

**REPORT**  
**OF THE**  
**STUDY GROUP ON**  
**IRON AND STEEL INDUSTRY**



**NATIONAL COMMISSION ON LABOUR**

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## FOREWORD

The National Commission on Labour appointed the Study Group on Iron and Steel Industry in its attempt to understand the changes in conditions of labour in that industry since Independence. This was one of the series of Study Groups set up for different industries. The Study Group was required to analyse available information and project its thinking on labour problems in the iron and steel industry for the years to come taking into account the possible developments in the industry.

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 in the iron and steel industry. 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 development of that industry.

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 its conclusions.

**(P.B. Gajendragadkar)**  
*Chairman.*

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1. Record of Attendance of Members at Meetings (i)

## INTRODUCTORY

1.1 The Chairman of the National Commission on Labour in May, 1967 set up a Study Group on Iron and Steel Industry with headquarters at Ranchi, with the following Members :—

1. Shri M.S. Rao, ex-Chairman,  
Hindustan Steel Limited,  
Ranchi. — Chairman
2. Shri R.P. Billimoria, Divisional Manager,  
(Industrial Relations & Administration),  
Tata Iron & Steel Company, Ltd.,  
Jamshedpur. — Member
3. Shri S.N. Pande, Dy. General Manager,  
Bokaro Steel Limited,  
Bokaro Steel City,  
Hazaribagh. — Member
4. Shri V.G. Gopal, General Secretary,  
Tata Workers' Union (INTUC),  
Jamshedpur. — Member
5. Shri Sambal Chakravorty, General  
Secretary, Bhilai Steel Mazdoor Sabha  
(AITUC),  
Bhilai. — Member
6. Shri Ramanand Sinha, Adviser,  
(Personnel & Manpower),  
Hindustan Steel Limited,  
Ranchi. — Member

1.2 The Chairman of the Study Group appointed Shri Ramanand Sinha, Member-Secretary of the Study Group.

1.3 The Study Group was required to study the existing materials and information available on the iron and steel industry relevant to the terms of reference of the Commission and submit its Report to the Commission.

1.4 The Study Group held seven meetings at Ranchi. Details regarding attendance of the Members at these meetings are given in Appendix-I.

1.5 The Study Group considered the following materials and information made available to it in preparing its Report :—

- (1) Paper prepared on Iron and Steel Industry by the National Commission on Labour, 1967.
- (2) Draft Report of the Tripartite Sub-Committee of the Industrial Committee on Iron and Steel to survey service conditions and welfare amenities of workers in the Iron and Steel Industry.
- (3) Report prepared by the Tripartite Sub-Committee of the Industrial Committee on Iron and Steel to go into the question of safety and prevention of accidents in the Iron and Steel Industry.
- (4) Report of the Central Wage Board for the Iron and Steel Industry, 1965.
- (5) Handbook of statistics for Iron and Steel Industry in India, 1966, published by the Hindustan Steel Limited, Ranchi.
- (6) Information supplied by the Members and the Steel Companies.

1.6 The Report contains broadly the consensus of opinion of the Members of the Study Group on the problems of the iron and steel industry relevant to the terms of reference of the National Commission on Labour. The Chairman and Members of the Study Group would welcome an opportunity for discussions on matters arising out of the Report as well as for giving their own views on some specific issues falling within the terms of reference of the Commission.

## 2.0 DEVELOPMENT OF THE IRON AND STEEL INDUSTRY AFTER INDEPENDENCE, SOME DISTINCTIVE FEATURES OF THE INDUSTRY AND PROBLEMS ARISING THEREFROM

2.1 In 1948 the production of ingot steel in the country was of the order of 1.25 million tonnes and that of finished steel 0.86 million tonnes. Production of ingot steel increased to 1.7 million tonnes and that of finished steel to 1.36 million tonnes at the end of the First Plan, March, 1956. Production of steel was taken up on a large scale in the Second Five Year Plan and at the end of the Plan, March, 1961, the production of ingot steel and finished steel increased to 3.4 million tonnes and 2.3 million tonnes respectively. The tempo of increase was maintained in the Third Five Year Plan and production of ingot steel and finished steel at the end of the Third Plan, March, 1966, went up to 6.5 million tonnes and 4.6 million tonnes respectively. The draft outline of the Fourth Five Year Plan makes provision for production of 14.8 million tonnes of ingot steel, but on account of strain on the economy and economic recession this target is not likely to be fulfilled.

2.2 The table below indicates production of ingot steel and finished steel at the beginning of the First Plan and at the end of three Plan periods :

TABLE 1 : Production of ingot and finished steel from 1951-1966

Year	Ingot steel	Finished steel
1951	1,503	1,091
1956	1,723	1,359
1961	3,418	2,337
1966	6,526	4,604

Source : Handbook of statistics for Iron & Steel Industry in India, 1966-HSL.

2.3 At the time of Independence, production of steel, other than steel produced by electric furnaces, was mainly

concentrated in two units, the Tata Iron and Steel Company Ltd, Jamshedpur, and the Indian Iron and Steel Company Ltd., Burnpur. The Mysore Iron and Steel Ltd., Bhadravati, also produced a small quantity of steel. There was only a marginal increase in production in the two steel plants at Jamshedpur and Burnpur between 1948 and 1956. Production of steel in the country increased significantly between 1956 and 1961 with the establishment of three new steel plants at Rourkela (Orissa), Bhilai (Madhya Pradesh) and Durgapur (West Bengal) under the management of Hindustan Steel Ltd. in the public sector, each with a rated capacity of 1 million tonnes of ingot steel, and with the expansion of the Tata Iron and Steel Company Ltd. from a rated capacity of 1 million tonnes to 2 million tonnes ingot capacity and of the Indian Iron and Steel Company Ltd. from 0.6 million tonnes to 1 million tonnes ingot capacity. The capacity of the Mysore Iron and Steel Ltd. also was raised at the end of the Third Plan. In the Third Plan, expansion of the three steel plants in the public sector was taken up and the capacity of the Bhilai Steel Plant has been raised to 2.5 million ingot tonnes, Rourkela Steel Plant to 1.8 million ingot tonnes and Durgapur Steel Plant to 1.6 million ingot tonnes. It will thus appear that since Independence not only has the industry expanded rapidly, but the units in the public sector have come to occupy a significant place in the industry. This trend will continue in future also although the existing plants in the private sector will be allowed to expand to their optimum capacity. Table-2 indicates production of pig iron, ingot steel and finished steel of the main producers in 1948, 1951, 1956, 1961 and 1966.

TABLE 1 : Production of ingot and finished steel from 1947-1966

Year	Ingot steel	Finished steel
1948	1,500	1,081
1951	1,733	1,239
1956	3,418	2,337
1961	6,258	4,604

Source : Handbook of statistics for Iron & Steel Industry in India (1966-1967)

2.3. At the time of independence production of steel other than steel produced by electric furnace was mainly



**TABLE 2**  
**PRODUCTION OF PIG IRON, INGOT STEEL AND FINISHED STEEL OF THE MAIN PRODUCERS**  
**IN 1948, 1951, 1956, 1961 & 1966**

YEAR	PIG IRON							INGOT STEEL					FINISHED STEEL						
	TISCO	IISCO	MISL	BSP	DSP	RSP		TISCO	IISCO	MISL	BSP	DSP	RSP	TISCO	IISCO	MISL	BSP	DSP	RSP
1948	970	493	25	—	—	—	—	949	230	32	—	—	—	531	115	25	—	—	—
1951	1130	676	23	—	—	—	—	1082	360	33	—	—	—	593	180	30	—	—	—
1956	1196	707	57	—	—	—	—	1102	543	36	—	—	—	525	295	37	—	—	—
1961	1586	1161	64	736	420	412	—	1622	914	51	402	168	206	827	472	39	24	2	30
1966	1917	1218	80	1632	1280	1054	—	1979	970	69	1371	1001	1065	1084	623	49	735	532	782

Source : Handbook of statistics for Iron and Steel Industry in India, 1966—HSL.

2.4 It is noteworthy that except the Mysore Iron & Steel Ltd., Bhadravati, which is located in the south and Bhilai Steel Plant, which is located in the central region, the other steel plants are located in the eastern region which contains not only iron ore, like other regions, but also has all the known deposits of metallurgical coal in India.

2.5 Another feature of the iron and steel industry is the heavy investment involved in it. The total assets of the six steel plants at the end of 1965-66 were about Rs. 1,161 crores of which about Rs. 942 crores were in the public sector and the balance in the private sector. The capital employed in 1963-64 per tonne of ingot capacity was Rs. 1,750 for the industry as a whole, worked out at Rs. 915 for the private sector and Rs. 2,560 for the public sector. The larger figure for the public sector is accounted for among others by the fact that the private sector plants were set up many years ago when equipment cost was low whereas the main three plants in the public sector have been set up only during the last 10 years.

2.6 The iron and steel industry is highly capital intensive. For the year 1963-64 the capital employed per worker in the industry was as shown below. The figures are high in spite of the fact that the number of persons employed in the steel plants in India is larger than in comparable plants in developed countries.

TABLE 3. Capital employed per worker in the Industry in 1963-64.

		Rs.
Tata Iron & Steel Company Ltd.	...	36,303
Indian Iron & Steel Company Ltd.	...	50,443
Mysore Iron & Steel Ltd.	...	16,039
Hindustan Steel Ltd.	...	1,20,170

Source : Paper prepared by the National Commission on Labour on Iron and Steel Industry, 1967.

2.7 According to the "Employment Review 1961-66" published by the Directorate General of Employment and Training, employment in the iron and steel industry increased by 20% from March, 1963 to March, 1966 and the total number of persons employed increased from 1,88,800 to 2,27,000. It will be noticed that the increase in employment in the steel plants is not proportionate to the increase in the production capacity created. This is because the tendency in the industry is to increase the capacity of the existing plant

to optimum capacity which in present Indian conditions may go up to 3 to 4 million tonnes, rather than to set up new plants. Even if a new plant has to be set up with low initial capacity, provision has to be made for its ultimate expansion to 3 to 4 million tonnes capacity in order to make it an economic unit.

2.8 Per capita consumption of steel is generally regarded as an important index of a country's economic development. The table below gives a comparative picture of per capita consumption of steel in selected countries for the years 1957 and 1965 :

TABLE 4. Per capita Consumption of Steel in Selected Countries in 1957 and 1965

	(in Kgs.)	
	1957*	1965**
India	9.2	16
France	302	331
Japan	139	293
UK.	370	424
U.S.A.	568	656
U.S.S.R.	243	355

Source : \*Paper prepared by the National Commission on Labour on Iron and Steel Industry, 1967.

\*\*Handbook of Statistics for Iron and Steel Industry in India, 1966-HSL.

2.9 In spite of rapid growth of the industry during the last 10 years the country is still importing steel of some categories to meet its requirements. Figures of imports for the last three years are given below :

TABLE 5. Imports of Steel from 1964 to 1967.

	Quantity (in '000 tonnes)	Value (in million Rupees)
1964-65	989	879
1965-66	777	810
1966-67	430	696

Source : Handbook of Statistics for Iron and Steel Industry in 1966-HSL.

2.10 Development of the steel industry in the Second and Third Five Year Plans has been financed partly by loans from foreign countries and partly by internal resources. The

steel industry has a long period of gestation ; this as well as the fact that the cost of plant and equipment obtained from foreign countries has been very high has imposed a strain on the economy of the country. There has been criticism in some quarters that this has resulted in lopsided development of heavy industry and the suggestion has been made from time to time that further development of the steel industry should not take place for many years to come. As already mentioned the consumption of steel in the country is very low. Also the country has been importing steel of some categories production of which is inadequate in the country. If the country has to develop economically, the consumption of steel, and—for this purpose, the production of steel of all categories—have to increase significantly. The iron ore reserves in the country are large enough to support increased production of steel in the country.

2.11 We cannot, however, depend upon loans from foreign countries for further development of the steel industry and resources for development of the industry will have to be generated internally. The steel industry has, therefore, not only to generate resources adequate for repayment of the loans obtained for financing its development but also sufficient internal resources for future development. This objective can be attained mainly by increase in productivity and consequent decrease in the cost of production of steel. Capital cost also can be reduced to some extent by full utilisation of the installed capacity for production of heavy machinery and equipment required for setting up steel plants. If the installed capacity of units in the country like the Foundry Forge and the Heavy Machine Building Plant of the Heavy Engineering Corporation Ltd., Ranchi, is fully utilised and a phased programme for development of the steel industry is drawn up and implemented, it may be possible to reduce the capital cost of setting up new steel plants.

2.12 Those who are opposed to rapid development of the steel or other heavy industries are of the view that the employment potential of these industries is very low and with chronic unemployment and underemployment in the country there should be employment-oriented development. The employment potential of the steel industry should not be judged only by the actual number of employees in the steel plants. The daily supply of raw materials required in steel

plants generates very large employment potential in coal mines, iron ore mines, limestone mines and transport organisation. Maintenance of steel plant equipment creates opportunities for establishment of a number of subsidiary industries. The establishment of steel plants has also led to development of commercial and business centres around the steel townships. In fact, each worker in the steel industry creates subsidiary jobs for 8 employees in other industries. Recent statistics indicate that in a country like the United States almost 40% of all industrial jobs are dependent in one way or another on the production of steel. This point can be illustrated in India from the fact that with the establishment of the Tata Iron and Steel Company Ltd. Jamshedpur, a large number of industries have been set up in Jamshedpur and surrounding areas.

2.13 The Study Group feels that there is need for growth of the steel industry in the country on a continuous basis for many years to come and this need requires to be emphasised when policies of recruitment and training of personnel, and establishment of stable and healthy industrial relations in the industry are evolved.

2.14 Development of the steel industry has led to the employment in the steel plants of persons hailing from different regions of the country. While this has led to the healthy development of people from different regions speaking different languages and with somewhat different cultural background working together and developing a spirit of comradeship, at the same time the process of integration has sometimes been affected by too much emphasis on group interests and loyalties. It is however, gratifying to note that, by and large, the forces of integration do exist and it is hoped that in due course the communities living in the steel townships will be models for other parts of the country.

