood there. The Commission went on to add that the solution to this problem lay not in snapping the workers' ties with the village nexus, but in improving their living conditions. Beginning with this, there has been a spate of literature on the commitment of labour to the industrial way of life which, at least in the early stages, tended to agree with the Commission's findings.

3.9 The initial thinking on labour commitment in India postulated a clear incompatibility between Indian society and modern technological values. More recent studies have however questioned the validity of this argument. The observation that factory jobs were manned by low-caste and Harijan migrants from the villages who were pushed out into the strange world of the town and factory, and eager, if not anxious, to return to the warmth of the family and neighbourhood was no doubt true for the initial years of industrialisation in India. There was at that time a large contingent of labour force moving from factory to factory and from factory to villages and back, resulting in the problems of absenteeism, turnover and casual labour. However, there is evidence to show that even during the formative period turnover and casual labour were caused not only by lack of commitment on the part of workers, but also by the employers' reluctance to bear the immediate economic burden implied in hiring a permanent labour force.

3.10 As industrialism expanded to include a wide variety of skilled and unskilled jobs, industrial labour ceased to be the monopoly of low caste migrants from villages. We must remember that in spite of the rural agricultural orientations of Indian society, the country has for centuries had an urban sector with socially heterogeneous populations practising a variety of crafts and services. The relation between caste and occupation in India has for long been elastic in many cases and change of occupation is not as

uncommon as is commonly assumed. These urban castes slowly entered the factories as these emerged in their neighbourhood. In most cases, these workers were not pushed out from their ancestral jobs into the factories, but were positively pulled by the attractive wages and opportunities offered by industry. Also, the urban workers were often not alienated from their community bonds, as their basic social groups were located near their place of work.

3.11 Migrant workers too changed their orientations and attitudes in course of time. These workers had their joint families and other community bonds back in their native villages and they were obliged to visit them for social occasions such as weddings and funerals. However, when factories began offering incentives for regularity and productivity, these workers were generally attracted by such incentives and gradually reduced the frequency and duration of their visits to the village. If a worker had his father or brother or other close relation in the village, these latter relative looked after the worker's land and sometimes even his dependents. In fact the joint family was interested in the cash earned by the worker as he supplemented its income: (A regular cash income was very valuable in the largely non-monetised rural economy and it also brought prestige to the wage-earner). In other words, the kin group in the village facilitated rather than hindered the workers' commitment to his factory job. Moreover, a large number of workers brought their immediate and distant relatives to the town to work in the factory or to benefit from the educational and other facilities offered by urban centres. Thus the workers' feeling of being alienated from their community-life gradually declined. Studies of industrial workers in Bombay, Poona, Baroda, Delhi etc., show that in large towns and cities the first migrants are much affected by the urge to go back to the village while the subsequent ones show an increasing commitment to urban life and to factory work.

3.12 It must be emphasised that the migrants showed lack of commitment to their jobs not just because they were socially uprooted from the village but also because the minimum facilities of housing, recreation, education etc., were not forthcoming. As these provisions became available and as measures of social security were undertaken, workers were increasingly attracted by them and commitment became less serious as a problem.

3.13 Moreover, the traditional society, which was held responsible for preventing commitment is not a static entity but a dynamic one. During the last century or more when modern industry began in this country, norms and values have changed both in the urban as well as rural areas. The urban industrial way of life has become more and more acceptable to workers.

3.14 There are various degrees of conformity to the industrial way of life. A worker may be uncommitted, partially committed, committed or over-committed. An uncommitted workforce is characterised by heavy turnover and absenteeism, the partially committed workforce by low turnover but high absenteeism, and in the case of the committed workforce there is a marked drop in both absenteeism and turnover. The over-committed worker is one who is committed to a particular employer and therefore lost his mobility. Paradoxically, over-commitment may be regarded as a carry-over from the traditional master-servant relationship in which the employee was permanently attached to a single employer. Whether such an attachment is functional or defunctional to industrial efficiency is a matter on which no information is available. (Instances of such over-commitment occur even in the West.)

3.15 Among recent studies on commitment in Indian industry, we may briefly mention the study of the Bombay cotton textile industry by Morris David Morris and the study of factory workers in Poona by Lambert. Morris challenges the facile assumptions on which the earlier writers on labour had based their thesis. He questions the belief that in the early stages of industrialisation the factories were faced with a shortage of labour and that the Harijans and other low castes constituted the bulk of the labour force. Lambert points out that in the factories in Poona studied by him more than three fourths of the workers were committed and, of these, a large number of workers were "over-committed". A similar conclusion emerges out of J.L. Dholakia's study of factory workers in Gujarat. Dholakia shows that a majority of workers show an intention to remain committed to factory jobs, that village ties have not inhibited the transformation of the workers into a stable workforce. It is significant to note that the conclusions arrived at by scholars who have studied the problem at the micro-level and from a theoretical point of view have not been borne out by empirical research.

3.16 The commonly accepted indices of commitment, or the lack of it, are absenteeism and labour turnover figures. Once we define commitment in terms of commitment to the industrial way of life, turnover figures of individual factories cease to be significant. Turnover figures include workers who left the factory because of sickness, infirmity, retirement, retrenchment or in order to take up a better job in another factory or industry. It is not correct to infer lack of commitment from worker turnover unless it can be shown that a significant number of workers leave factory employment of their own volition and do not take up employment in any other industrial enterprise. Absenteeism again can be a meaningful indicator of commitment only if it is defined, as is done by Morris, as wilful non-attendance at work. Morris shows how the millowners of Bombay included even a lay off of workers in the lean season in their figures on absenteeism. Obviously not all absence from work can be regarded as absenteeism.

3.17 The picture of industrialisation has undergone radical changes since the earliest period. Cities and large towns no longer monopolise industry. Smaller towns and villages are now increasingly becoming the nuclei of industry. As such, the labour commitment problem must vary from region to region and from location to location. The established centres of industry such as Bombay and Calcutta, the second-rank centres such as Ahmedabad and Kanpur, the newly-emerging centres such as the steel towns and the places of small industry such as Okhla, Ludhiana and Trivandrum are all likely to present vastly different problems of labour commitment. But these differences have yet to be systematically examined by scholars. Similarly, problems of labour commitment are likely to vary from industry to industry. A heavy engineering factory and a textile mill, for instance, need different kinds and qualities of labour. Again, within the same industry, factories at different stages of industrialisation and automation will have different needs in respect of labour. The problem of commitment can therefore be fruitfully examined only by taking into account all the elements of a specific situation viz., the regional framework, the type of industry, the nature of migration, the stage of industrialisation, the pattern of social change taking place in the area etc.

3.18 Many of the workers in Indian factories to-day are now employed in industries without having to migrate from

their place of birth. Even in a highly industrialised place like Coimbatore, for instance, one can see many workers who continue to stay in their village and continue to work. In the case of many workers who have come to Coimbatore in search of work, migration has meant only migration from one village to another, for many of them prefer to stay in the villages around the factory, rather than in its immediate vicinity because of the difficulty in getting accommodation. So the image of the workers for whom factory employment implies ceasing his contacts with the village and kin group cannot be held to be typical of the industrial workforce as a whole.