2.15 The development of the steel industry and consequent development of township and ancillary facilities has led to the emergence of an inbred community and existence of a satellite community providing services to the steel plant and township. There is need for integration of the inbred community of the steel township with people living in surrounding areas.

### 3.0 MANPOWER EMPLOYED IN THE IRON AND STEEL INDUSTRY, RECRUITMENT, INDUCTION, TRAINING AND PLACEMENT

#### 3.1 MANPOWER RECRUITMENT.

3.2 The number of personnel employed in the six major iron and steel producing units in the country is indicated in the table below :—

TABLE 6. Number of persons employed in TISCO, IISCO, MISL and HSL.

	Employment as on 31-3-1966.
Tata Iron and Steel Co. Ltd.	37,988
Indian Iron and Steel Co. Ltd.	23,274*
Mysore Iron and Steel Ltd.	9,681
Hindustan Steel Limited :—	
Bhilai Steel Plant	51,739
Durgapur Steel Plant	27,517
Rourkela Steel Plant	31,525

\*Number on pay roll at Kulti Works not included.

Source : Handbook of Statistics for Iron and Steel Industry in Industry in India, 1966-HSL.

3.3 The figures given above include the number of employees engaged in construction/expansion of the three steel plants of Hindustan Steel Ltd. If their number is excluded and the number of employees engaged in Works, Administration and Township Departments only is taken into consideration, the number of employees categorywise will be as follows :—

TABLE 7 : Number of Persons Employed in Works, Administration and Township Departments in TISCO, ISCO, MISL and HSL.

	Employment as on 31-3-1966.		
	Works	Administration	Township
Tata Iron and Steel Co. Ltd.	29,140	2,852	4,720
Indian Iron and Steel Co. Ltd.	14,001	2,166	1,351
Mysore Iron and Steel Ltd.	7,896	874	367
Hindustan Steel Limited :—			
Bhilai Steel Plant	23,405	2,958	3,162
Durgapur Steel Plant	15,362	3,277	3,622
Rourkela Steel Plant	15,707	3,571	3,008

Source : Handbook of Statistics for Iron and Steel Industry in India, 1966-HSL.

3.4 The equipment and processes in the steel industry call for three types of employees for the works departments, namely :

- (i) those engaged in direct production,
- (ii) those engaged in maintenance, and
- (iii) those engaged in services.

The number of employees engaged in maintenance and services constitutes about 62% of the total number of employees engaged in the works departments. The number of skilled employees in the maintenance and services departments is higher than the number engaged in direct production. The following position obtaining in Hindustan Steel Ltd. will illustrate this point :

TABLE 8. Number of persons engaged in direct production vis-a-vis maintenance and services.

	No. engaged in direct production	No. engaged in maintenance and services.
Hindustan Steel Ltd:		
Bhilai Steel Plant	3,901	7,298
Durgapur Steel Plant	3,427	5,458
Rourkela Steel Plant	3,738	6,713

3.5 The number of persons employed in the steel plants in India is larger than the number employed in comparable steel plants of advanced countries. Some of the reasons for this are :-

- (i) In the older plants like the Tata Iron & Steel Company Ltd., many processes were not automatic and a large number of persons were employed on manual or semi-manual operations.
- (ii) Labour being very cheap, no effective control was exercised on manpower in the old plants, as well as in the initial stages in the new plants.
- (iii) Even where modern and automatic plants and equipment are installed, many of the maintenance and capital replacement facilities which are available with agencies outside the steel plants in foreign countries are not available outside the steel plants in India. For example, maintenance facilities like refractory lining and manufacture of spare parts have to be undertaken to a great extent in the steel plants themselves in India, whereas they are done by agencies outside

the steel plants in many foreign countries. This problem is also being faced by the older steel plants in India.

(iv) Since three steel plants in the public sector were set up simultaneously, adequately trained and skilled personnel were not available for operation and maintenance jobs. This deficiency was sought to be compensated by increase in numbers.

(v) A large number of persons have to be employed for administration of the township, hospital and educational institutions, etc. which had to be set up as part of the steel plants. In many foreign countries, steel plants are not required to provide such facilities.

3.6 However, realising the need for increasing productivity and the emoluments of the employees, the steel plants in India also have been trying to contain their manpower. When the Tata Iron & Steel Co. Ltd. expanded from one million ingot tonne capacity to two million tonnes capacity, there was no increase in the number of persons employed; however, there has been a significant increase in the emoluments of the employees. Efforts have also been made to contain manpower at a reasonable level and increase productivity under the expansion schemes of the three steel plants of the Hindustan Steel Limited.

### 3.7 RECRUITMENT DURING POST—INDEPENDENCE PERIOD

3.8 According to tentative estimates made on an ad hoc basis by committees appointed by the Hindustan Steel Limited, in the initial stages it had been estimated that about 10,000 engineers and 18,000 non-supervisory technical personnel and about 30,000 semi-skilled and unskilled workers would be required for manning the three steel plants in the public sector during the Second Plan period. The existing steel plants in the private sector were themselves expanding and could spare only a small number of their trained men for the new plants. The Hindustan Steel Limited therefore had to select and recruit a very large number of raw graduates in engineering, fresh diploma holders, B. Scs., Trade School Certificate holders, Matriculates and others and train them for various positions in the steel plants. In the beginning, the Hindustan Steel Limited had to depend on the existing steel plants and engineering industries for training many of its operation and maintenance personnel. Nearly 800 key



personnel were trained in the Tata Iron and Steel Company Ltd., the Indian Iron and Steel Company Ltd. and the Mysore Iron and Steel Ltd. and 2,000 I.T.I. Certificate Holders were trained for positions of skilled workers in about 70 engineering firms in and around Calcutta and Bombay. Training of 1,600 engineers and 600 operatives was also done in friendly foreign countries. These arrangements could, however, meet only part of the overall requirements and the steel plants therefore set up their own Technical Institutes for training the personnel required by them.

3.9 Even after the creation of these facilities, about 600 posts in the executive cadre and 4,000 to 5,000 posts of skilled and highly skilled employees were vacant in the plants of Hindustan Steel Limited towards the end of the Second Plan period. Before the requirements of the first phase of operation of the three steel plants in the public sector were met, these plants were faced with the problem of recruiting, promoting and training personnel for meeting their expansion requirements. The additional requirements of engineers and technicians for the three steel plants as well as for the Alloy Steels Plant under Hindustan Steel Limited were estimated at 824 and 2,449 respectively. The training facilities in the steel plants of Hindustan Steel Limited had therefore to be substantially increased. Arrangements now exist for training the engineers and skilled workers required for the steel plants in the public sector in the plants' own Technical Institutes except in respect of new equipment installed for the first time or new processes the know-how in respect of which has to be obtained from abroad. These Institutes are also training the engineers and operatives initially required for the operation of the steel plant at Bokaro.

3.10 In the older steel plants of the Tata Iron and Steel Co. Ltd., the Indian Iron and Steel Co. Ltd. and the Mysore Iron and Steel Ltd. which have been in operation for over a generation, work-forces with permanent attachment to the steel plant have emerged and this has been beneficial to the industry because working in a steel plant not only requires highly specialised skills but is also arduous in nature. When traditions of attachment are built up, they affect not only individuals but run through families and the sense of belonging develops quickly. Thus, old steel plants have this advantage. In the new public sector steel plants of Hindustan Steel Limited, the intake of personnel had necessarily to be at all levels and from all regions in the

country. It will take time before these personnel settle down and develop permanent attachment to their particular plant.

3.11 To meet the large requirements of personnel for the three steel plants in the public sector, recruitment initially had to be made of personnel at all levels. However, with the completion of the initial recruitment, these plants have also laid down policies of recruitment of personnel at entry points. By and large, recruitment from outside is made in all the steel plants in the category of trainees of the following levels :—

- (i) Graduate Engineers/Junior Officer (Trainees) for meeting the requirements of supervisory and managerial personnel.
- (ii) Senior Operative Trainees—Graduates in science or diploma holders in engineering/technology for meeting the requirements of senior operatives or highly skilled maintenance workers as well as junior supervisory personnel.
- (iii) Junior Operatives and Artisan Trainees—Matriculates or those possessing certificates of Industrial Training Institutes for doing the work of junior operatives and craftsmen.
- (iv) Unskilled workers for meeting the requirements of unskilled and semiskilled workers.

All intermediate posts are filled by promotion from below. Provision also exists in the plants for promotion of employees from non-executive grades to executive grades.

3.12 We are not concerned with the direct recruitment of supervisory and managerial personnel; hence we are not dealing with their recruitment in this Report. In recruitment of other categories of personnel, the following priorities have been laid down by the management of the Tata Iron and Steel Co. Ltd.

1. Ex-employees or temporary employees with clean record of service.
2. One dependent of an employee who has been permanently disabled either totally or partially by reason of an accident met with during the course of employment, provided a job suitable to his qualifications is available.
3. People of the State.

4. One near-relation of an employee who has put in over 28 years of continuous service if no other relation of that employee is in employment. The term 'relation' for this purpose has been defined as husband, wife, widow, son, daughter, brother, sister, son-in-law, in order of priority.

Within each category, members of the scheduled castes and scheduled tribes receive preference over others.

3.13 In the Indian Iron and Steel Co. Ltd., about 50% of the vacancies occurring at the lowest level are filled from amongst the dependents of the employees. Dependents of the employees include sons, grandsons and dependent brothers, if the father is dead and the dependent is living with the employee.

3.14 This recruitment policy, according to the managements of the Tata Iron and Steel Co. Ltd. and the Indian Iron and Steel Co. Ltd. has not only ensured the loyalty of a large number of employees but has also helped in building a stable work-force making many workers settle down permanently in their townships. It has also to some extent reduced pressure for construction of more houses required for altogether new employees.

3.15 Most of the employees of the public sector steel plants who had to be recruited within a short period of 4 or 5 years initially are in young age groups; therefore the problem of giving preference to their sons or direct dependents has not yet assumed practical importance. Apart from this, the public sector plants cannot ignore the provisions under the Constitution ensuring equality of opportunity for all citizens in the matter of employment subject to such reservations as may be made for candidates belonging to the scheduled castes and scheduled tribes and other backward classes. Moreover, steps have to be taken to provide employment opportunities to those whose lands were acquired for erection of the plants and who were thus deprived of their means of livelihood. There is also pressure from the regions in which these plants are located for employment opportunities for the residents of the State. Greater opportunities of employment are therefore offered to the residents of the areas/regions in which these steel plants are located by utilising the Employment Exchanges of the areas for recruitment of lower categories of personnel. The following priorities are being followed by the public sector steel plants in recruitment of personnel :

- (a) A certain percentage of posts is reserved for persons belonging to the scheduled castes and scheduled tribes and such of these candidates who fulfil the prescribed job specifications and are found fit for employment are recruited within the reserved quota. If suitable candidates for the reserved posts are not available, the posts are treated as open.
- (b) Displaced persons (those displaced from lands acquired for the project) who are already in employment in the project in the workcharged or muster-roll establishment for construction and have put in at least 1 year's approved service.
- (c) Other workcharged and muster-roll workers who are employed in construction and have put in at least 2 years' service.
- (d) Other displaced persons (persons of the locality displaced from land acquired for the project).
- (e) Central Government employees/employees of other public sector undertakings retrenched or declared surplus.
- (f) (i) Demobilised personnel of the armed forces.  
(ii) Displaced persons from East Pakistan who migrated after January, 1, 1964 outside the Eastern Zone. In the Eastern Zone (in West Bengal, Orissa and Bihar), emigres from East Pakistan get overriding priority over others in the country.  
(iii) Repatriates from Burma and Ceylon who have migrated to India on or after 1-6-63 and 1-11-64 respectively.

3.16 A number of unskilled workers are employed in the steel plants on temporary or casual basis. Their employment figures in the different steel plants as on 31-3-1967 are given below :

• TABLE 9 : Number of Temporary, and Casual Workers Employed in TISCO, IISCO, MISL and HSL.

Tata Iron and Steel Company Ltd.	993
Indian Iron and Steel Company Ltd.	224
Mysore Iron and Steel Ltd.	1678
Hindustan Steel Limited :	
Bhilai Steel Plant	600
Durgapur Steel Plant	1100
Rourkela Steel Plant	600

Source : Information supplied by the Companies.

3.17 Temporary employees are engaged on work of a temporary nature lasting for generally less than 12 months such as temporary construction or erection work or relining of furnaces. Similarly, casual employees are employed on work of a casual nature which lasts for a few days such as cleaning a particular area, and temporary repairs, etc. Demands have been made from time to time by the employees' representatives that, as far as possible, the number of temporary and casual employees should be reduced to the minimum and they should be given preference in employment in the regular or permanent establishment.

3.18 The Study Group has, on the basis of a review of the practices and procedures of recruitment in the steel plants, considered whether there is need for improvement in recruitment procedures.

3.19 The Study Group feels that the existing recruitment procedure evolved and followed by the steel plants is on the whole satisfactory. There have however been complaints from time to time from some of the States in which the plants are located that the residents of the State are not represented in adequate numbers in the steel plants. As already mentioned, the management of the Tata Iron & Steel Co. Ltd. gives third preference in employment to the people of the State. Although the public sector steel plants did not for reasons already stated give preference in employment on the basis of residence in a particular area excepting in respect of those who are displaced from their lands acquired for the steel plants, preference is given in an indirect manner by recruiting the lower categories of employees who constitute the bulk of employment in the steel plants through the Employment Exchange of the area. It is understandable that in the initial phases of recruitment in the steel plants when recruitment of personnel had to be made in large numbers not only of trainees but also of skilled personnel at different levels, the managements of these steel plants had to recruit suitable persons from wherever they could get them in the country ; this was especially so because some of the States in which the steel plants are located did not have sufficient polytechnics and Industrial Training Institutes for training technicians and were not able to sponsor candidates in sufficient numbers required by the steel plants for being trained as engineers/operatives and craftsmen. If, however, the Employment Exchanges of the area in which the steel plants are located function efficiently, there is no reason why

they should not be able to sponsor suitable candidates of the local area/region to meet the reduced annual intake of trainees required by the steel plants now.