3.19 But this does not mean that migrant labour is insignificant in India either in its volume or in the problems it poses. Industries such as construction, sugar, cotton ginning and plantations abound in migrant workers. Seasonal industries and those in which labour is employed largely through contractors (such as construction) present special problems of commitment and labour-management relations. A few studies of labour in such industries indicate that workers are mostly uncommitted and their relations with employers are traditionalistic and unorganized. But more data are essential for making useful generalizations in this regard. Labour in this sector constitutes a significant proportion of industrial labour; hence it is important to make systematic studies of conditions of this labour and the problems of policy and planning resulting from these conditions. The problems arising from the fact that in some industrial towns children of salaried people have been taking to industrial jobs also needs to be investigated.

3.20 We may refer here to the view that finds occasional expression viz., that where the workers and their employers belong to the same cultural area (state, region, etc.) there is more mutual understanding and agreement regarding goals and means than when they are recruited from different cultural groups. (This is also reflected in "sons of the soil" movement). However, it is not possible to make any valid observation on this matter since no comparative data are available. It seems to us that in so far as modern techniques of labour recruitment and management practices are applied by employers, the narrow cultural affiliations between labour and management have little significance. In fact, labour policy should be oriented towards the development of a distinct

industrial culture in which narrow cultural affiliation between labour and management have little significance. In fact, labour policy should be oriented towards the development of a distinct industrial culture in which narrow social loyalties are submerged to a significant degree.

3.21 Some employers appear to believe that labour commitment is not a problem in a market characterized by great labour surplus. This may be a valid conclusion, but only within narrow limits. Even in a situation of labour surplus many managements may not get the right quality of labour in sufficient quantity. As every manager knows, there are certain jobs which cannot be mastered by everyone; it is here that the problem of commitment becomes relevant. Moreover, even with respect to routine jobs, lack of commitment may mean a considerable turnover of labour. The phenomenon of labour turnover needs to be understood carefully. It may not involve immediate dis-economy in some cases, but it has social and psychological consequences on the labour force which often lead to direct or indirect increase in labour cost.

3.22 Second, it must be recognised that commitment is partly a function of labour-management relations at the shop-floor. There are no doubt rational principles governing the authority structure in an organisation, but every superior-subordinate relationship allows for a measure of discretion to be used by the holder of authority. It is in this area of discretion that a manager can contribute to the development of a committed labour force.

3.23 Third, there is a tendency for managements to regard unionisation of workers as harmful to workers' commitment to industry. On the contrary, scholars in developed, as well as developing societies have, shown that unionisation is in fact an index of the higher commitment of labour to industry. Conflict between labour and management is an integral part of industrial society. A unionised worker thus shares the values inherent in industrialisation. A worker showing paternalistic attitudes towards his employer or manager may be committed to his work, but his commitment is often of a static nature and he may lack the initiative and drive necessary for many jobs in the workshop.

3.24 Apart from the social dimensions of labour commitment mentioned above, it can also be viewed as an economic problem. A management plans its requirements from

time to time. It is, therefore, aware of the quantity and quality of labour it needs over a period. This labour force has to be structured on the basis of what is available in the labour market. Usually, while management emphasise the recruitment and training aspects of structuring a labour force, they tend to neglect the commitment aspect. The belief underlying this approach seems to be that once a worker is induced into the factory, he will become aware of the economic and social benefits of his job. However, the initial process of recruitment is likely to be more complicated than many of us may believe. The worker who decides to sell his earning power to an employer makes a number of choices from the social maze around him. How much weight does he give to the tangible and intangible goods he loses by becoming an employee? What is the significance for him of the social contacts he may have to give up? What does the change of status involved in his recruitment to factory mean to him? How does he balance the economic needs of his family and the security provided by it against the housing, welfare and educational facilities he and his dependents are likely to get in his new job? In the long run these considerations are likely to influence the interest and commitment he develops in his work. The management should, therefore, take all this into account in structuring a labour force. What appears as an unnecessary economic burden in the short run may prove to be a wise investment in the long run.

3.25 From the view-point of policy, integrated regional and industry-wise studies of the labour market are essential to ensure an adequate supply of committed labour for Indian industry. The labour-market studies should, however, go beyond the conventional economic analysis and take into account the manifest as well as latent costs involved in the alternative methods of developing a committed labour force.

3.26 There appears to be no definitive work to indicate the nature of labour relations with the growing element of professional management in India much less a comparative study with other managements, particularly the old family businesses. Such a study would be most desirable if only to test our *a priori* ideas around the area of professional and family managements. In the absence of such studies, certain tentative ideas, derived from somewhat unsystematic observation, may be put forward here.

1	2	3	4	5
Small Family Business	Medium Family Business	Large Family Business (often professionalising)	Indian and International	Public Sector
Job security, wages and productivity low	Probably higher job security, wages and productivity than small family business	Security between categories 2 and 4; good emoluments, high productivity with low costs	Security high; wage and productivity highest	Security absolute, wages and productivity low to medium

It is difficult to make any objective observations either with regard to management-union relations, or management-worker relations in the different categories above. At one end of the spectrum, there is a bias against the insecurity, arbitrariness and exploitation allegedly characteristic of the old family business; at the other end of the spectrum, there is the public sector enterprise with its non-entrepreneurial management. The spectrum may therefore show high degrees of authoritarianism and insecurity between the family-control at one end, and the State control at the other end; and it is quite possible that the most congenial development of industrial relations between management and labour, as two equal collective bargaining forces, are developing in the middle of spectrum with the professional managements of Indian and international companies. Professional managers are themselves employees, and they have a major stake in the long term profitability and stability of the business, which may also be said to be the same basic interests as that of non-management workers. It is not without significance that many large family businesses in India are themselves professionalising fast in two ways; by hiring professional managers when the scale and complexity of operations grow beyond their personal control, and by members of the family themselves taking to professional management education.

3.27 On the other hand, studies may reveal that workers in many units still value the paternal and personal interest of the family head in the smaller units, and those in large professional units may find relationships much more impersonal

and governed by collective bargaining agreements and rules. To the extent that wages and profitability are any indications of productivity, the indications are that the highest productivity and the best industrial relations are with the largest professional management firms. These firms are also equipped with modern personnel departments to look into both the tangible benefits as well as the intangible job satisfactions of workers.

3.28 With the growth in the size of units and the complexity of industry, professional managements will be the dominant element of the future, and they may be expected to take a more knowledgeable and far-sighted view of industrial relations as a vital area of industrial harmony and high productivity.

IV

LABOUR - MANAGEMENT RELATIONS AT THE PLANT LEVEL

4.1 An industrial plant is meant to function as a viable economic unit producing goods and/or services. As such, it is necessary that managers and workers employed in it co-operate and their activities are co-ordinated in a systematic way. Ideally, the people working in an organization should accept the primary goals (such as production, efficiency etc.) for which it exists. A set of rules and regulations governs their behaviour and interaction to ensure co-operation and co-ordination.

4.2 However, for a variety of reasons, ideal expectations are rarely fulfilled. Although an industrial organization is governed by formal rules, the latter leave considerable scope for manipulation by individual members. This often means divergence in the interpretation of rules, and different degrees of obedience to them among members. Hence the functioning of an organization cannot be understood without reference to the actual exercise of authority and responsibility. Second, as individual members of the organization go on working in their various capacities, they develop preferences and prejudices towards one another and attitudes towards the organization and its different elements. Third, the goals and interests of the members of the organization are derived from the wider society outside the factory. The former (wider society) determines the extent to which members will identify their own goals with those of the organization. Insofar as the goals and interests of the members vary, the function of labour policy should be to provide mechanisms for reconciliation of the divergent interests and resolution of conflict.

4.3 A realistic discussion of labour-management relations in India would have to take into account the numerous types of managers and workers obtaining in the country. As has been shown earlier, we do not have adequate data to deal with these different types. We can only make few general observations.

4.4 In the early stages of industrialization, the ownership of production units was in the hands of British business-

houses and members of Indian business communities coming from the higher social and economic strata. Industry was run as family business; a fact symbolized in the managing agency system introduced by the British Indian Government. The managerial class also emerged from the higher social strata as management required formal education which was generally largely monopolized by the higher groups. In contrast, the new working class was provided partly by the old artisan-castes and partly by the lower castes and Harijans. Thus the social difference between management and workers reflected the social gulf between high caste masters and their low caste servants. Many employers regarded industry as their private property and treated workers as an old-fashioned rural patron treated his client.

4.5 This attitude of complete subservience of labour to management has since become a thing of the past under the impact of Western liberalism, the evolution of democratic-socialistic ideas and institutions, and modern techniques of management. Workers now enjoy freedom of association and expression, and equality before the law. However, it appears that an important element of master-servant relationship still continues at many places. We are referring to the paternalistic attitudes between some managers and their workers and which are similar to the patron-client relationship in traditional India. Managers often regard workers virtually as children and believe that they can command the workers' loyalty by appealing to sentimental bonds. For example, an influential and widely-travelled top manager was recently heard to lament that industrial relations in the units he controlled had deteriorated since his father's death. He attributed this deterioration to the discontinuance of the personal relations which his father had established with the workers. The industrialist then advised his fellow-managers to experiment with the practices adopted by his father in order to improve efficiency in their units.

4.6 There are several instances of industrialists in India who effected improvements in wages and conditions of work without the workers or their unions demanding them. Some industrial concerns appointed workers' representatives on their Board of Directors. Occasionally the employer enrolled himself as a member of the workers' union. The workers, in turn, were attracted by such show of oneness and altruism

and expressed a sentimental attachment to managers or employers.

4.7 Those managers who have been trained in modern management science have imbibed the ideals and ideas of scientific management and what is known as the "human relations approach" to industrial relations. Such managers are responsive to the sentiments and social needs of workers and allow for these in dealing with workers or in planning their work-force. While this approach is helpful to managers in understanding their workers' needs, in some cases the attitudes of paternalism continue inspite of advanced management practices. There are professional managers who are willing to satisfy workers' demands with the air of compassion rather than in recognition of the latter's rights. We are likely to find many managers who feel proud of their relationship with their workers which is based on ideals of unity, team work, mutual affection etc. Underlying these attitudes, however, is a firm belief in the managers' superiority over workers. Reputed managers have been heard talking vehemently in favour of the management's inalienable right to "hire, control and fire" workers.

4.8 On the other hand, although workers are becoming more and more conscious of their principal rights and the ideas of social justice, at many places the ranks of workers are divided by caste, religion and linguistic and political loyalties. Although the workers' interests are at variance with managerial interests, in a large number of industrial plants workers have not crystallized themselves into an "interest group". In many cases, trade unionism is either politically divided or frustrated by employers' power. An effective trade union at the plant level is a prerequisite for mature labour-management interaction.

4.9 However, in advocating the consolidation of workers' interests we do not wish to minimise the importance of labour-management co-operation and co-ordination. In fact, we would treat trade unionism as a prerequisite of stable labour-management relationship. There is still another dimension to this relationship: the informal bonds formed among workers and between managers and workers in the course of their work. Studies in the West have indicated that frequently informal relationships can be much more important than formal relationships in regulating the activities and promoting the efficiency of an organization. It is not possible, however, to specify in detail the social and

psychological conditions under which favourable informal relations can be set up. Apparently, the kinds of informal relations developed in a concrete situation and their effect on the organization depend on several factors such as market, technology and the prevalent political environment. We can only suggest that where informal relations have been established, ways and means should be found to utilize such relations for promoting the identification of individual workers and managers with the organization. Each factory develops a way of life—including its history and legend, the mannerisms of the people working there, the relation it bears to other factories etc. This common "culture" of the factory can perhaps be exploited to build up a sense of belonging among the members and greater collaboration between managers and workers.

4.10. In discussions of labour-management relations, it is customary to draw a distinction between the relations at the plant level and at the level of the industry. This distinction is based on the difference in the nature of the problems encountered at the two levels and in the respective approaches to be adopted for their resolution.

4.11. At the level of industry conflicts arise from differences in interest and assume a collective and impersonal aspect. Their solution usually involves a direct confrontation between the management and the labour unions. Personal issues seldom figure prominently at this level and the worker is concerned with the problem not as an individual but as a member of a union pitted against the management. On the other hand, the worker is directly and immediately concerned with the problems arising at the plant level. These problems are often personal in nature and can be sorted out between the workers and the management in a direct and informal manner. This, however, does not rule out the possibility of a problem originating at the plant level eventually figuring at the level of the industry.

4.12. The distinction between the plant and industrial levels is a useful one for some purposes and within certain limits. It is necessary to stress that the industrial organization has to be viewed as a whole, and in a still wider context it is necessary to understand its relationship to the other organizations within the larger society. Because of the inter-connectedness of the various elements of the social organization, any

attempt to solve the problems at the plant level would evidently have some impact upon the problems at the industry level. This aspect will be elaborated later.

4.13 Acknowledging the divergence of interests between the labour and the management and granting that occasional or frequent conflicts of these interests are unavoidable, it should still be possible to legitimise or institutionalise them so that they do not adversely affect the inter-personal relations in the plant and impair the production process. In other words a greater consciousness of the distinction between the worker's role in the factory and his role in the union is necessary.

4.14 It is first of all necessary to be familiar with the type of problems which frequently arise and tend to disturb the harmony of labour-management relations at the plant level. Though a variety of factors might operate from time to time to disturb labour-management relations, case studies of many different industries have disclosed that such disturbances are frequently caused by the recurrence of a particular set of problems. As these studies were mostly evaluative in nature, their aim was to review the working of the various measures designed to deal with these recurrent problems. These studies make it clear that the steps so far taken have not on the whole succeeded in ensuring industrial peace. The reason probably lies in the fact that the problems often involve deep-seated beliefs and prejudices and hence do not lend themselves to easy solutions. At times, these problems are purely economic and yet defy solutions.

4.15 Supervision is one of the issues on which the management and the worker often hold opposite views. The difference arises from the very nature of the industrial organizations. In complex and large-scale organizations the immediate supervision of the worker is the function of the lower management which is accountable to the higher levels. In their anxiety to perform their duties efficiently and thereby win the approval of the top management, the personnel of the lower management may be tempted to be over-zealous in extracting work from the workers. On the other hand the worker frequently has a tendency to resent close supervision. The resentment is bound to be all the greater when the worker is aware that the supervisor's role is confined to extracting maximum amount of work without any corresponding authority to confer rewards or recognition for

the workers efficiency. It has been reported that in many industries there are no definite rules regarding promotion, confirmation, grant of additional increments etc., and these are decided on particularistic considerations such as personal relations, loyalty, caste etc., without regard to efficiency. In any case the supervisor can, at best, make recommendations which are not binding on the top management. Thus, while the supervisor plays the role of a trusted lieutenant in relations to the management, the worker sees in him a slave-driver.