3.20 According to the existing recruitment procedure, the managements of the public sector steel plants have to approach the Employment Exchange of the area in which the steel plant is located for sponsoring suitable candidates for recruitment and cannot tap other sources even if the Employment Exchange is unable to sponsor suitable candidates unless the Employment Exchange issues what is known as a "non-availability certificate". Complaints have been made by the managements of the public sector steel plants that the Employment Exchanges fail to sponsor suitable candidates or to issue non-availability certificates promptly with the result that the management is unable to recruit personnel in time. The Study Group feels that if the Employment Exchanges fail to sponsor suitable candidates or to issue non-availability certificates within a reasonable period, which may be about a month from the date on which the requisition for sponsoring candidates is received by the Employment Exchange, the management should be free to tap other sources of recruitment.

3.21 The Study Group noted that there are complaints that many suitable candidates do not either register themselves with the Employment Exchange or, even if they do register themselves with the Employment Exchange, are not sponsored. Also, the officers in charge of the Employment Exchange do not have adequate training and experience regarding vocational guidance, job classification, job requirements, etc. with the result that they are not as helpful as they should be to large undertakings requiring personnel of various categories. The Study Group feels that if the Employment Exchanges are to serve as the main source of recruitment, their working should be improved and the officers in charge should be given adequate training in vocational guidance, job classification, job requirements, etc. and should also be attached to big industries like steel plants for some time. They should also be in close touch with the industries which notify vacancies to them.

3.22 Public sector steel plants have to follow Government directives regarding reservation of posts for candidates belonging to the scheduled castes and scheduled tribes. While the Study Group feels that it is reasonable that candidates belonging to the scheduled castes and scheduled tribes

as well as persons displaced from land acquired for the steel plants should get preference in employment, care should be taken to see that the quality of personnel is not diluted. Work in steel plants being arduous as well as skilled in many respects, jobs should be manned by persons possessing minimum physical standards and aptitude for doing skilled work and if the managements of the steel plants are not able to recruit adequate numbers of persons from the categories who get preference in employment, they should be free to tap other sources of recruitment.

3.23 In view of the provisions regarding equality of opportunity in employment to all citizens under the Constitution, public sector undertakings find it difficult to adopt the policy of giving preference in employment to the children and direct dependents of the employees of the steel plants. One of the ways in which the children of the employees can be encouraged to seek employment in the steel plants is for management to award a large number of scholarships for studying crafts, science, engineering and technology. Already some scholarships have been instituted in many of the steel plants for this purpose, but there is need for increasing their number.

3.24 Employment of temporary and casual workers is inevitable to some extent in the steel plants, because there are certain jobs which are purely temporary or casual in nature. However, all the steel plants do consider conversion of such workers to permanent employees on availability of permanent posts. This is a routine procedure in every plant and is done as and when permanent vacancies occur. The Study Group is of the view that besides following this policy, the steel plants should also make a systematic review every half year of all such jobs and if the jobs on which initially casual labour is employed are of sufficiently long duration, then such casual labour should be made eligible for service benefits admissible to temporary employees. If studies reveal that such jobs are essentially of perennial nature which must go on from day to day or which are incidental to and necessary for the work of the factory requiring employment of whole-time workmen, then employment of casual or temporary labour on such jobs would not be justified and management should consider absorbing them permanently.

### 3.25 TRAINING BEFORE PLACEMENT

3.26 As pointed out earlier, iron and steel plants require large trained work-force to handle the very complex process

of manufacture of steel in which practically every branch of engineering and technology is involved. The problem of training technicians in the industry has acquired new dimensions in view of the adoption of newer techniques of steel production and technological changes which are taking place frequently. In the industry therefore, considerable importance has been attached to training operatives, technicians and craftsmen from the very beginning.

3.27 Details of the training-before-placement schemes followed in the different steel plants are as follows :—

3.28 **Tata Iron and Steel Co. Ltd.** As far back as 1921, the Tata Iron and Steel Co. Ltd. established the Jamshedpur Technical Institute. This Institute has now developed into a big training centre catering to the training needs of the Tata Iron and Steel Co. Ltd. ; a large number of employees of Hindustan Steel Limited also were initially trained at this Institute. The following pre-employment training schemes are being run in the Tata Iron and Steel Co. Ltd.

**(a) Graduate Engineers' Training Scheme:**

Graduates not exceeding the age of 25 years in mechanical or electrical or metallurgical engineering from a recognised engineering college or technical institute or holders of a Certificate of Proficiency in Electrical Technology or Diploma in Metallurgy awarded by the Indian Institute of Science, Bangalore, are recruited for this course. On an average, about 20 trainees are recruited each year. The duration of training is 1½ years and the object of the course is to produce supervisory personnel for the Tata Iron and Steel Co. Ltd.

**(b) Technical Probationers' Scheme for Operation Personnel :**

Graduates in science with Physics, Chemistry and Mathematics with a minimum aggregate of 50% marks and in the age group 19 to 23 years are recruited for training under this scheme. Only such candidates as possess robust physique are selected. The duration of training is 3 years.

The programme aims at training operation personnel to occupy senior positions on the operation side of the Production Departments. Posts like Assistant Second Hands, Second Hands, First



Hands, Convertermen, Asstt. Blowers and Blowers, Assistant Foremen and Foremen, Asstt. Rollers and Heaters, etc. are filled from amongst Technical Probationers after completion of training.

**(c) Junior Supervisory Training Scheme for Maintenance Personnel :**

A new training scheme entitled Junior Supervisory Training Scheme has been started for training diploma holders in electrical and mechanical engineering, who on successful completion of training, are appointed as Junior Supervisors and will be in charge of a group of men consisting of Mistries, Chargemen and equivalent designations and skilled workers. They are trained to direct in a systematic and efficient manner the electrical and mechanical work of the department to which they are posted and to take charge of production and maintenance work in Maintenance Shops. The duration of training is 2½ years.

**(d) Artisan and Mason Training Scheme :**

The course is of 2 years' duration designed to train skilled artisans in the following grades :

- (i) Mechanical Fitter
- (ii) Electrical Fitter
- (iii) Turner
- (iv) Machinist
- (v) Blacksmith
- (vi) Welder (gas and electric)
- (vii) Pattern Maker
- (viii) Moulder
- (ix) Refractory Machinist

The minimum requirements for admission to the Artisan and Mason Training Scheme are :—

- (i) Secondary School Leaving Certificate Examination from a State Board or equivalent.
- (ii) Age between 16 years and 18 years on the 30th April of the year of recruitment.
- (iii) Good physique and health so that the trainees can perform hard manual labour.

**(e) Training of Persons belonging to the Scheduled Castes and Scheduled Tribes :**

Special facilities are provided for scheduled caste and scheduled tribe boys who are given one year's preliminary training before being absorbed as regular apprentices.

It has been reported that with the implementation of the Trade Apprentice Scheme under the Apprentices Act, 1961, the Artisan Training Scheme has been discontinued in the Tata Iron and Steel Company Limited.

### **3.29 Indian Iron and Steel Co. Ltd.**

3.30 Unlike the Tata Iron and Steel Co. Ltd, this Company established a training institute quite late but it had established facilities for training on-the-job from the beginning. Currently the Company runs the following pre-employment training schemes :

#### **(a) Officer Trainees :**

Graduates in most branches of engineering and post graduates in applied sciences are recruited on an all-India basis once a year. The period of their training is two years. After successful completion of training, the trainees are absorbed as First Staff Assistants on the permanent establishment of the Company.

#### **(b) Student Apprentices or Junior Supervisors :**

(Foreman/Chargehand level)

Fresh graduates in science or diploma holder in engineering in the age group 20 to 23 years are recruited under this scheme. Recruitment is made once a year through open press advertisement. A few trainees are recruited by the Governments of Bihar and West Bengal under the Land Acquisition Agreements and some are recruited from amongst employees' sons through local advertisement. The training period is three years, broadly divided into preliminary training for 9 to 12 months and on-the-job training for over two years. On passing the final test and on the recommendation of the departmental manager, the student apprentices are generally offered permanent employment in the Company.

#### **(c) Trade Apprentices for Skilled Workers' level :**

Young matriculates or equivalent within the age group 17 to 20 years are admitted as Trade Apprentices. Recruitment is made once a year through open press advertisement. A few trainees are recruited by the Governments of West Bengal and Bihar under the Land Acquisition Agreements

and some are recruited from amongst the employees' sons through local advertisement. The training period is 4 years. The Apprentices undergo 2 years' basic training in the Training Centre and Training Workshop. At the end of each year, they are examined, their progress is assessed, and they are moved up to the next year if the Training Staff are satisfied with their performance. After completing the basic training, the Apprentices undergo on-the-job training according to their aptitude and competence for 2 years. On the recommendation of the departmental manager and subject to their passing the final test, they are generally offered permanent employment in the muster roll category in the revised grade of Rs. 95-113 either under the regular manning or under the Training Department's roll.

### 3.31 Hindustan Steel Limited.

3.32 As mentioned earlier, the Technical Training Institutes in the steel plants at Bhilai, Rourkela and Durgapur of Hindustan Steel Ltd. were set up when these plants were still under construction. Details of the pre-placement training in Institutes in the steel plants of Hindustan Steel Limited are as follows :—

Post	Duration	Grade	Category
Senior production posts such as Miller, Asstt. Rolling Mill Operator, Asstt. Heater, etc.	18-22 1½ years	B. Sc. or Diploma in Engineering	Senior Operative Trainees
Junior production posts e.g. Scale Car Driver, Core Oven Pusher, Driver, Furnace-hand, Crane Driver, etc.	18-21 1½ years	Matric	Junior Operative Trainees
Fitter, Electrician, Turner, Welder, etc.	18-19 3 years 18-21 2 years	(a) Matric (b) Matric + I.T.E. Certificate	Artisan Trainee (Act. Apprentices)

The training scheme for artisan trainees is now integrated with the training scheme under the Apprentices Act according to which the steel plants like other factories have to train a minimum number of apprentices every year in different prescribed trades.

**TABLE 10 : Pre-placement Training Schemes being run by the Steel Plants of HSL.**

Category	Educational Qualifications	Age	Period of training	Types of posts for which training is given
Graduate Engineer Trainees	1st Class Degree in Engineering or Technology.	Below 25 years for Graduates. Below 27 years for Post-Graduates.	1½ years	Supervisory positions in operation and maintenance at the level of Asstt. Foreman,
Junior Officer Trainees	1st Class Degree or a high second class Post-Graduate or Hons. Degree	21-25 years.	1½ years	Supervisory positions in Administration, Personnel, Sales, Purchase, Stores, etc. at the level of Asstt. Personnel Officer, etc.
Apprentice Accountants	2nd class Degree in Arts, Science or Commerce or must have passed Intermediate/ Final examination of C.A. or I.C.W.A.	25-30 years.	1 year	Accountant.
Senior Operative Trainees	B. Sc. or Diploma in Engineering.	18-22 years	1½ years	Senior production posts such as Melter Asstt., Rolling Mill Operator, Asstt. Heater, etc.
Junior Operative Trainees	Matric	16-21 years	1½ years	Junior production posts e.g. Scale Car Driver, Coke Oven Pusher Driver, Furnace-hand, Crane Driver etc.
Artisan Trainees (Act Apprentices)	(a) Matric (b) Matric+I.T.I. Certificate	16-19 years 16-21 years	3 years 2 years	Fitter, Electrician, Turner, Welder, etc.

The training scheme for artisan trainees is now integrated with the training scheme under the Apprentices Act according to which the steel plants like other factories have to train a minimum number of apprentices every year in different prescribed trades.

3.33 Even though the training schemes in the steel plants under Hindustan Steel Limited as enumerated above have been working generally satisfactorily, the Study Group has noticed certain shortcomings in them which could be improved. Hindustan Steel Limited which had to train a large number of engineers and senior operatives in foreign countries found that the training in the USSR which was more job-oriented proved to be more useful. Considerable importance is therefore attached by the management to on-the-job training, and with reduction in the number of trainees (as the major phase of expansion is coming to a close) as well as by providing a large number of Training Engineers, it should be possible to further improve the quality of on-the-job training.

3.34 As far as the training requirements of the Bokaro Steel Limited are concerned, the Bokaro Steel Limited has entered into an agreement with the Hindustan Steel Limited for joint recruitment and training of Graduate Engineers and Junior Officer Trainees who are recruited for supervisory positions in technical and non-technical branches. The Training Institutes of Hindustan Steel Limited's steel plants are also providing training facilities for the operatives and technicians recruited by the Bokaro Steel Limited.

3.35 It may therefore be mentioned that in the past decade the iron and steel industry in the country has taken a big stride forward and as regards both training and trained personnel it stands today on a sound footing. The adequacy of the present arrangements however will be tested in the years to come when the industry expands further.

3.36 The Study Group considered in particular the adequacy of training facilities for meeting the requirements of the Bokaro Steel Limited as also the adequacy of the duration, content, quality, etc. of the existing training programmes of the steel plants.

3.37 The Study Group is satisfied that the training facilities available in Hindustan Steel Limited's steel plants are adequate to train the initial requirements of operatives and technicians for the Bokaro Steel Limited. Besides, the Bokaro Steel Limited has already set up a Training Department under qualified supervision and is building up gradually its own nucleus for training the personnel required by it. The Company will also send a limited number of its engineers and technicians for training in specialised jobs in the USSR. No specific difficulty is therefore likely to be experienced

by the Bokaro Steel Limited in training its personnel. To meet the requirements of personnel for future steel plants, it should not now be necessary to depend on facilities in foreign countries except in respect of facilities which do not exist in the country.

3.38 As regards the quality, content and duration of the existing training programmes, as already pointed out, the Study Group recommends that greater stress should be laid on the area of on-the-job training to make it more intensive; also closer supervision of the training programmes is necessary. The Study Group noted that the managements of the steel plants are alive to the need for reviewing from time to time the effectiveness of their training schemes.

3.39 The Study Group noted that the flight of technical personnel from the steel plants is not significant and does not constitute a serious problem. However, the best precaution against flight of technical personnel is that training of apprentices should be planned well in advance and co-ordinated with the manpower requirement of each plant. This is apparently being done in all the steel plants but there seems to be scope for improvement. The Study Group also noted that there is a standing agreement between the Hindustan Steel Limited and the Tata Iron & Steel Company Ltd. that they will not entertain applications for employment from each other's serving personnel unless the particular application has been forwarded by the management of the plant and it has been certified that they have no objection to sparing the services of the particular employee.

### 3.40 INDUCTION OF NEW EMPLOYEES

3.41 The steel plants have been established in areas away from old towns. This is true even of the older steel plants which have now developed a modern township around the plant. A large number of employees who get employment in the steel plants have an agricultural background and even now a proportion of the work-force of the steel plants consists of illiterate workmen belonging to rural areas. Even those who come from towns and/or are literate have not had the opportunity of visiting a steel plant and knowing how it works. Proper induction of employees who join a steel plant is therefore necessary to adjust them to the new surroundings by reducing their initial inhibitions and hesitation and giving them confidence. The Tata Iron & Steel Co. Ltd. adopted a systematic induction programme

for the benefit of new entrants nearly 15 years ago. The Hindustan Steel Limited has also introduced a systematic induction programme for new entrants who join its plants.

3.42 During induction, the new entrant is acquainted with the organisation he is going to serve in, conditions of work, rules and regulations in force, amenities available, methods of safe work and such other matters which help in adjusting him to the changed surroundings of the workplace and ensure his effectiveness on the job. The induction procedure consists of a talk by the Induction Officer, a visit to the various shops and departments of the works, familiarisation with safe methods of working, safety instructions and rules and use of safety appliances, and introduction with the immediate superior, colleagues and subordinates employees at the shopfloor, etc. The new entrant is also supplied with an employees' hand book, specially prepared for his benefit and there is follow-up by the Induction Officer after some days to ascertain whether the new employee has made himself at home completely in his department or shop.

3.43 The Study Group was informed that a "Supinduction Programme" has recently been introduced in the Tata Iron and Steel Co. Ltd. for the benefit of employees moving up to supervisory positions. This Supinduction Programme has proved worthwhile. The Study Group recommends that other steel plants also may consider adopting a similar programme for the benefit of employees who are promoted to supervisory positions.

#### 3.44 PLACEMENT :

3.45 With the adoption of a systematic recruitment policy by the managements and stabilisation of manpower structure in the steel plants, little difficulty now-a-days is experienced in placing newly recruited employees or trainees on completion of training on the respective jobs for which they are recruited.

3.46 The steel plants however do have surplus workers of certain categories in certain departments. Their absorption in vacancies created as a result of commissioning of additional units under the expansion programmes is taken up in normal course. Wherever necessary, management arranges retraining of such personnel in order to make them fit for jobs available.

3.47 In the public sector steel plants, problems have arisen on account of the fact that because of the very large

requirement of personnel for three steel plants over a short period, in the initial stages persons in the same age groups had to be recruited for various posts. In the initial stages of operation of these plants, many employees got quick promotion. However, with the gradual filling up of higher posts, the rate of promotion has slowed down and many employees feel stuck in their positions and are consequently dissatisfied. This problem can be solved to some extent as and when opportunities for the deployment of these personnel in new steel plants like the Bokaro Steel Limited arise. It should, however, be appreciated that the rate of promotion which existed at the time of rapid development of the industry cannot continue at the same pace when further development of the industry becomes slower.

3.48 In the construction/expansion phase of a steel plant, a large number of employees, particularly in the public sector steel plants, is employed on construction/erection work. All these personnel cannot be absorbed in the regular establishment (operation, maintenance, services, etc.) on completion of construction/erection work. Although a good number of them find employment in such positions, retrenchment of a significant number becomes inevitable after completion of each phase of construction/expansion. The deployment of surplus personnel therefore becomes a problem. It will be desirable to utilise their skill and experience in construction/erection work and, for this purpose, Government may create a pool of such personnel who can be deployed for construction/erection work of not only steel plants but other heavy industries also.



#### **4.0 PROMOTION AND DEVELOPMENT SCHEMES IN THE IRON AND STEEL INDUSTRY.**

##### **4.1 PROMOTION SCHEMES :**

4.2 While discussing the principles and procedures of recruitment in the chapter, "Manpower Employed in the Iron and Steel Industry, Recruitment, Induction, Training and Placement", it has been mentioned that recruitment schemes in the steel plants have been formalised in the rules and regulations and Standing Orders embodying the service conditions of the employees. It has also been mentioned that direct recruitment from outside is generally confined to trainees for training as Graduate Engineers, Senior and Junior Operatives and Artisans and all the remaining posts are filled by promotion.

4.3 The main details of the promotion policies and procedures applicable to workmen in the different steel plants incorporated in their collective agreements/Standing Orders are given below :

##### **(i) Tata Iron and Steel Company Limited.**

The collective agreement applying in the Tata Iron and Steel Company Limited Works contains a clause to the effect that the policy of the Company is to fill vacant posts by internal promotion, wherever possible, rather than by outside recruitment so as to ensure maximum opportunities of advancement for employees with demonstrated ability. Another clause states that promotion to non-supervisory posts shall be made on the basis of seniority provided the individual concerned is competent to fill the higher post, past performance being taken into account to ascertain competence. The agreement stipulates that no person will be promoted to a post for which a trade test has been prescribed unless he has passed the appropriate trade test.

##### **(ii) Indian Iron and Steel Company Limited.**

In Burnpur Works of the Indian Iron and Steel Company Limited, promotion of production workers is based on length of service in the line of job; that is, other things being equal, length of service counts in selection. Maintenance workers who show special aptitude are promoted to higher

categories when suitable vacancies occur provided they qualify in the prescribed trade test.

Both in the Tata Iron and Steel Company Limited and the Indian Iron and Steel Company Limited, channels of promotion for each post have been drawn up and the points at which trade tests are held have also been indicated.

**(iii) Hindustan Steel Limited.**

In the plants of the Hindustan Steel Limited at Rourkela, Bhilai and Durgapur, policies and procedures of promotion in the non-executive category have been systematised and drawn up in detail. In the steel plants at Rourkela and Bhilai, promotion procedures have been incorporated in collective agreements with the recognised trade union. In Durgapur Steel Plant, although the recognised union has been consulted on an ad hoc basis from time to time, it has not been possible so far to incorporate the procedure of promotion in a collective agreement with the union because of the unsettled industrial relations situation in the plant. Details of promotion procedures in the three steel plants of Hindustan Steel Limited are mentioned below :—

**(a) Bhilai Steel Plant :**

In Bhilai Steel Plant, promotion is made on the basis of seniority-cum-suitability. Suitability of employees in skilled and highly skilled categories is determined on the basis of merit rating in which employees are assessed in various areas like length of service, regularity of attendance, amenability to discipline, qualifications (both minimum and additional, if any), and performance which includes safety-mindedness. Employees who secure less than 60% marks in the aggregate in merit rating are deemed to have failed in merit rating. Also, employees who secure 60% or more marks in the aggregate but get low merit rating in the area of performance are deemed to have failed in merit rating. Employees who fail in merit rating are informed of the result by the management. Generally, the suitability of employees for promotion from semi-skilled categories to skilled categories, from skilled to supervisory categories, and from one trade to another is judged on the basis of trade tests which have been prescribed by the management. Trade testing is done by a committee consisting of not less than three persons. A representative of the recognised union qualified in the trade is also associated with the trade testing as an observer wherever the union so desires. Posts have

been classified and minimum qualifications for each post have been prescribed in consultation with the recognised union. Promotion is made on the recommendations of a departmental promotion committee consisting of not less than three persons, namely, a representative of the department concerned, a representative of the Personnel Department and a representative of an allied department.

**(b) Rourkela Steel Plant :**

In Rourkela Steel Plant, employees are promoted by and large on the same basis as in Bhilai Steel Plant. In this plant, posts have been broadly divided into two categories, namely, (i) higher grade posts and (ii) other posts. Posts of Section Officer, Office Superintendent, Accountant, Engineering Assistant, Construction Assistant, Technical Assistant and all other posts both technical, semi-technical and non-technical, the scales of pay of which start at a minimum of Rs. 325/-, have been classified as "higher grade posts". Promotion to higher grade posts is made on the basis of seniority-cum-merit, merit being assessed in an interview. In assessing candidates, due weightage is given to qualifications, experience, confidential character roll, and interview or examination wherever prescribed. For posts other than higher grade posts, promotion is made on the basis of seniority, confidential character roll, and trade test or examination wherever prescribed. Wherever no trade test or examination is prescribed, suitability for promotion is judged on the basis of seniority-cum-confidential character roll or performance. Management intends to introduce a system of merit rating in the Rourkela Steel Plant as prevails in the Bhilai Steel Plant.

**(c) Durgapur Steel Plant :**

Although in the Durgapur Steel Plant as previously mentioned no agreement with regard to promotion has been reached with the recognised union, promotion is made on the same basis as in the Rourkela and Bhilai Steel Plants. Recently, the Durgapur Steel Plant has rationalised and systematised its promotion procedure on the basis of the Model Principles of Promotion for Public Sector Undertakings circulated by the Union Ministry of Labour and Employment. In the Durgapur Steel Plant also, posts have been classified and, minimum qualifications and experience for each post have been prescribed. Employees having the minimum qualifications and experience prescribed for various posts are considered eligible for promotion to the next higher grade. An employee is required to work for a

minimum period in a particular grade before he is considered eligible for promotion. For example, in unskilled/semi-skilled categories, promotion from one grade to the next higher may be considered after the employee has put in a minimum service of one year in the lower grade. Promotion from unskilled and semiskilled to skilled categories requires at least two years' experience and promotion within the skilled category from one grade to the next demands minimum qualifying service of one year in the lower grade. For promotion from the skilled category to the junior supervisory category, employees have to work in the lower grade for at least two years and should have a total of five years' experience as a skilled worker. Promotion from one junior supervisory grade to another is done after a minimum qualifying service of two years in the lower grade. The other details of the promotion procedure being followed in the Durgapur Steel Plant are the same as in the Bhilai and Rourkela Steel Plants excepting that criteria for promotion have been redrawn up on the basis of the Model Principles of Promotion in Public Sector Undertakings according to which promotion is decided on the following basis :—

- (i) The performance of an employee in his present job and his suitability, capacity and ability to successfully perform the job of the higher post are the main considerations for promotion. Suitability of employees is judged on the basis of confidential character roll or merit rating or trade test or written examination where necessary and/or interview.
- (ii) Posts have been classified into the following categories :—
  - (a) Unskilled and semi-skilled
  - (b) Skilled and
  - (c) Highly skilled and junior supervisory.
- (iii) Promotion to posts in unskilled and semi-skilled categories is done on the basis of seniority-cum-merit and promotion to skilled and selection grade posts is made on the basis of merit-cum-seniority.

In the revised promotion procedure being followed in the Durgapur Steel Plant, a new merit rating form also has been devised under which employees in selection grade posts, that is, highly skilled and junior supervisory posts are assessed *inter alia* in the area of aptitude, initiative, interest, capacity for leadership and capacity for assuming

responsibility. The merit rating form for employees in non-selection grade posts, that is, unskilled and semi-skilled posts, is more or less the same as in the Bhilai Steel Plant.

#### 4.4 MODEL PRINCIPLES OF PROMOTION IN PUBLIC SECTOR UNDERTAKINGS

4.5 The attention of the Study Group was drawn to the Model Principles for Promotion of Employees in Public Sector Undertakings prepared by a Sub-Committee appointed by the Union Ministry of Labour & Employment in the year 1966. The main features of these Model Principles which have been adopted by the plants of Hindustan Steel Limited are :—

- (i) In the category of skilled, highly skilled and junior supervisory levels, the quota of posts reserved for persons directly recruited and the quota for persons promoted from the next lower level have been indicated. The principles contemplate that the quota for direct recruitment at various entry levels and the quota reserved for promotion of serving employees should be suitably balanced in order that suitable, efficient and meritorious employees of the undertaking get adequate opportunities for advancement.
- (ii) Undertakings should draw up their promotion procedures in consultation and agreement with the unions.
- (iii) Posts should be suitably classified and minimum qualifications and experience required for each post should be laid down.
- (iv) Only those employees as have worked for a minimum period in a particular grade should be considered for promotion provided that they fulfil the minimum qualifications and length of experience prescribed for the next higher post.
- (v) Promotion should be made on the basis of recommendations of a departmental promotion committee consisting of not less than three persons.
- (vi) The main criteria for judging the suitability of employees for promotion should be performance in the present job and suitability, capacity and ability to successfully perform the duties of the higher job. The merit of candidates should be assessed on the

basis of confidential character roll or merit rating or trade test and/or written examination if necessary and/or interview. In the case of employees considered for promotion to selection grade posts, an assessment of leadership quality should also be made and more emphasis should be laid on job performance, qualifications, amenability to discipline and regular attendance.

(vii) Employees securing less than 60% marks in merit rating should be deemed to have failed in merit rating and should be informed in writing of their performance. Employees securing less than 75% marks in job performance should also be deemed to have failed in merit rating notwithstanding that they might have secured 60% in all other areas and the aggregate of merit rating. They have also to be informed in writing of their performance in merit rating.

(viii) Wherever a change in trade is involved, promotion should be based on performance in trade tests and employees who fail in trade tests should not be promoted. Trade tests should be conducted by a committee consisting of not less than 3 persons, namely, one member well-versed in the trade concerned, one member nominated by the head of the department and one member from the Training Department or Personnel Department of the undertaking.

Wherever the recognised union so desires, a representative of the union may be associated with the trade testing as an observer.

4.6 The Study Group feels that the principles and procedure embodied in the Model Principles of Promotion recommended by the Ministry of Labour and Employment and mentioned in paragraph 4.5 are sound and may be taken as a guide by the managements of the steel plants. However, the existing principles of promotion which have been working well in the different steel plants should not be changed without agreement between the management and the representatives of the employees.