4.16 The complexity of the organizational structure is also responsible for creating problems of communication which are especially rendered difficult by the illiteracy of the workers. Personal communication is ruled out when the size of the plant increases beyond a certain limit and recourse has to be had to such devices as notice boards and circulars. In many industries there are no established lines of communication. In highly structured organizations, the lines of communication can be unduly long and when messages have to move up and down they inevitably undergo some distortion. Besides, long lines of communication stand in the way of any effective contact between the labour and the top management with the result that knowledge and understanding of each other come to be based on how each is projected or presented to the other by the middle and lower managements. Thus communication which is the basis on which the worker builds his image of the organization as a whole and of the management in particular, is often a source of problems which adversely affect labour-management relations.

4.17 Discipline is another source of constant friction between labour and management. Breaches of discipline may be dealt with in a variety of ways such as warning, fines, charge-sheets, suspensions etc. But here again what really counts is the respective attitudes of each to the other. While leniency on the part of the management is liable to be interpreted as sign of weakness, excessive strictness may be denounced as authoritarian.

4.18 Matters such as promotion and transfers also frequently cause discontent among the workers. Promotions may be made either through direct recruitment from outside or by upgrading employees already in service. The criteria for promotion have to be clearly and precisely defined.

Several factors such as seniority, qualifications, efficiency, loyalty to the organization etc., have to be taken into consideration while deciding promotions. Several studies have disclosed that many industries do not possess definite rules governing promotions.

4.19 The transfer of workers from one department or shop to another may also give rise to discontent. Where the workers have good relations with their colleagues in the shop or department, they do not want to be transferred and they might want to be transferred when their relations are not pleasant. Informal relations among workers in small groups are known to be an important factor of job satisfaction and it might be desirable to keep this in view while transfer of worker is being contemplated.

4.20 Another major source of discontent among the workers is the working conditions obtaining in the plant. The actual work can be made more tiresome, irritating and risky than necessary, if working conditions are defective. The presence or absence of facilities such as latrines, urinals, drinking water, furniture, facilities for washing and changing clothes, light, ventilation, exhaust fans, working hours, overtime, measures of safety and accident prevention, prevention of occupational diseases and injuries, provision of work apparel etc., can make a significant difference to the attitude and morale of the workers, and are directly relevant to the kind of labour-management relations existing in the plant.

4.21 Apart from the actual working conditions, the provision of certain welfare measures such as canteens, co-operative societies, hospitals, maternity homes, creches, facilities for workers' education, may also contribute to satisfactory labour-management relations. The importance of these measures is being gradually recognised and many industries have taken steps to provide at least some of them.

4.22 A number of steps, some of them statutorily prescribed and others initiated by enlightened and benevolent managements even before they were legally enforced, have been provided to deal with the problems arising at the plant level. Among these, the appointment of a labour welfare officer, the formation of Works Committee and Joint Consultation (or Management) Council, are important. But a review of the actual operation of these measures in many industries has disclosed that their working is far from satisfactory.

4.23 The Factory Act of 1948 has made the appointment of a Labour Welfare Officer obligatory in all industries employing 500 or more employees. The Act has also laid down the conditions of eligibility for appointment as Labour Welfare Officer, and specified his duties and responsibilities. In actual practice, however, the Labour Welfare Officer is required to play conflicting roles which gave him little freedom in his work. Though primarily his responsibility is to look after the welfare of the workers, as he is paid by the management, many Labour Welfare Officers lean heavily to the side of the management in discharging their responsibilities.

4.24 In some establishments the Labour Welfare Officer is assigned all types of odd duties with the result that he has little or no time to perform the duties for which he is primarily responsible under the Act. In certain industries where there is no proper delegation of authority, the top-level management tends to interfere in the work of Labour Welfare Officers by encouraging workers to take their grievances directly to the Managing Director or Works Manager, as the case may be. In some cases the Labour Welfare Officer becomes ineffective in his dealings with workers because of his ignorance of the local language. Many industries have not complied with the requirement of appointing a Labour Welfare Officer and the welfare functions are generally looked after by the Personnel Officer. But as the Personnel Officer is already burdened with the personnel functions, welfare activities are neglected. The general conclusion arrived at in several studies seems to be that the Labour Welfare Officer is generally ineffective, and to overcome his ineffectiveness it has been suggested that he should be appointed and paid by the government. But a specialized personnel department governing welfare function is likely to be more effective.

4.25 The Industrial Disputes Act of 1947 has made the appointment of a Works Committee obligatory in all industrial units employing more than 100 employees. The Works Committee has been designed "to promote measures for securing and preserving amity and good relations between the employer and the workmen and to that end to comment upon matters of their common interest or concern and to endeavour to compose any material differences of opinion in respect of such matters". The Works Committee is supposed to function like a laboratory for democratic traditions and is to be

the culminating step in the grievance procedure. But the actual working of the Works Committee in several industries has disclosed that it does not play any useful role. The functions of this Committee are ambiguous and this is evident from the variety of issues that come up for consideration before it. The Works Committee has been found to deal with problems as different as production, negotiation of outstanding differences between management and labour, discipline, discussion and settlement of grievances, safety, sports, canteen, and cultural and welfare activities. Moreover, the decisions of the Works Committee are not binding, and are only in the nature of recommendations.

4.26 The workers' representatives on the Works Committee are required to be elected by workers. But in practice a trade union often nominates members of the Works Committee. In industries where rival or multiple trade unions exist, the management sometimes manoeuvre the election process of the Works Committee to ensure that certain individuals are not elected. The existence of rival and multiple unions tends to weaken the unity of the workers and the situation is worsened when the management tries to take advantage of such disunity by playing off one union against another. In many cases, the Works Committee ends up in discussions on relatively insignificant matters such as lists of holidays or turns into a forum of mutual accusations between the parties.

4.27 In most industries, a clearly defined and well-established grievance machinery is conspicuous by its absence. A few industries have introduced a three-tier grievance procedure. In a few others, grievances are attended to by the Labour Welfare Officer. But in most cases there is no one to listen to the workers' grievances, or the workers directly take their complaints to the top management. This not only creates embarrassment at the lower and middle levels of management but also sometimes makes them feel jealous of the workers for the favoured treatment they receive from the top management.

4.28 According to some studies the usual practice in many industries is to report the grievances orally and there is no time limit within which they have to be disposed off. Few industries keep any record of the grievances reported.

4.29 The Code of Discipline represents a shift from legislation to voluntary co-operation as a means of solving

labour problems. The code has been accepted by all the central organizations of employers and workers. But since it is not legally binding and is backed only by moral sanctions, it ceases to function when either party fails to comply with it. Instances of non-compliance are by no means rare. One alternative is to accord legal sanction to the Code with a view to preventing or minimising breaches, but that would destroy its very spirit.

4.30 Another step designed to create a spirit of co-operation and harmony in labour-management relations is the experiment in joint consultation through the Joint-Management Council. In those units where it exists, this body shares administrative responsibility in certain matters such as welfare and enjoys the right to consultation on matters like production, standing orders, etc., and receive information on economic and financial matters concerning the firm. But in practice, the functions of the Council overlap with those of the Works Committee or production, safety and welfare committees. In many industrial units, the Joint Council tended to duplicate the tasks of other committees or develop the function of a watchdog for the latter. Hence it ceased to fulfil any "felt needs" and fell into disuse.