#### 4.7 TRAINING SCHEMES AFTER PLACEMENT

4.8 It has already been mentioned in the chapter, "Manpower employed in the Iron and Steel Industry,

Recruitment, Induction, Training and Placement”, that in view of the complex process of manufacture of steel, the steel plants’ requirements of specialised skills are high and the importance of training programmes for both new recruits as well as for improving the skills of serving employees cannot be over-emphasised. Systematic training broadens the education, knowledge and skills of serving employees and thus apart from remaining up-to-date in their work the employees also develop their potentiality for further progress in the industry. Details of the various employees’ development schemes in vogue in the steel plants are as follows :—

#### 4.9 TATA IRON & STEEL COMPANY LIMITED

The Employees’ Training Scheme has been established in this plant in order to give employees who want to improve their prospects of promotion opportunities for free training in various trades. Over 250 employees are always on the rolls of the Training Institute and are trained as Blacksmith, Driller, Fitter, Gas Cutter, Kiln Fireman, Mill Wright, Moulder, Pattern Maker and Welder, etc.

Apart from the training scheme mentioned above which is in the nature of a refresher course, employees also get opportunities for training in evening courses. The training scheme under the evening courses consists of an integrated system under which an employee may ultimately be able to acquire proficiency equivalent to a diploma standard in engineering/technology. The following courses are available at present to the employees of the Tata Iron and Steel Company Limited under this scheme :—

- (i) Basic Course 1st year
- (ii) Basic Course 2nd year
- (iii) Basic Engineering Course for those who have passed I.Sc. with Physics, Chemistry and Mathematics.
- (iv) Trade Course in Engineering Drawing - Part I
- (v) Trade Course in Engineering Drawing - Part II
- (vi) Trade Course in Mechanical Engineering - Parts A, B, C & D, each of one year’s duration.
- (vii) Trade Course in Metallurgy - Parts A, B, C & D, each of one year’s duration.

Trainees successful in these courses are given cash prizes for good attendance and proficiency.

Under this scheme, every trainee is first required to complete a two-year basic course which includes instruction in engineering, drawing, science, mathematics and English. Admission to the course is by entrance test. There is no restriction on age or initial qualifications. After completing the Basic Course, students can take the Trade Courses. Each course is self-contained and is of one year's duration. These one-year trade courses are, however, designed to form part of a larger scheme. Thus, parts A, B, C and D of the Trade Course in Metallurgy after completion of the Basic Engineering Course, together form a course equivalent to a Degree as required for the industries at Jamshedpur. This course is not identical with a university degree course and does not prepare students for employment in the Research Department. Similarly, the four-year Trade Course in Mechanical Engineering is equivalent to a Diploma in Mechanical Engineering.

These courses have a direct bearing on the minimum qualifications laid down for junior and senior supervisory positions in the works. They meet the needs of the employees in particular and the local population at large who, while earning a living through industrial employment, desire also to qualify for higher positions. Diplomas are granted by the Company to those who successfully complete the Trade Courses in Mechanical Engineering and Metallurgy. For other Trade Courses, a certificate is given to successful candidates. No certificate is given to those who pass the Basic Course.

Arrangements have also been made for training employees during their free time to acquire the knowledge and skill required for passing trade tests prescribed for promotion from one grade to another. There is also a well-staffed Staff Training Department which caters to the need of training employees in supervisory and managerial skills. The Department runs a number of courses and programmes for the purpose.

#### **4.10 INDIAN IRON & STEEL COMPANY LIMITED**

For the purpose of imparting training to serving employees, a night school has been functioning in Burnpur for the last 20 years. Formerly, this school admitted only Matriculates for a 4-year course equivalent to a Diploma in Engineering/Technology. However, the school now admits even those employees of the Indian Iron and Steel Company Limited who have passed Class VIII or an equivalent



examination and for their benefit the syllabus of the course has been suitably revised. The Company also provides facilities to its employees to attend classes in the Asansol Polytechnic.

#### **4.11 HINDUSTAN STEEL LIMITED**

#### **4.12 ROURKELA STEEL PLANT**

In the Rourkela Steel Plant, the following training schemes have so far been conducted for serving employees of the plant :—

- (a) A special training course was run for the first batch of Passed Out Trainees recruited in the year 1955-56 who had completed 7 years' service to bring them to the level of Sr. Operatives which post is generally held by 3-year Diploma Holders or B.Sc.s. The duration of the course was 9 months.
- (b) A special training course was conducted for semi-skilled workers to bring them to the level of skilled workers, Gr. IV.
- (c) A few special courses were arranged for employees on the shop floor; for example, a training programme was arranged on maintenance and operation of boilers and turbines. Another programme on preventive maintenance was arranged for the employees of the rolling mills.

#### **4.13 BHILAI STEEL PLANT**

This plant started a training scheme in 1963 enabling employees upto the rank of Chargeman to upgrade their skills. Under the training programme, the employees are made familiar with the "why", "how", and "what" of their respective jobs. The syllabus is drawn up by the departmental head in consultation with the Training Institute to fit the training needs of the employees. The average duration of the course is 20 to 30 hours and lectures are delivered by shop supervisors to groups of 15 to 20 persons at a time. The plant has also been running development courses for Assistant Foremen, Chargemen, Draughtsmen and Design Assistants since 1965. The plant has introduced a scheme called 'ABC Literacy Standard Scheme' which aims at improving upto the Matriculation Standard the educational qualifications of employees who are illiterate or not sufficiently educated.

#### **4.14 DURGAPUR STEEL PLANT**

Similar training facilities as exist at the Rourkela and Bhilai Steel Plants are available in this plant. The plant also

gives facilities to its employees for training at the Industrial Training Institute, Durgapur, and the Asansol Polytechnic.

#### **4.15 TRAINING SCHEMES IN HINDUSTAN STEEL LIMITED FOR DEVELOPMENT OF NON-EXECUTIVE EMPLOYEES FOR PROMOTION TO POSTS OF FIRST-LINE SUPERVISORS IN THE EXECUTIVE GRADE :**

In order to systematise promotion from the junior supervisory grade to the supervisory grade/executive grade, a scheme has recently been formulated by Hindustan Steel Limited for adoption in all its plants. This scheme is divided into two parts—one relating to short-term training and the other to long-term training ; the latter will ultimately replace the short-term training programme. Under the short-term training scheme, employees who have passed the Matriculation or equivalent examination are selected for training on the basis of an admission test and interview. Selected candidates are trained for a period of one year on a part-time basis. The training scheme has been so designed as to enable the trainees to acquire knowledge of basic engineering, general management principles, industrial management and also human relations. The training is free and voluntary and employees have to undergo it in their own free time. Although the long-term training scheme is apparently similar to the evening courses being run by the Jamshedpur Technical Institute, the content of the training scheme evolved by the Hindustan Steel Limited is wider and the course is more systematic. The long-term training scheme contains the following courses :—

- (a) Pre-Engineering Course—for Matriculates, Develops knowledge in basic science, preliminary drawing and English. Duration - 3 years.
- (b) Junior Engineering Course—for those successful in Pre-Engg. Course and I.Sc.s. Equivalent to Section A of A.M.I.E., (India). Duration - 2 years.

(c) Senior Engineering Course in Mechanical and Electrical Engineering and Metallurgy. Equivalent to Section B of A.M.I.E. (India) for those passing the Jr. Engg. Course, B.Sc. and Diploma holders.  
Duration - 3 years.

Employees who successfully complete the Junior Engineering Course will be considered eligible for promotion to supervisory posts carrying pay scales of Rs. 400-950 and above upto the grade of Rs. 1100-1400. Employees who successfully complete the Senior Engineering Course are considered eligible for promotion to managerial posts in the grade of Rs. 1400-1800 and above,

In addition to the training schemes for operation and maintenance personnel of the steel plants described above the Hindustan Steel Limited has also evolved a standard training scheme for employees in non-technical and administrative departments in order that meritorious employees may be able to acquire proficiency for promotion to executive posts in the non-technical and administrative departments. Under this scheme, employees who are Graduates are selected on the basis of a written examination and viva-voce test and are thereafter trained on a part-time basis for a period of one year. This training will be arranged at the Technical Institutes of the plants and the course of study will consist of :—

- (i) Company Information - Organisation of the Company, products and processes, basic rules and regulations and basic approach to management in an industrial undertaking.
- (ii) Principles of Industrial Management
- (iii) Office administration
- (iv) Technology of Iron and Steel
- (v) Specialisation in functional areas like Personnel, Purchase and Stores, etc.

Apart from the above, the Hindustan Steel Limited has a Management Training Institute at Ranchi which conducts systematic training programmes for supervisory and managerial personnel.

4.16 As already mentioned, the Tata Iron and Steel

Company Limited has established systematic arrangements for training employees in the workshop of the Training Institute which enables them to acquire skills required for passing trade tests and improving their prospects. In the plants of the Hindustan Steel Limited and the Indian Iron and Steel Company Limited such arrangements do not exist possibly because the Training Institutes have been overworked on trainees themselves. The Study Group recommends that in all Training Institutes such facilities should be given to the employees for gaining skills by practice during their off hours in the workshops.

In addition to the training schemes for operation and maintenance personnel of the steel plants described above, the Hindustan Steel Limited has also evolved a standard training scheme for employees in non-technical and administrative departments in order that meritorious employees may be able to acquire proficiency for promotion to executive posts in the non-technical and administrative departments. Under this scheme, employees who are Graduates are selected on the basis of a written examination and viva-voce test and are thereafter trained on a part-time basis for a period of one year. This training will be arranged at the Technical Institutes of the plants and the course of study will consist of :-

- (i) Company Information - Organisation of the Company, products and processes, basic rules and regulations and basic approach to management in an industrial undertaking.
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- (iv) Technology of Iron and Steel
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Apart from the above, the Hindustan Steel Limited has a Management Training Institute at Ranchi which conducts systematic training programmes for supervisory and managerial personnel. As already mentioned, the Tata Iron and Steel

## 5.0 CONDITIONS OF SERVICE OF EMPLOYEES IN THE IRON AND STEEL INDUSTRY

5.1 The provisions of the Factories Act and Rules and the Standing Orders of the individual plants framed under the Industrial Employment (Standing Orders) Act broadly regulate the service conditions of the employees of the steel plants as of other factories. The managements of the steel plants have some additional provisions regulating the service conditions of their employees ; these provisions are in conformity with the provisions of the Factories Act and the Industrial Employment (Standing Orders) Act.

5.2 The main provisions of the service conditions of the employees in the steel plants are briefly summarised below —

### 5.3 HOURS OF WORK AND REST INTERVAL

5.4 Steel plants are continuous manufacturing plants and have to work 24 hours a day. They have been working three shifts a day, 48 hours per week, and 8 hours per day with a maximum spread-over of  $10\frac{1}{2}$  hours in a day inclusive of rest interval. Continuous operations in all the steel plants are organised on a three-shift basis. The common shift arrangement in the plants is —

‘A’ shift = 6 a.m to 2 p.m.

‘B’ shift = 2 p.m. to 10 p.m.

‘C’ shift = 10 p.m. to 6 a.m.

Workers in these shifts are given a half-hour rest interval during the shift. There is also a general shift of 9 to 10 hours’ duration during the day time with rest interval of one or two hours. In the Mysore Iron and Steel Ltd. and the Tata Iron and Steel Company Ltd., the spread-over of work is upto 10 hours a day with a rest interval of 2 hours. The Indian Iron and Steel Company Ltd. observes a general shift of  $9\frac{1}{2}$  hours spread-over with  $1\frac{1}{2}$  hours rest interval. The general shift workers in the three steel plants under Hindustan Steel Limited work between 8 a.m. and 5 p.m. with one hour rest interval.

5.5 Employees of the steel plants who are engaged in continuous manufacturing processes have to work in every

shift by turn and there is, therefore, no special allowance for night shift work except in the Mysore Iron and Steel Ltd. where it is reported a night shift allowance of 12 p. per day is allowed.

5.6 Employees working in the Administration and Township Offices of the steel plants generally work for shorter hours than those working in the works departments.

5.7 The Study Group has considered whether there is need for change in the total number of daily and weekly hours of work or shift hours. In view of the fact that productivity in the steel plants in India is low as compared with that obtaining in advanced countries and also because the number of employees working in the steel plants in India is larger than that working in similar plants of advanced countries, the Study Group considers that the time has not yet come for any change in the total number of hours of shift, daily and weekly work.

#### 5.8 WEEKLY HOLIDAY

5.9 Under the Factories Act, every employee of a factory is entitled to a weekly holiday. The general shift workers of the steel plants are given a weekly holiday on Sunday. The employees working in shifts on continuous manufacturing processes get weekly holidays on a staggered basis. The Study Group has noted that the former daily-rated workers of the Tata Iron and Steel Company Ltd. and the Indian Iron and Steel Company Ltd. who were not entitled to a weekly holiday with pay in the past have been getting it after implementation of the recommendations of the Central Wage Board for Iron and Steel Industry. In view of the remarks about the shift, daily and weekly working hours already made, the Study Group does not recommend any change in the present system of a weekly holiday.

#### 5.10 OVERTIME WORK

5.11 The Factories Act and the Rules framed thereunder lay down detailed provisions for regulating overtime work in factories and the extra remuneration payable for overtime work. The conditions laid down under the Factories Act under which overtime work beyond the permissible limits of daily and weekly hours of work is allowed are quite stringent.

5.12 It has been brought to the notice of the Study Group that in some plants there is a tendency for many

employees to work overtime in an organised manner in order to supplement their earnings or to have 7 days' earnings in a week for working on a fewer number of days. Sometimes an employee works overtime for the entire 8 hours in the ensuing shift in continuation of his regular shift hours which is normally not permissible under the provisions laid down under the Factories Rules. The Study Group feels that overtime earnings should not be regarded as a means of supplementing one's earnings. Apart from the fact that overtime work for long hours and on a continuous basis affects the health of the employees, it also lowers morale. It would be advisable for the steel plants to make a study in depth of this problem and find out what further steps, including a proper incentive system, should be taken to discourage this tendency among employees.