4.31 Joint consultation is designed as the first step leading to labour participation in management. As such, it is in complete conformity with our ideals of industrial democracy. However, we should remember that experiments in consultative or participative management have had little success wherever they were made. Yugoslavia is often mentioned as a country where such an experience has succeeded, but we should remember that Yugoslavia has a different structure of property relations which suits workers' participation in management. In our view, we should try to achieve strong trade unionism and stable management-labour relations before making experiments in industrial democracy.

4.32 In some cases, the Works Committee or Joint Management Council seems to function reasonably well. Meetings are held fairly regularly and both management and labour representatives claim that joint consultation is successful in their case. Such industrial units where this happens usually have a history of peaceful and harmonious industrial relations and a single union has established a stable contact with the management. However, the union-management relationship in such cases creates the illusion that manage-

ment is in perfect harmony with all workers. This is not in fact the case, and the union which is a "company union" or a favourite of the management covers up whatever differences individual workers or groups may have with the management. We believe that managements and unions which create the impression of perfect or near-perfect harmony between management and workers are neglecting the essential fact of divergence of interests. Managers with the best of intentions are likely to be misled if they expect too much from co-operative unions. In such cases, unions often try to dictate their terms to the management. They cannot do so indefinitely, and a time comes when unions, management and ordinary workers get suspicious of each other. We believe that the ideal of harmony between management and workers can be easily overplayed and this does more harm than good to labour as well as to management. For instance, if a myth of harmony has been built up between a given management and workers, both parties shut their eyes to genuine differences when these arise and, hence deal with each other unrealistically. The ideals of workers' participation in management are fraught with this danger. We may, therefore, stress that the realization by managements and workers of each forming a separate interest group is a prerequisite of harmony between them. Again, the urge for joint consultation should be felt by the two groups in their mutual interests. Any direct or indirect compulsion from outside agencies such as the Government is likely to be resented by the parties. The disappointing progress made by joint consultation is a testimony to our apprehension.

LABOUR - MANAGEMENT RELATIONS BEYOND THE PLANT LEVEL*

5.1 In this section we propose to examine the general pattern of labour-management relations beyond the plant level and point out their significance for an efficient industrial community.

5.2 We have already commented on the significance that we attach to the recognition of workers and managers as separate interest-groups. The difference in the needs and expectations of the two groups should not be allowed to be concealed under the garb of paternalism or of "human relations", but should be brought out so that the parties may interact openly and without moral or social inhibitions. An approach on these lines is vital for the stability of labour-management relations. The relevant approaches and attitudes should be spelt out and incorporated into the training programme of all those likely to be concerned with labour relations.

5.3 Once this approach is accepted, the importance of workers' unions for labour-management relations becomes obvious. Even in a small region or industry, the workers are a heterogeneous body in respect of education, aspiration, group loyalties etc. It is necessary to provide means which would help workers constitute an interest-group *vis-a-vis* managements. This can be done by an educational programme for workers and by strong trade union organization. There is a scheme of workers' education in the country and it is necessary that it should incorporate effective measures to make workers aware of their common interests. It is well-known that although trade union organization is growing steadily with the development of industrialization, only a small fraction of the total working population is so far covered by unions. There are significant regional and industrial variations in the extent of unionisation. It ranges from 22.56 per cent of the total work-force in the chemical industries to cent per cent in the cement

* Sri Satish Loomba disagrees with the main conclusions in this chapter. He has not signed the Report either.

industry, according to the data available for 1964-65. On the whole, about 40 per cent of organizable industrial labour is unionised. This situation compares reasonably well with unionism in highly industrialized countries such as the U.S.A. and Britain, where the proportion of organised labour to total labour is in the vicinity of 40 per cent. However, trade unions in India are extremely weak and ineffective. These characteristics can be partly ascribed to factors such as illiteracy among workers, the economic and political power held by employers, the traditionalistic bonds between employers and workers etc. It is to be hoped that as education and political awareness grow among workers, trade unionism will correspondingly tend to grow both quantitatively and qualitatively.

5.4 On the other hand, the existing trade unions suffer from a number of weaknesses. In the first place, many unions are controlled by politicians whose main goal is not to pursue workers' interests as such, but to use workers in achieving ulterior goals. Political parties are naturally attracted by the strength lent to them by the following of industrial workers; hence most major parties have established their individual trade union wings. Secondly, trade unionism at different levels is characterised by acute political rivalry and the spirit of mutual destruction rather than by an urge for healthy competition in the interests of workers. Thirdly, there is a considerable gulf between top union leaders and workers and their representatives at different levels. We need not dwell at length on these problems as they are well-known to students of the labour movement. We would only like to stress the need for developing a professional cadre of trade union leaders enjoying a status comparable at least to that of the middle management cadres. We also believe that inter-union rivalry should be checked by evolving a democratic formula of a representative union to speak for workers in a unit or industry. Moreover, in view of the recognition of management and workers, as distinct interest-groups, they should be allowed to enter into free bargaining relationship on issues of mutual interest and concern, and the role of the government should be minimised in labour-management affairs.

5.5 The employers' and workers' organizations at the regional and national levels represent the interests of the two groups at the respective levels. They perform useful functions in as much as they act as pressure groups and opinion-leaders

servicing the interests of employers and workers. However, as the ranks of managers and workers grow and become increasingly heterogeneous, the existing federations fall short of covering the total populations of employers and workers. Again, both employers' and workers' federations are infested with intra-group rivalries and prejudices. Therefore, the employers' federations do not speak in clear terms about their own interests and opinions; similarly, workers' organizations are divided about how to pursue their objectives within the framework of national interests. The existence of a strong federation of management (like the Federation of Indian Chambers of Commerce and Industry, but more broadbased to represent different grades of employers and giving proper representation to professional managers), and a strong federation of labour (ideally, something like the British Trade Union Congress), would promote healthy industrial relations in India.

5.6 Labour and management as separate interest groups have opportunities to interact not only at the plant and industrial levels, but also at higher levels through the press and other media of communication and governmental institutions. As the government's labour policy passes through the normal parliamentary procedures, it is expected that both labour and management have contributed to it, and hence, the final product is acceptable to both. However, the government provides through tripartite institutions such as the Indian Labour Conference and Standing Labour Committee an additional opportunity to the two groups to meet more intimately and to make tangible contributions to labour policy. Although these bodies are non-statutory, and serve only as consultative agencies for the government's labour policy, there is no doubt that ILC and SLC have fulfilled an important objective. The ILC and SLC often come in for criticism because of their failure to achieve consensus among the three main parties. But it is not right to judge these institutions by the criterion of achieved consensus. We believe that the main function of ILC-SLC is to make the parties aware of the agreements as well as differences among them. In so far as they are unable to agree, they should either give up the further processing of the relevant proposals or try to achieve consensus on fresh grounds. By these criteria, ILC-SLC have achieved remarkable successes. The amount of legislation which has gone through the tripartite anvil is quite impressive. In many cases (e.g. rationalisation in

industry), the government has tried to narrow down the differences between employers and workers by making both aware of their mutual obligations. In other cases, the government has given up ambitious and progressive plans on industrial relations because the parties were in serious disagreement over their feasibility. On some occasions, however, the government has used ILC-SLC to serve its own interests rather than serve industrial relations. The deliberations on the proposal for instituting a labour welfare fund are a case in point. The government introduced this problem time and again into ILC-SLC until it was shelved, as there were doubts about the fund within the government itself. Similarly, after the Second World War, the government decided to continue compulsory adjudication, in spite of opposition from both labour as well as employers. This was done because the government was anxious to avoid the consequences of free collective bargaining between employers and workers. The government is thus sometimes more concerned with safeguarding its own interests as major employer than with fostering proper industrial relations.