### 5.13 LEAVE AND HOLIDAYS

#### 5.14 LEAVE BENEFITS

5.15 Annual leave (i.e. earned leave) with pay is the only leave facility required to be granted by the employer to the employees as a statutory obligation by virtue of Section 79 of the Factories Act, 1948. Other types of leave have come into vogue in the steel plants as a result of voluntary decisions of the management, agreements with the unions, or certification of Standing Orders.

5.16 Employees of the steel plants in the works departments are entitled to earned leave facility not less favourable than that prescribed under Section 79 of the Factories Act, 1948. In addition, all the steel plants have a provision for granting casual leave to their employees. In the Indian Iron and Steel Company Ltd., monthly rated employees are entitled to 24 days' earned leave which is termed "casual leave". In the Tata Iron and Steel Company Ltd., monthly rated employees are entitled to 30 days' earned leave and 5 days' casual leave. In the Mysore Iron and Steel Ltd., employees are entitled to one month's earned leave and 8 days' casual leave. In the Hindustan Steel Ltd., employees of the works departments covered by the provisions of the Factories Act and employees working outside the works are entitled to leave at different rates. Employees in the works departments are entitled in a year to the following types and quantum of leave with pay.

TABLE 11 : Types and quantum of leave with pay in a year available to employees in the Works Departments of the Plants under H.S.L.

(a) Earned Leave	—	1/20 days of work performed
(b) Half Pay Leave	—	20 days
or		
Commuted Leave on full pay on medical grounds or private affairs.	—	10 days
(c) Casual Leave	—	7 days
(d) Special Casual Leave	—	30 days (in special circumstances only)
(e) Quarantine Leave	—	21 days (extendable upto 30 days on medical certificate)
(f) Extraordinary Leave without pay.	—	90 days

Employees working outside the works departments are also entitled to leave mentioned at (b), (d), (e) and (f) above and in addition are entitled to earned leave at the rate of 33 days per annum and casual leave at a rate of 15 days per annum. These differential rates of leave in the steel plants of Hindustan Steel Ltd. are due to the fact that the public sector steel plants adopted the Government leave rules in the initial stages, but when they framed Standing Orders under the provisions of the Industrial Employment (Standing Orders) Act, they adopted the provisions made in the Factories Act and the practice followed in other industrial establishments in respect of employees governed by the Industrial Employment (Standing Orders) Act. These plants however continued to apply the leave rules of the Government to the employees working in the Administration and Township Offices. It has been brought to the notice of the Study Group that this disparity in leave benefits has created complications and has led to a demand from time to time from the workers governed by the provisions of the Standing Orders for earned leave at the same rate as applicable to the employees working outside the works departments. The managements of the public sector steel plants find it difficult to meet this demand because acceding to it would lead to increase in the work-force and there has already been criticism that the work-force in these steel plants is in excess of that in steel plants of the same capacity in other countries.



## 5.17 HOLIDAYS

5.18 In the Tata Iron and Steel Company Ltd., employees get 4 holidays with pay in a calendar year to observe festivals including Founder's Day ; in the Indian Iron and Steel Company Ltd., employees get 2 holidays; in the Mysore Iron and Steel Ltd., they get 4 holidays. The number of holidays varies in the plants of the Hindustan Steel Limited ; in Durgapur Steel Plant industrial employees get 5 days and non-industrial employees 19 days ; in Bhilai Steel Plant all employees get 5 days; and in Rourkela Steel Plant industrial employees get 6 days and non-industrial employees 11 holidays in a calendar year. The above are exclusive of three national holidays.

5.19 It will appear that there is no uniformity with regard to the conditions and quantum of leave and holidays in the different steel plants. It is also known that there are variations in the conditions and quantum of leave and holidays in other industries. These variations very often lead to disputes. The Study Group feels that in the interests of the country's industrialisation and to develop the country's competitive position in the export market as well as in order to avoid disputes, it will be desirable to lay down uniform standards of leave and holidays on a national basis.

## 6.0 INDUSTRIAL RELATIONS IN THE IRON AND STEEL INDUSTRY

6.1 The importance of maintaining harmonious industrial relations between management and employees in industrial undertakings in our country cannot be over-emphasised in view of the need for rapid economic growth of the country. Harmonious industrial relations in a basic industry like iron and steel have special importance.

6.2 The history of industrial relations in the iron and steel industry since Independence is the history of efforts of the unions to seek recognition and secure higher wages for the workers. In the Tata Iron & Steel Company Ltd., a stable trade union known as the Tata Workers' Union, Jamshedpur, has been functioning since 1938. In 1942 there was a strike in this plant as part of the Quit India Movement. There was however a general strike for about a week in 1958. This strike was mainly due to inter-union rivalry. A union supported by the All India Trade Union Congress wanted recognition in place of the Tata Workers' Union and called the strike in support of their demand. This strike led to law and order problems. The Management however continued to recognise the Tata Workers' Union affiliated to the Indian National Trade Union Congress. There has been no breach of industrial peace for the last few years in the Tata Iron and Steel Company Ltd.

6.3 No recognised union was functioning in the Indian Iron & Steel Company Ltd., at the time of Independence. A trade union organised by Professor Abdul Bari who had organised the Tata Workers' Union resorted to strike in support of its demand for recognition as the representative union and for improvement of wages and service conditions of the employees. By an award of the industrial tribunal, this union was recognised by the management in 1947. In 1953, another union called the United Steel Workers' Union also known as "Action Committee", supported by the All India Trade Union Congress, organised go-slow tactics and the management declared a lock-out. The lock-out which lasted for 15 days was lifted at the instance of the recognised union affiliated to the Indian National Trade Union Congress.

6.4 Industrial relations in the plants of Hindustan Steel Ltd. at Bhilai, Rourkela and Durgapur have been marked by inter-union rivalry in varying degrees.

**i) BHILAI STEEL PLANT :**

In Bhilai Steel Plant, the Steel Workers' Union, Bhilai, affiliated to the Indian National Trade Union Congress, was recognised in the steel plant as the representative union under the Madhya Pradesh Industrial Relations Act, According to the provisions of this Act, this Union in its capacity as the representative union became the sole bargaining agent. This did not however prevent emergence of other unions and there are at present nine registered unions functioning, of which Bhilai Steel Mazdoor Sabha affiliated to the All India Trade Union Congress and Bhilai Steel Kamgar Sangh affiliated to the Hind Mazdoor Sabha are very active. In 1960, when Bhilai Steel Plant had partly gone into operation and was partly under construction, industrial relations were adversely affected on account of a demand for higher wages for construction workers put forward by the Bhilai Steel Kamgar Sangh. Since then there has been no major disturbance of industrial relations in this plant excepting disturbances on 2<sup>th</sup> June, 1967, when a quarrel between a worker and a security guard led to many workers leaving their work and taking part in a violent demonstration. However, normal work was resumed on the following day. Apart from these instances, there has been no major trouble or strike in the Bhilai Steel Plant.

**(ii) ROURKELA STEEL PLANT :**

Industrial relations in Rourkela Steel Plant have been marked by inter-union rivalry from the very beginning. There are as many as six registered unions functioning in this plant, but two of them, namely, the Hindustan Steel Workers' Association, Rourkela, affiliated to the Indian National Trade Union Congress and the Rourkela Mazdoor Sabha, Rourkela, affiliated to Hind Mazdoor Shabha are the most active. In 1962, the workers of the Blast Furnace Department resorted to a stay-in strike and the management of the steel plant declared a lock-out which was lifted after three days. Inter-union rivalry continued to disturb industrial relations and the plant management found it difficult to raise production upto the rated capacity. However, management on the advice of the State Government recognised the Hindustan Steel Workers' Association in March, 1964. Inter-union rivalry continued to prevail in the plant

and go-slow methods were adopted by the supporters of both the Hindustan Steel Workers' Association and the Rourkela Mazdoor Sabha. There were also slow-down and stoppages of work for enforcement of demands in individual units of the plant. However, on the whole, industrial relations in the plant showed improvement and production picked up quickly. Production continued to be maintained at a high level till the end of 1966. On the eve of the General Election in early 1967, however, inter-union rivalry became more acute. There was also intra-union rivalry within the Hindustan Steel Workers' Association which weakened its effectiveness as a recognised union. The Rourkela Mazdoor Sabha claimed larger support among the workers. On the advice of the State Government, the Hindustan Steel Workers' Association was de-recognised in December, 1967, and the Rourkela Mazdoor Sabha was recognised by the management.

### (iii) DURGAPUR STEEL PLANT :

Industrial relations in this plant have all along been disturbed, except for very brief intervals. In 1962, the Hindustan Steel Workers' Union affiliated to the Indian National Trade Union Congress was recognised by the management of the steel plant on the advice of the State Government. The rival Hindustan Steel Employees' Union which is supported by the All India Trade Union Congress has however all along been challenging the representative character of the former union. Acute rivalry has been the main feature of the functioning of these two unions. In 1964, supporters of both unions resorted to stoppages of work to enforce their specific demands and violated the Code of Discipline in Industry. In 1966, the Hindustan Steel Employees' Union carried out agitations to pressurize management into acceding to its demand for recognition and other demands. These agitations ultimately culminated in an illegal strike for about a week in August, 1966. Both unions were active again before and during the General Election in February, 1967. After the General Election, industrial relations in the plant deteriorated considerably. Between March 1967 and September 1967, supporters of both the unions indulged in as many as 95 *gheraos* in support of their demands which ranged from withdrawal of a letter of warning issued to an employee by a Manager to creation of more posts and upgradation of posts. Disturbed industrial relations resulted in very low production, bad maintenance, and damage to the plant and equipment.

6.5 It will be worthwhile discussing at this stage the machinery set up by the steel plants for dealing with industrial relations. Each steel plant has a Personnel Department which assists top management in formulation of personnel policies and their implementation and provides staff assistance to line management. In the Tata Iron and Steel Company Ltd., the Personnel Department is headed by a Chief Personnel Manager/Divisional Manager (Administration & Industrial Relations) and in the plants of Hindustan Steel Ltd., by the Personnel Manager/Deputy General Manager (Personnel). The plants of these Companies have a number of Senior Personnel Officers, Personnel Officers and Assistant Personnel Officers. In addition, the plants have Labour Welfare Officers as required under the provisions of the Factories Act. The Personnel Department of Bhilai Steel Plant of Hindustan Steel Ltd. has a separate wing to look after not only industrial relations matters, but also labour welfare. In the Indian Iron & Steel Company Ltd. and the Mysore Iron & Steel Ltd., the number of Personnel/Labour Welfare Officers is comparatively smaller than the number in the plants of the Tata Iron & Steel Co. Ltd. and the Hindustan Steel Ltd.

6.6 Most agreements in the industry are reached by negotiations between the management and the workers of the steel plants at the plant level, except for some agreements reached between the management of the Hindustan Steel Limited at the Company level and the three recognised unions of the steel plants at Rourkela, Durgapur and Bhilai, all affiliated to the Indian National Trade Union Congress, in arriving at which a representative of the Indian National Iron and Steel Workers' Federation to which all these unions are affiliated was also associated. These agreements related to fixation of wages on the basis of the recommendations of the Central Wage Board for Iron and Steel Industry, principles for determination of wage differentials, and gratuity. Such agreements were possible when unions affiliated to only one Central Labour Organisation and one Federation were recognised in all the three plants of the Company.

6.7 In the Tata Iron & Steel Company Ltd., management and the Tata Workers' Union have realised the importance of collective bargaining, and since Independence have constituted joint committees at different levels for settlement of issues and disputes by discussions and negotiations. Important problems like those relating to wages, service

conditions, and profit sharing bonus, etc. are discussed at the highest level and settled by collective agreements. Agreements of this nature were reached between the representatives of the management and the Union in 1946, 1958 and 1965. Some of the settlements were arrived at in the presence of the conciliation officer although the disputes were not formally referred to him. Other issues are resolved through joint committees at different levels. A list of these committees is given below :—

- (i) Permanent Joint Rates Committee
- (ii) High Level Rates Committee
- (iii) Job Evaluation Committee
- (iv) Trade Test Specifications Committee
- (v) Minimum Qualifications Committee
- (vi) House Allotment Committee
- (vii) Medical Fitness Committee

Besides, in the Tata Iron & Steel Company Ltd., a three tier system of joint consultative committees has been set up under the Company's scheme of securing closer association of the employees with the management. This system consists of joint departmental councils at the level of the departments, a Joint Works Council and a Joint Town Council at the Works and Township level and a Joint Consultative Committee of Management at the apex level. These committees consist of an equal number of representatives of management and the Tata Workers' Union and provide a forum for employees' participation in decision-making on matters like increase of production and productivity, safety, welfare, etc.

6.8 In the Indian Iron & Steel Company Ltd., most of the important issues were settled in the past by informal discussion between top management and the President and General Secretary of the recognised union. This arrangement however seems to have broken down in 1966-67.

6.9 So far as the plants of Hindustan Steel Limited are concerned, it has already been mentioned that some important collective agreements relating to wages and service conditions were arrived at between the management of Hindustan Steel Limited and the recognised unions of the steel plants at Bhilai, Rourkela and Durgapur, and the Indian National Iron and Steel Workers' Federation. At the plant level, there has been a large number of agreements in Bhilai Steel Plant on various issues between the management and the representative union. In Rourkela Steel Plant also, there has been

a number of collective agreements between the plant management and the recognised union till sometime in 1966 when the recognised union became ineffective. In Durgapur Steel Plant, some collective agreements between the management of the plant and the recognised union were reached during the period 1963-64. From the middle of 1966, both in Rourkela and Durgapur Steel Plants, however, management encountered difficulties in collective bargaining and reaching collective agreements mainly because of the presence of two strong unions in each plant neither of which was ready to abide by the settlements reached between management and the other union. Most of the agreements in these two plants since the middle of 1966 were therefore in the nature of settlements arrived at before conciliation officers. The result was that collective bargaining and collective agreements were substituted by settlements arrived at during conciliation proceedings which are binding on all workers.

6 10 In the plants of Hindustan Steel Ltd., the following bipartite committees at present are functioning for securing the consultation of employees in settling issues and problems at the plant level.