5.7 In some cases, both labour and management endorsed a particular programme without being committed to it. For instance, there was hardly any significant opposition from either side to the introduction of Workers' Participation in Managements and the Code of Discipline in Industry. However, results have shown that neither labourers nor employers were serious about either of these schemes. The tripartite bodies would therefore do well to function as a clearing house among the parties concerned and not put up programmes which are likely to have an adverse cumulative effect on industrial relations by perpetuating unrealistic ideas on co-operation and harmony.

5.8 The "government" side at ILC-SLC includes both the Central and State Governments. With the emergence of governments with widely different political orientations at the Centre and in the States, the question of "government" remaining a homogeneous entity at ILC-SLC is likely to be important. During the last few years, ILC-SLC have apparently grown increasingly weaker in their usefulness to the government or to industrial relations. Moreover, with the recent growth and increasing heterogeneity of employers' and workers' federations, the few organizations representing employers and labour may not truly represent the

groups involved in industrial relations on various occasions. We suggest that the government should continue the existing convention of inviting the groups whose special interests are discussed at the meeting of the tripartite committees.

5.9 We may mention here the remarkable differences in the climate of industrial relations observed at various levels. We have argued earlier that labour-management relations at the plant and industry levels are characterized by mutual distrust and prejudices between the parties resulting in the failure of joint consultation. In contrast, we have shown in this section that the parties involved in tripartite committees at the national level tend to be quite co-operative and try to understand each other's problems. While there may be various ways of explaining this contrast in behaviour, sociologically speaking, it may be pointed out that conflict is very often a by-product of close contact. Labour and management at local levels are in close day-to-day contact and deeply involved in each other's affairs, and hence they are likely to develop prejudices etc., in relation to their work-a-day experiences. As against this, the representatives of the parties at the national level are only occasionally in face-to-face contact. Also, the problems they discuss are mostly broad issues rather than immediate problems of small groups; hence they interact in an atmosphere of relative open-mindedness and detachment.

SOCIAL COSTS OF INDUSTRY

6.1 It is now well-recognised that among the factors contributing to productivity, job satisfaction and industrial peace, the living conditions of the workers outside the factory are no less important than the actual working conditions in the plant. This important aspect of industrial life was neglected for a long time due to a variety of reasons: lower social awareness in the society as a whole, lack of well-conceived policies among the government, as well as employers, lack of appropriate demand from workers, etc. No longer can the social costs of dense, unplanned urbanisation and industrialisation be ignored, especially in the crowded metropolitan areas of Calcutta and Bombay, and in large industrial towns like Kanpur and Ludhiana. Because they are pockets, they need selective attention. The conurbation of Calcutta clearly points to the dangers to our society now and for the future. The risks to social stability are enormous, and the task is formidable enough to require special treatment by specialist planning bodies in our Five Year Plans. Whilst building an industrial society, we have to guard it against widespread unrest and disintegration on the one hand, and plan for a more satisfied productive society on the other. The problem calls for a vision and a purpose larger than can be contained in the narrow compass of management-labour relations.

6.2 An important question that has to be faced in this context is: how is responsibility for providing proper living conditions to be divided among employers on the one hand and government, local bodies, voluntary organizations etc., on the other? A suitable answer to this question can only be made after taking note of history of labour movement in the country, its social and economic objectives, its economy and industry etc. Such an assessment is beyond the scope of this Group and we can make only a few empirical observations. Many progressive managements provide workers appreciable facilities in regard to housing, recreation, rations and other necessities.

6.3 No systematic data are available to enable us to understand the relation between living conditions and productivity, efficiency etc. However, society cannot expect the worker to produce efficiently if it fails to provide him with essential facilities such as medical attention, housing, education for his children and old age pension. The cost of providing the minimum facilities must be shared between the Central and State governments, employers, local bodies and voluntary agencies. Organic urban planning for all working citizens to meet their needs with regards to housing and health and recreation ought to have high priority with local bodies and State governments. These tasks will call for a high degree of expertise in town planning, landscape, architecture, and municipal services for water, electricity, conservancy and transport. Industry also could co-operate in some kind of joint action with local bodies and State governments to see to what extent it could help in (a) providing facilities for putting up Government ration shops in or near work places; (b) arranging for shifts and working hours in such a way that the strain on the public transport system is reduced as much as possible, and also co-operation with the transport authorities to ensure smooth and efficient transport facilities; (c) liaison with Government and autonomous bodies such as the Life Insurance Corporation to help provide housing facilities to their staff on a collaborative basis. Labour unions themselves may organise members' co-operatives for credit and for rationed articles. These are areas which call for co-ordinated thinking on the part of all concerned, and it may be useful to set up regional bodies for this purpose, comprising the representatives of government, local bodies, employers and labour. Representativeness should not be the sole or main criterion. Such bodies will need to be served by professional men with the necessary knowledge and experience and whose status and emoluments should be adequate to attract good men.

6.4 It is not implied that no attempts are being made in this direction. Nevertheless, what has so far been done in India in way of improving the living conditions of the workers amounts only to a modest beginning. We shall here examine the progress made in the field of workers' housing, sanitation, transport and education.

6.5 The relation between satisfactory housing and attitude to work scarcely needs any emphasis. All the reports

of the Commissions and Committees appointed to inquire into the conditions of labour have uniformly drawn attention to the deplorable state of workers' housing and stressed the urgent need to improve them. The lack of suitable and satisfactory housing is known to be one of the important causes of absenteeism, breach of discipline and low productivity. Without a house the worker is invariably forced to live alone, leaving his family in his native village or town. Perhaps in the past the worker was reluctant to bring his family to the place of work because of the constraints imposed by rural customs and traditions. Judged by the nature and tempo of changes taking place in the rural areas, such constraints do not seem to be powerful any more. As we have shown in an earlier part, many workers may now be expected to settle down in the towns if they have the opportunity and the means to do so.

6.6 The solution to the problem of housing does not admit of many alternatives. Raising the workers' wages to a level where they are able to rent a suitable house seems utopian. As many workers have some kind of dwelling in their native villages where housing costs are comparatively low, the idea of shifting industries to rural areas should receive serious attention. But as the location of industry is governed by several important economic and technical considerations, this solution is applicable only in a few cases. It is a welcome fact that already many new industries are being located in rural areas in various parts of the country. But the problem of providing houses to the large number of workers employed in industries located in over-crowded cities remains an extremely difficult one to solve.