BSP	DSP	RSP
1. Joint Committee (Statutory Body)	1. Works Committee (Statutory Body)	1. Works Committee (Statutory Body)
2. Central Joint Production Committee	2. General Safety Committee	2. Central Emergency Production Committee
3. Departmental Joint Production Committee	3. Departmental Safety Committee	3. Departmental Production Committee
4. General Safety Committee	4. Canteen Managing Committee	4. General Safety Committee
5. General Safety Appliances Committee	5. Accommodation Allotment Committee	5. Departmental Safety Committee
6. Departmental Safety & Safety Appliances Committee	6. School Advisory Committee	6. Central Uniforms and Safety Appliances Committee
7. Advisory Committee for Allotment of Accommodation	7. Hospital Advisory Committee	7. Canteen Managing Committee
8. Advisory Committee for Environmental Hygiene in Township		
9. Hospital Advisory Committee		
10. Advisory Committee on Education		

6.11 A formal procedure for dealing with day-to-day grievances of the workmen has been laid down in all the steel plants except in the Indian Iron & Steel Co. Ltd. The formal grievance procedure in the Tata Iron & Steel Co. Ltd. and in the Rourkela and Bhilai Steel Plants of Hindustan Steel Ltd. is in conformity with the Model Grievance Procedure evolved as a result of tripartite conclusions. According to the grievance procedure in these plants, the workman approaches in the first instance his firstline supervisor for redress of his grievance, and if he is not satisfied with the handling of the case by the firstline supervisor, he approaches the department head. If the department head is also not able to satisfy him, then the matter is referred to the Works Committee in the Tata Iron & Steel Co. Ltd. and the Grievance Committee in the Bhilai and Rourkela Steel Plants of Hindustan Steel Ltd. which consist of an equal number of representatives of management and the employees. The employees' representatives are nominated to these committees by the recognised union of the plant. The first level of the Works Committee functioning in the Tata Iron & Steel Co. Ltd. is a Zonal Committee comprising representatives of the employees of a particular department or group of departments and the management. If the Zonal Committee is not able to settle the grievances of the employees, the Central Works Committee and the Special Central Works Committee take up the grievances. In the Rourkela and Bhilai Steel Plants, there is only one Grievance Committee at the plant level. In Durgapur Steel Plant, five Labour Boards in the departments and a Labour Committee for the whole plant have been set up for settling grievances of the employees. While full information regarding establishment of a formal grievance procedure in the Indian Iron & Steel Co. Ltd. is not available, informal enquiry reveals that the grievances of employees in this plant are first brought to the notice of the foreman of the concerned department and if the grievances are not settled at the shop level, they are discussed between the management and the recognised union. In the Mysore Iron & Steel Ltd., apart from the grievance procedure, a system exists for securing settlement of the employees' grievances by discussions between department heads and representatives of the recognised union.

6.12 The Study Group has been informed that it is the endeavour of the Zonal Works Committees in the Tata Iron & Steel Co. Ltd. to settle grievances by mutual discus-



sion; only those grievances which cannot be settled by these committees are taken up at the level of the Central Works Committee or the Special Central Works Committee which are top-level joint committees under the Chairmanship of the General Manager and Divisional Manager respectively. It has been possible to settle in this plant almost all the grievances of employees by mutual discussions at different levels because the norms, procedures and conventions for promotion, revision of pay scales, disciplinary action including nature and quantum of punishment in proved cases of misconduct, etc., have been evolved over a period of time and the Managers as well as the employees are aware of and try to adhere to them. In the Tata Iron & Steel Company Ltd., few disputes have been taken up before the conciliation machinery and no disputes have been taken for adjudication during the last few years. Similarly, procedures and conventions have been evolved in the Bhilai Steel Plant of Hindustan Steel Limited where only a few disputes were taken up for conciliation/adjudication even during the short period of cooperation between management and the recognised union. Such fruitful cooperation is reflected in better industrial relations in this plant as compared with that obtaining in the Rourkela and Durgapur Steel plants where a large number of disputes was taken up for conciliation and adjudication. It may be mentioned here that although according to tripartite conclusions matters of collective nature can be discussed with only the recognised union, many disputes of collective nature in these plants were taken up for conciliation and referred to adjudication by the State Governments although they were raised by unions not recognised under the Code of Discipline. The working of the grievance procedure as well as the Labour Boards and the plant level Labour Committee at the Durgapur Steel Plant have not been satisfactory. Complaints have been heard that the forum of the Labour Boards and Labour Committee is utilised for the benefit of only a section of employees who are more vocal and these Boards and Committee do not, therefore, enjoy the confidence of quite a large number of employees. The informal arrangement for settling grievances in the Indian Iron and Steel Co. Ltd. seems to have completely broken down in 1967 when a large number of employees indulged in *gheraos* and other coercive tactics to enforce their demands.

6.13 To sum up, industrial relations have been more satisfactory in those plants

- (i) in which the recognised union is strong and is the only union with which management can negotiate matters of collective nature and which is in a position to implement agreements arrived at and takes an objective view of the grievances of the employees;
- (ii) in which rules, regulations, procedures and practices have been either codified or established by convention and made known to managerial staff and employees;
- (iii) which have established a grievance procedure and in which an endeavour is made to settle grievances by mutual discussion at different levels in terms of laid down procedures, practices and conventions and in which there is a desire on the part of representatives of both management and the employees to arrive at mutually acceptable agreements and not to seek the help of a third party as far as possible;
- (iv) in which there is mutual respect and closer association of the employees with management at different levels;
- (v) in which the Personnel Department is well-developed and both the Personnel Department and line management take timely and adequate steps to deal with the problems and grievances of the employees and do not wait for crises to develop before dealing with them.

6.14 From the above analysis, the Study Group is of the view that the following steps will be helpful in maintaining industrial peace and developing better relations between management and the employees in the steel plants :—

- (i) It will be highly desirable to have only one union working in each plant. If there are constitutional and legal difficulties in having one union in each plant, it should be ensured that the union which is recognised as the representative union really represents the majority of the workers. Complaints have been made that the present system of recognition of unions on the basis of verification of membership by the State Implementation and Evaluation Officer does not very often inspire confidence. Experience

has also shown that this procedure is time-consuming and very often leads to litigation. A suitable method for determining the representative character of a union which inspires the confidence of the employees should therefore be evolved. One of the following methods may be considered in this connection :—

(a) Holding a secret ballot among unionised employees under the supervision of an independent authority like a Labour Court or Tribunal. Arrangements will however have to be made to ensure that canvassing for election does not take the form of election to political office and peace within the undertaking is not disturbed.

(b) If it is not possible to make the above arrangements, the existing verification procedure should be simplified and incorporated in the statute along with the criteria laid down for the grant of recognition to unions evolved under the Code of Discipline. Provision should however be made for verification of membership of unions by an independent authority like a Labour Court or Industrial Tribunal as suggested in (a) above.

(ii) Closer association of the employees with management at all levels is desirable. This association may start at the shop level and may go upto the highest level. The recognised union should have shop representatives who should be consulted by the representatives of management at the shop floor for dealing with the day-to-day problems and grievances of the employees. If there is one single, stable and strong union to represent the workers, it may be possible in due course to have a representative of the employees on the Board of Directors. Even if the employees' representatives do not sit on the Board of Directors, it should be possible for the management to give full information regarding the working of the plant to the representatives of the union at the plant level. In the Tata Iron and Steel Company Limited, management shares information regarding the working of the plant with the employees through the various Joint Councils. The plant level and departmental committees in

the Bhilai Steel Plant have also been functioning satisfactorily and the representatives of the employees sitting on these committees have been making useful suggestions regarding the working of the plant. Similar bodies can be set up in the other steel plants as well and should be developed as a forum to be utilised by management not only for sharing information with the employees on the working of the plant, but also for discussing matters like production programmes, financial matters excepting those which are of confidential nature and other problems and issues on which mutual consultation with employees can be beneficial.

- (iii) All other bipartite committees should function effectively and should be utilised as a forum for two-way communication between management and the employees.
- (iv) It should be the endeavour of both management as well as the unions to settle all grievances by mutual discussions and not to seek help of a third party as far as possible.
- (v) Procedures should be codified and conventions for dealing with grievances and disciplinary matters, etc., should be developed and mutually honoured in practice.
- (vi) The Personnel Department should be strengthened wherever necessary and should provide adequate staff assistance to line management. Officers of the Personnel Department should serve as effective links between the employees and line management.
- (vii) It will be desirable to have a federation of the recognised unions of all the steel plants with which the representatives of management can negotiate on an industry-wide basis matters like wages, conditions of service like leave, etc.
- (viii) The role of the State Labour Department and conciliation machinery should be to help the disputing parties to come together and give them guidance wherever necessary. Efforts should be made by the Government to promote collective bargaining at the plant and industry level and recourse to conciliation or adjudication should be made only when it is unavoidable and necessary to prevent

serious situations like a strike or lock-out from developing. The State Government should maintain a panel of arbitrators who should be not only objective in their outlook but also know the problems of the industry and whom the disputing parties can approach for arbitration.

- (ix) It should be appreciated on all sides that collective bargaining and negotiations can succeed only when there is mutual trust and coercive tactics like *gherao*, stoppage of work, closure and lock-out are avoided.

## **7.0 WAGE STRUCTURE, INCENTIVE SCHEMES, LABOUR PRODUCTIVITY AND ABSENTEEISM IN THE IRON AND STEEL INDUSTRY**

### **7.1 WAGE STRUCTURE:**

7.2 In the wage structure of the iron and steel industry, a significant event was the implementation of the recommendations of the Central Wage Board for the Iron and Steel Industry in April, 1965. It would be useful to consider the wage structure in the industry

- (a) before implementation of the recommendations and
- (b) after implementation of the recommendations.

### **7.3 POSITION BEFORE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE CENTRAL WAGE BOARD FOR IRON AND STEEL INDUSTRY**

#### **7.4 THE TATA IRON AND STEEL COMPANY LIMITED**

Prior to 1949, the wages of the lowest paid unskilled worker in this plant were As. -/12/- per day for men and As. -/11/- for women. To this wage was added Rs. 10/- per month on account of food subsidy and additional amounts for other allowances. Thus, a man earned approximately Rs. 55/- for 26 days and a woman Rs. 53/-. Wages were revised in the years 1949, 1950, 1951, 1956, 1957, 1959 and 1960 either by agreement with the recognised union or by settlement arrived at during conciliation proceedings. These revisions effected an increase in wages as follows :—

In April, 1949, the wages of men and women were raised to As. -/14/- and As. -/12/- respectively from As. -/12/- and As. -/11/-. Food subsidy was also raised from Rs. 10/- to Rs. 13/- per month. Again from April, 1950, the wages of men and women were raised to Rs. 1/- and As. -/13/- respectively. In 1951, food subsidy was increased to Rs. 17/- per month. Thus in 1951, a man earned Rs. 74/- per month and a woman approximately Rs. 67/- per month. In 1956, and again in 1957, wages were raised which enabled a man to earn Rs. 1/4/- and a woman Rs. 1/1/- per day. The total emoluments including dearness allowance of

Rs. 37/- per month and food subsidy of Rs. 17/- then amounted to Rs. 81/- in the case of men and approximately Rs. 74/- in the case of women per month. In 1959, a settlement arrived at between management of the Tata Iron and Steel Company Limited and the Tata Workers' Union brought about a major change in the wage structure of the entire plant. This settlement increased the wages of the lowest paid unskilled worker by 33% and also introduced a system of scales of wages for them for the first time. The scales of wages for the lowest paid unskilled men and women were Rs. 2.09-0.07-2.36 and Rs. 1.81-0.07-2.09 per day respectively. These wage scales, along with a dearness allowance of Rs. 45/- per month, raised the monthly earnings to Rs. 99.08 and Rs. 92.06 per month for men and women respectively. To these earnings, an amount of Rs. 2.80 per month was added as coke subsidy from May, 1960. The result of these revisions was almost to double the wages of the lowest paid unskilled workers at the end of 1960 as compared to their earnings before 1949.

### 7.5 THE INDIAN IRON AND STEEL COMPANY LIMITED

Wages in this plant were determined by the laws of supply and demand until 1947. Since the supply of unskilled and semi-skilled labour was in excess of the demand, this resulted in low wages. The minimum wage of the lowest paid unskilled worker was As. -/8/- per day to which was added Rs. 8/12 per month as food and cheap ration allowance. In 1947, a tribunal gave a consent award by which the minimum wage of the lowest paid unskilled worker was fixed at As. -/10/- per day. In addition, the tribunal fixed Rs. 23/- per month as dearness allowance. Employees who were not allotted house accommodation were also awarded Rs. 3/- per month as house rent allowance. However, disputes over wages continued and in its final award the tribunal raised again by a consent award the minimum wage of the lowest paid unskilled worker from As. -/10/- per day to Rs. 1/- per day and the dearness allowance from Rs. 23/- per month to Rs. 25/- per month and the house rent allowance from Rs. 3/- per month to Rs. 4/- per month thus raising the total wages of the lowest paid worker to Rs. 52/- a month. In 1949, a scale of wages was introduced for this class of workers which was Rs. 1/-/- As. -/1/-/- Rs. 1/4/-. In 1958, a flat increase of Rs. 10/- per month in dearness allowance was given to all the workers raising the total wages of an unskilled worker to Rs. 63/- a month.

## 7.6 THE MYSORE IRON AND STEEL LIMITED

Before May, 1942, the lowest paid unskilled worker was paid As. -/8/- per day and a dearness allowance of Re. 1/- per month of 26 days. Thus, the lowest paid unskilled worker earned Rs. 14/- per month of 26 days. After May, 1942, a scale of As. -/8/- to As. -/11/- per day was introduced. In 1947, by an award, a grade of As. -/10/- to Rs. 1/4/- was fixed. Dearness allowance also was raised to Rs. 12/- per month. In 1956, the grade was revised by agreement and a new grade of Re. 1/- to Rs. 1/6/- was started. Dearness allowance was increased to Rs. 20/- per month. There was another agreement in 1961, by which dearness allowance was raised to Rs. 35/- per month and an ad hoc interim relief of Rs. 25/- was fixed for all employees. Thus, the lowest paid unskilled worker was getting Rs. 86/- per month when the Central Wage Board for Iron and Steel Industry was constituted.