6.7 Though there is a lack of systematic statistics on the housing conditions of industrial workers in the country, such data as are available, seem to indicate that there is a progressive deterioration with regard to housing. For instance, the socio-economic survey of Greater Delhi conducted in 1957 has pointed out that 69.1 per cent of the houses in the sample have only one room, 21.3 per cent two rooms, 5.7 per cent three rooms and 3.9 per cent four or more rooms. What is perhaps more revealing is the fact that 45.7 per cent of the houses have more than two "families" each, the number in a family exceeding even ten in a few cases. According to the economic survey of Bombay city, 78.6 per cent of the houses are chawls and 5.5 per cent hutments. More than

three-fourths of all the houses have only one room and not more than 8.3 per cent of the houses have more than three rooms. About 75 per cent of the families live in houses in which there are more than three persons per room. In Calcutta 57.6 per cent of the multi-member families are reported to be living in one room, 2.0 per cent have no rooms at all and another 2.0 per cent share one living room with other families. Of the single-member families 29 to 30 per cent have no room at all, while 54.0 per cent share one room with other families. In Kanpur 61.9 per cent of the houses have one room and 29.5 per cent two rooms. In Poona, in 1954, 52.5 per cent of the houses had one room as against 56.0 per cent in 1938. While in 1938, 46.0 per cent of the families lived in one-room houses, the corresponding percentage in 1954 was 42.9. Lest this be construed as evidence of some improvement in housing condition, it is necessary to point out that this was accompanied by an actual increase in the number of persons per room especially in houses with one to four rooms. The density of persons per room in the one, two, three and four-room houses in 1938 was respectively 3.22, 2.12, 1.73 and 1.46 which in 1954 rose respectively 3.74, 2.59, 1.95 and 1.57. A survey conducted in Madras city in 1946 showed deterioration in housing conditions. As against nine persons per house in 1941 and 1931 and eight persons in 1921, there were as many as fourteen persons per house in 1956. A survey of the housing conditions in three selected localities of Hyderabad city has disclosed that in the worst localities, 54.0 per cent of the houses had inadequate floor area, applying the modest standard of 48 square feet per person as adequate.

6.8 These figures, though selective and incomplete, are broadly illustrative of the situation obtaining with regard to housing. On the other hand, apart from pointing out the depressing conditions at present, they portend a further deterioration in the state of workers' housing as the processes of industrialisation and urbanisation gain momentum.

6.9 Recognising the gravity of the problem, the Government of India has initiated several steps for housing situation. As early as 1949, the Union Government announced a scheme under which it agreed to offer to State Governments or to employers sponsored by them, interest-free loans to the extent of two-thirds of the cost of the housing scheme prepared by them. By another scheme introduced in early 1952, the Union

Government agreed to pay 20 per cent of the cost of construction including cost of land as subsidy, the balance to be met by the employers to whom the houses were to belong. Late in the same year, the Subsidised Industrial Housing Scheme was introduced under which besides the State Governments, statutory housing boards, employers, and registered co-operative societies were also made eligible for loans, and subsidies were granted by the Union Government for construction of houses for industrial workers covered under the Indian Factories Act, 1948, or employed in mines except coal and mica mines. Under this scheme the State Governments were entitled to loans upto 50 per cent at the rate of $4\frac{1}{2}$ per cent interest and subsidy upto 50 per cent of the total cost.

6.10 In the absence of any systematic evaluation, it is very difficult to assess the progress of these schemes. The First Five Year Plan made an allocation of 38.5 crores for housing. Later, it was decided to sanction projects up to 50 crores in order to permit more projects being considered, though the actual payment was limited to the initial allocation. During the Plan period, projects for the construction of 79,679 tenements involving an expenditure of Rs. 22.60 crores were made by State Governments, private employers and co-operatives of industrial workers. But the amount actually authorised for payment was only Rs. 13.66 crores and not more than 43,834 tenements, or about 55 per cent of the proposed number, were actually completed.

6.11 In the Second Five Year Plan, in spite of an increased outlay of Rs. 120 crores for housing, projects for only 89,233 tenements worth Rs. 25.33 crores alone were made. The total number of tenements actually completed was only 63,452 or about 71 per cent of the total number targeted, and the amount actually authorised for payment was only Rs. 16.77 crores.

6.12 Sanitation is closely related to housing. Like unsatisfactory housing, insanitary conditions of the workers' living environment affect their health and thereby impair their efficiency. The housing condition of the workers being what it is, the sanitation aspect can be easily imagined.

6.13 As long as housing conditions remain what they are, it is impossible to expect any improvement in sanitation. When workers have to huddle together in small one-room tenements built to no plan and in which there is a shortage

of everything that is vital to health (such as air, water, light and facilities for wastage disposal), the lack of any sense of hygiene or sanitation on their part becomes understandable.

6.14 The results of the few studies conducted so far show that sanitary arrangements in the living environments of the workers follow a pattern exactly similar to housing conditions. In Delhi 29.2 per cent of the houses are found to be without kitchen, latrine or bathroom. Of the rest, only 42.3 per cent have kitchen, 63.6 per cent latrines and 41.4 per cent bathrooms. Similarly, only 22.9 per cent of the houses have private water taps. While 22.1 per cent share a common water tap with other households, about 47 per cent of households have to depend on public sources like hydrants, hand pumps or wells. Not more than 42.5 per cent of the houses have been electrified.

6.15 In Bombay, 20.6 per cent of the houses have no provision for washing within the house. Only 28 per cent of the houses have water taps exclusively for themselves, while 4.6 per cent have no taps at all. Nearly 76 per cent of the houses are without bathrooms and 8.4 per cent share one bathroom with other households. Again, only 12.7 per cent of the houses have latrines exclusively for their own use, while 79.3 per cent use common latrines and eight per cent are without any latrines. Not more than 28.6 per cent of the houses have separate kitchens and only 60 per cent of the houses have been electrified.

6.16 In Calcutta, while 96 per cent of the separate flats and 94.5 per cent of the complete houses have one or more bathrooms, in houses of the poorer type the situation is grim; there are no latrines in 51 per cent of the joint houses, and 83 per cent of the houses have *kutchra* wall and *kutchra* roof. Similarly, while 95.7 per cent of the flats and complete houses have one or more water taps, from 5 to 50 per cent of the other types of houses have no water taps at all. As regards lavatories, while 98 per cent of the better types of houses have separate lavatories, 68 to 90 per cent of the poorer types of houses depend on common lavatories.

6.17 The working class residential areas in all the industrial cities are well-known for their congestion and slum or near-slum conditions. The houses are generally built back-to-back or wall-to-wall, often using poor material and without regard to light, ventilation, open space, etc. These areas have some of the highest densities of population in the country.

Too often, the houses do not have access to streets or by-lanes as a result of the tendency to economise on land. Open drains logging in the rainy season and absence of any arrangements for removal of garbage are common features of the residential areas of the industrial workers. Naturally, disease, vice, crime, delinquency and other social problems find no better breeding ground than the slums in which workers live.

6.18 Living in such an environment is bound sooner or later to affect adversely workers' health. At the prevalent wages workers can barely keep themselves above the level of starvation. The combined effect of malnutrition and slum living is to impair the workers' health by making them susceptible to the diseases floating around. The workforce cannot help being inefficient and an investment in public health facilities in workers' residential areas seems a precondition of higher productivity.

6.19 Where workers have to reside far away from the factory, much time is wasted in their daily journey to and from work. The irritations and annoyances of travelling in over-crowded buses and trains during the rush hours are bound to effect adversely the workers' efficiency. Time spent in the journey to and from work also cuts into the time which the workers may spend with his family or in rest and recreation.

6.20 In some industrial cities, the transport authorities have provided certain facilities like the introduction of a workers' special to run to the schedule of factory hours, season tickets at concessional rates etc. These, however, touch only the fringe of the problem. In a few industries, the employers have provided transport to those workers who have not been provided with quarters near the factory. Some employers have provided both transport and housing when the houses are far away from the factory.

6.21 Investments on workers' transport not only helps to improve punctuality but may also contribute to the workers' efficiency by removing the strain and tedium caused by long waiting and the uncomfortable journeys in over-crowded public transport. As in the case of housing and sanitation, investment in workers' transport is likely to pay dividends in the shape of higher productivity and better motivation and morale and increased job satisfaction.

6.22 The effect of education on motivation and morale is through its impact upon the personality of the workers. As long as the workers are uneducated they, are incapable of developing a broad outlook both in regard to their life and work and of appreciating their responsibility to the wider community. They also remain ignorant of their rights which makes them susceptible to exploitation by various interests. The illiteracy of the workers becomes an insuperable obstacle to industrial efficiency as industry uses increasingly advanced technology.

6.23 The contribution that an educated workforce can make to productivity and good labour-management relations is too obvious to need lengthy comment. In fact, as we have just pointed out, as industry becomes increasingly more sophisticated, there will be no place for the uneducated man in the industrial system in future. The Government of India has introduced a programme of workers' education. A special committee has evaluated this programme and we shall not go into detail here.

6.24 Little or no work has so far been done to assess the exact impact of workers' housing, sanitation, transport, education and other social costs on the motivation, morale, productivity, labour-management relations and other aspects of industrial life and organisation. In the absence of systematic and scientific studies it is difficult to say more than what has been said above.

6.25 Research in this field has considerable practical significance. If it can be proved that the provision of certain facilities does really contribute to productivity, job satisfaction, motivation, morale, etc., it might persuade employers and governments to provide these facilities for their workers. This will also demonstrate the utility of social science research to industry and the governments.

VII

SUMMARY OF RECOMMENDATIONS

- (i) The economic and social plight of agricultural labour in India is well-known. This arises from the social, political and economic structure of rural India. Any programme for improving the conditions of labour in this sector must provide means for strengthening its bargaining power. The economy must generate conditions for increasing the demand for such people both within and outside agriculture. At the same time, conditions of political organization must be created which will enable agricultural workers to put forward their demands in a united and effective manner.
- (ii) On the whole, the loyalties of workers to their social groups such as caste and religion do not create serious problems in regard to acceptance of the norms and values inherent in modern technology. It is possible, however, that in some industries and certain regions some difficulties may exist. There is, therefore, need for a realistic understanding of the local situations in formulating policies regarding the development of suitable manpower.
- (iii) The recruitment practices and training programmes adopted by some modern managements are useful for developing the necessary labour force. The Government may consider laying down policy directives in this regard with a view to encouraging more and more managements to plan their manpower needs rationally.
- (iv) In our opinion, the idea that a policy of preferring the "sons of the soil" for employment at the levels of management and labour makes for healthy industrial relations, has little validity. No reliable information is available in this regard, but we believe that deliberate localization of industrial relations is harmful from the national point of view. In fact, social and economic mobility, horizontal as well as

vertical, is an important element of an industrial society.

- (v) The need for co-operation and harmony between managements and workers at the plant and industry levels is obvious. However, the ideas and programmes for achieving harmony must be based on the awareness that "management" and "labour" are different interest groups which need to come together in the interest of increasing productivity in the whole country which in turn is in the interest of both the sections.
- (vi) If the validity of the above need is recognized, the importance of a strong and viable trade union movement follows. Trade unionism at present is weak and ineffective due to various factors, such as lack of adequate leadership within unions, the socio-economic status of workers, apathy and hostility on the part of employers and ambiguous Government policy. We suggest that Government policy be changed in the direction of developing a strong and united trade union movement. Similarly, steps should be taken to encourage professional managements capable of using modern managerial techniques and approaches.
- (vii) The problems of industrial relations at the plant-level are many and varied and depend so much on local conditions that it is difficult to make suggestions of general applicability. The significance of the issues emerging from matters of discipline, supervision, communications etc., is increasingly realized by modern managements. We believe that a comprehensive personnel department with adequately trained staff is very useful for evolving a stable and consistent system of industrial relations.
- (viii) Labour-management consultative committees at the plant-level (particularly the Works Committee and the Joint Management Council) have been devised in a good democratic tradition and spirit. But these committees appear to be functioning very inadequately. There are several reasons for the slow progress made by them. Chief among these reasons are : the initial lack of understanding between the

parties which continues and often dominates all aspects of industrial relations, the overlap of functions between various committees, and the lack of unity within the group of workers. *We suggest that the entire area of joint consultation should be reexamined.* Specific committees should be formed for joint consultation in the different areas of labour relations such as productivity, safety and welfare, matters of personnel practices, handling grievances etc. We should like to stress that healthy, co-operative attitudes towards each other can be developed by the parties only on the basis of their recognition of each other as distinct interest groups. The necessity of developing strong trade unionism in this regard cannot be over-emphasized.

- (ix) On the face of it, the Code of Discipline is the best instrument to achieve peaceful industrial relations. In practice, however, the Code has achieved little as it is based on a foundation of weakness and discord among the groups concerned. In our view, no useful purpose is served by invoking the Code for the remedy of deep-seated malaise in labour-management relations.
- (x) Tripartite bodies such as the Indian Labour Conference (ILC) and the Standing Labour Committee (SLC) serve as useful instruments for evolving a labour policy based on consensus among the parties. However, these bodies should be reconstituted to provide a equate representation to all the important organizations of workers, employers and professional managers. The changed political situation in regard to the Centre-State relations should also be kept in mind while re-structuring ILC-SLC.
- (xi) The importance of providing for workers the minimum facilities of housing, recreation, transport, education etc., should receive greater recognition than it has done. Employers should realize that such facilities are necessary not merely from the point of view of a society oriented towards workers' welfare, but also as a factor in raising productivity. The Government should evolve coherent and rational policies regarding the allocations of responsibility in this area among employers, the various levels of government and voluntary organizations.

(xii) Finally, we have pointed out at several places in this report that it was not possible for us to make useful observations or generalizations on important matters due to lack of adequate research on them. We may, therefore, list a few of the areas of industrial relations in which surveys and researches should be undertaken by scholars :

- (a) To what extent is agricultural labour emerging as a distinct interest-group in different parts of the country ?
- (b) What are the relative effects of paternalistic and rationalistic practices of management on the morale, motivation and productivity of workers and on the structure of industrial relations ?
- (c) What are the social and economic implications of developing an adequately trained labour force for industry as well as for the whole society ? What are the important aspects of manpower planning in a given labour market ?
- (d) What are the technological as well as socio-cultural types of workers and managers in this country ? What are the regional variations in the development of industry and industrial relations ?
- (e) What difference does an "outside" or "inside" leadership make to the growth and working of a trade union ?
- (f) What is the role of informal work-groups within Indian factories in affecting industrial efficiency and productivity ?
- (g) What are the effects of housing, transport, education and other facilities provided to workers on their motivation, morale and productivity ?

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Sd/- Dr. N.R. Sheth.

Sd/- Dr. A. Beteille.

Sd/- Prof. Gouranga Chattopadhyay.

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