## 7.7 HINDUSTAN STEEL LIMITED

In 1958, the basic wage scale for skilled workers in the Company was fixed broadly on the basis of the wage scales then prevailing in the Tata Iron and Steel Company Limited with the following adjustments :

- (a) the daily rates of the Tata Iron & Steel Company Ltd. were converted into monthly rates;
- (b) an addition of 120% was added to the figures so arrived at to provide for other benefits like bonus, etc. prevalent in the Tata Iron and Steel Company Ltd.;
- (c) the scales so arrived at were split into five groups;
- (d) the scales were fixed on the basis of the above five groups after taking into account the quantum of dearness allowance which was payable in addition to basic wages. These scales were as follows :—

Rs. 60-3-90

Rs. 80-5-120

Rs. 120-8-200

Rs. 160-10-330

Rs. 250-15-400-25-500

The above pay scales were later found to be insufficient as they did not represent the varying degrees of skill required for the wide variety of jobs and certain other scales were therefore approved from time to time. The revised basic scales formally approved by the Board of Directors of the



Hindustan Steel Limited in August, 1959, were as follows :—

Rs. 25- $\frac{1}{2}$ -30
Rs. 30- $\frac{1}{2}$ -35
Rs. 40-2-60
Rs. 60-3-90
Rs. 80-5-120
Rs. 120-8-200
Rs. 150-10-250
Rs. 160-10-330
Rs. 250-15-400-25-450
Rs. 250-25-500

On the basis of recommendations from the three steel plants, the following changes in wage scales were made in June, 1961 :

- An additional grade of Rs. 35-1-45 was introduced for Khalasis (unskilled workers) working on hot and arduous jobs.
- An additional grade of Rs. 100-6-160 was introduced for skilled workers.
- The highest grade for operatives, viz. Rs. 250-500, was split into two grades, viz. Rs. 250-15-400 and Rs. 300-20-500.

On the basis of job evaluation carried out in a section of the Steel Melting Shop in the Rourkela Steel Plant, a new grade of Rs. 50-2-60 was also approved in November, 1961. This grade was applicable from August, 1961 to some specific jobs in the Steel Melting Shop of the Rourkela Steel Plant.

Wage scales were again revised in the Hindustan Steel Ltd. on 1st July, 1962 on the basis of the recommendations of the Second Central Pay Commission. The scales applicable upto the 30th June, 1962 and the corresponding scales as revised from 1st July, 1962 are listed below :—

Old scales upto 30-6-1962	Revised scales as from 1-7-1962
Rs. 30- $\frac{1}{2}$ -35 } Rs. 30-1-35 }	Rs. 70-1-80-EB-1-85
Rs. 35-1-45	Rs. 75-1-85-EB-2-95
Rs. 40-2-60	Rs. 85-2-95-3-110
Rs. 50-2-60	Rs. 95-3-110
Rs. 60-3-90	Rs. 110-3-131-4-143
Rs. 80-5-120	Rs. 130-5-170

**Old scales up to  
30-6-1962**

Rs. 100-6-160

Rs. 120-8-200

Rs. 150-10-250

Rs. 200-12½-300

Rs. 250-15-400

Rs. 300-20-500

**Revised scales 25**

**from 1-7-1962**

Rs. 150-6-180-6-210

Rs. 160-8-256-EB-8-280

Rs. 200-10-290-15-

320-EB-15-350

Rs. 250-10-290-15-380

Rs. 325-15-475

Rs. 350-20-450-25-575

**7.8 POSITION AFTER IMPLEMENTATION OF THE  
RECOMMENDATIONS OF THE CENTRAL WAGE  
BOARD FOR IRON AND STEEL INDUSTRY**

7.9 A Central Wage Board for the Iron and Steel Industry was set up by the Government of India in January, 1962. This Wage Board recommended its first interim relief towards the end of 1962 and the second interim relief in the middle of 1964. These interim reliefs were given to all the employees of the steel plants who were covered by the Wage Board's study. As a result, there was no employee in any of the steel plants getting a salary of less than Rs. 100/- p.m. The Wage Board submitted its final recommendations to the Government of India in April, 1965 and, as approved by the Government, these recommendations were implemented from 1-4-1965 in the Hindustan Steel Limited, the Tata Iron and Steel Company Limited, the Indian Iron and Steel Company Ltd. and the Mysore Iron and Steel Limited. Accordingly, a minimum wage was fixed for the lowest paid worker in the industry as under :—

**(a) Lowest paid unskilled man**

**(i) Production and Maintenance Departments.**

TISCO, IISCO, HSL Rs. 125/-

MISL Rs. 115/-

**(ii) Service Departments and Departments Outside Works.**

TISCO, IISCO, HSL Rs. 120/-

MISL Rs. 110/-

**(b) Lowest paid unskilled woman.**

(i) TISCO, IISCO, HSL Rs. 115/-

(ii) MISL (Production and Rs. 105/-  
Maintenance)

(iii) MISL (Services and Rs. 104/-  
Outside Works)

7.10 Dearness allowance rates upto a salary of Rs. 650/- were also revised and the rates of dearness allowance for the lowest paid unskilled worker were fixed as under :-

TISCO	Rs. 64/-
IISCO	Rs. 64/-
MISL	Rs. 50/-
HSL	Rs. 45/-

This dearness allowance is subject to variation at the rate of Rs. 1.50 for every two-point rise or fall in a quarter in the All-India Consumer Price Index Number. However, there will be no downward revision unless the price index number falls below 144.

7.11 The pay scales for the lowest paid unskilled worker in the Hindustan Steel Limited, the Tata Iron and Steel Company Limited, the Indian Iron and Steel Company Limited and the Mysore Iron and Steel Limited as recommended by the Wage Board for Iron and Steel were as under:-

(i) Production and Maintenance Departments :

	<u>Basic Pay</u>		<u>DA</u>	<u>Total</u>	
	<u>Women</u>	<u>Men</u>	<u>All</u>	<u>Women</u>	<u>Men</u>
TISCO					
IISCO	51-2-71	60-2-71	64	115-135	125-135
HSL	70-1-71-2-85	80-2-90	45	115-130	125-135
MISL	55-2-75	65-2-75	50	105-125	115-125

(ii) Service Departments and Departments Outside Works:

TISCO	51-1.85-62.10	56-2-66	64	115-130	120-130
IISCO	-1.95-66				
HSL	70-1-71-2-85	75-2-85	45	115-130	120-130
MISL	54-2-70	60-2-70	50	104-120	110-120

7.12 The lowest paid unskilled worker in the iron and steel industry now gets a minimum wage as under :-

(i) Production and Maintenance Departments:

	<u>Basic Pay</u>		<u>DA</u>	<u>Total</u>	
	<u>Women</u>	<u>Men</u>	<u>All</u>	<u>Women</u>	<u>Men</u>
TISCO					
IISCO	51-71	61-71	110.50	161.50-181.50	171.50-181.50
HSL	70-85	80-90	91.50	161.50-176.50	171.50-181.50
MISL	55-75	65-75	96.50	151.50-171.50	161.50-171.50

ii) Service Departments and Departments Outside Works:

TISCO					
IISCO	51-66	56-66	110.50	161.50-176.50	166.50-176.50
HSL	70-85	75-85	91.50	161.50-176.50	166.50-176.50
MISL	54-70	60-70	96.50	150.50-166.50	156.50-166.50

7.13 (i) It will therefore be seen that the present wage structure of the iron and steel industry is based broadly on the recommendations of the Central Wage Board for this industry. However, as already mentioned, the Wage Board could not go into the question of evaluation of each job. Many disputes arise because of demands for proper evaluation of jobs. It has already been mentioned that there are job evaluation procedures mutually agreed by management and the recognised unions in the Tata Iron and Steel Company Limited and the plants of the Hindustan Steel Limited. It should be the endeavour of both management and the employees to follow the agreed procedure for job evaluation and complete the programme of job evaluation on this basis. After jobs are evaluated according to the agreed procedure, the findings should be accepted and there should be no further evaluation until there is significant change in job content.

(ii) While considering the role of Wage Boards in recommending a wage structure for different industries, the Study Group felt that Wage Boards have played a significant role in evolving fair wages and preventing disputes. Steps have to be taken to see that variations in wage structure recommended by different Wage Boards for different industries do not lead to industrial unrest. The Study Group has already noted that the Indian Labour Conference has appointed a committee to examine the working of Wage Boards. The decision of the Government to have a common secretariat for Wage Boards is in the right direction. This secretariat should be a permanent body which should take up among other tasks, the task of collecting data. It should have a research wing also which should investigate the consumption pattern of different groups of employees, wage scales in different industries, and problems of incentives, etc.

(iii) The Study Group feels that it may be desirable also to have a National Wage Commission which should examine the question of fixing a national minimum wage for different sectors like :

- (i) Agricultural sector
- (ii) Unorganised sector
- (iii) Organised sector

## 7.14 INCENTIVE SCHEMES AND LABOUR PRODUCTIVITY:

7.15 Productivity in the steel industry is the result of many factors and depends upon sound management practices, good industrial relations and efficient utilisation of equipment and material resources. Financial and non-financial incentives are one of the means for motivating employees to put in maximum effort for increasing productivity. Some of the non-financial incentives have been dealt with in the chapter, "Welfare Amenities for Employees in the Iron and Steel Industry". Here, financial incentives are being dealt with. Financial incentives have three main objectives, namely :—

- (i) Improving the average rate of working and the effectiveness of the employees,
- (ii) Improving methods of working, and
- (iii) Improving cooperation.

All the steel plants in India have introduced financial incentive schemes. The schemes at present in vogue in the different plants are briefly described below :-

## 7.16 THE TATA IRON AND STEEL COMPANY LIMITED

Incentive bonus schemes were first introduced in the Tata Iron and Steel Company Limited in the year 1949. These schemes included Performance Bonus, Incentive Bonus and Good Attendance Bonus. The wage structure in the Tata Iron and Steel Company Ltd. was revised in 1959 and the Performance Bonus and Good Attendance Bonus were merged in the revised basic wages from 1-4-1959. The only bonus scheme currently in operation in the Tata Iron and Steel Company Limited is the Incentive Bonus Scheme. Incentive plans for payment by results, based on the measurement of results by the techniques of work study, have been designed on individual or group production basis to suit conditions existing in the plant and have been introduced in all the works departments. According to these schemes, the worker's incentive bonus earnings are related directly to the work done either by himself or by the group to which he belongs. The incentive scheme is based on the following principles:-

- (a) For a normal day's output per man, workers would earn 53% bonus. (This quantum of 53% was raised later to 66% for production departments).

(b) Every group of workers would have immediate opportunity to earn incentive bonus as soon as its performance index exceeds its reference performance index.

(c) Incentive bonus would be assessed from the group's performance index calculated on monthly out-turns.

The Tata Iron and Steel Company Limited felt that in an under-developed country like India, where equipment has to be imported at high cost, it is necessary to lay more emphasis on "equipment utilisation" than on "labour utilisation". It was, therefore, decided to pay all major producing departments of the steel works 40% bonus for "standard equipment utilisation" plus 26% bonus for "standard labour utilisation". In other departments, 53% bonus is paid for standard output (a normal day's work) per capita. To encourage more efficient use of important materials and/or improved quality of products, a part of the 40% bonus is paid on material utilisation index and/or quality index, wherever it is found desirable to do so.

The incentive bonus scheme aims to achieve the following objectives:-

- (a) Optimum utilisation of available equipment capacity;
- (b) Engaging no more than the correct number of men required to operate the equipment; and
- (c) Diligent processing to avoid excessive consumption of raw materials.

These objectives were achieved by taking the following steps :-

- (a) Planning raw materials and operation and maintenance of equipment in order that the equipment could be kept producing without undue delays on account of lack of materials, instructions and/or breakdowns;
- (b) Operating equipment at normal speeds without sluggishness on the part of the operators; and
- (c) Using the correct number of men necessary to operate the equipment.

Employees upto the level of the superintendent of the shop are covered by the incentive scheme. The scheme covers only employees working in the works departments including production, maintenance and service

departments and does not cover the employees working in the administrative offices and the township, etc.

### **7.17 THE INDIAN IRON AND STEEL COMPANY LIMITED.**

In the Indian Iron and Steel Company Limited, incentive bonus was introduced for the first time in the Steel Section in the year 1941; in the Iron Section it was introduced in 1947. Later, the scheme was extended to cover not only all the works departments but also the non-works departments like administrative offices and the township etc. The total number of incentive schemes now in force is 16. Full information about incentive bonus schemes in the Indian Iron and Steel Company Limited is not available, but it is understood that all the employees working in the works departments or outside get incentive bonus, employees of the non-works departments getting incentive bonus at a lower rate.

### **7.18 HINDUSTAN STEEL LIMITED.**

In the Hindustan Steel Limited, incentive schemes in Rourkela, Bhilai and Durgapur Steel Plants were introduced from 1st December, 1961 and were modified in 1964. Incentive payments now are linked with percentage achievement of rated capacity in different departments or groups of departments. All the technical staff in the works departments under the General Superintendent drawing scales of pay below Rs. 1400-1800 are entitled to production incentive bonus. Personnel for this purpose have been classified into four groups, namely, production, maintenance, service and general. In the case of major production departments, such as, Coke Ovens, Blast Furnaces, Steel Melting Shop and each of the Rolling Mills, on achieving rated capacity, the incentive paid to production personnel is 50% of the wages and to maintenance personnel 45% of the wages. Personnel of service departments, such as those employed in Repair Shops, Power Plant and Traffic, etc., are allowed 90% of the average incentive rate admissible to workers of the major production departments. The general group personnel such as Time Keepers, Time Checkers and Plant Stores personnel dealing with custody and handling of materials, etc. are allowed incentive bonus at 50% of the average incentive rate earned by workers of the major production departments. Incentive payment starts on achieving 80% of the rated capacity in the Coke Ovens Department, 75% in the Blast Furnace Department and 60% in the Steel

Melting Shop and the Rolling Mills. Employees of the administrative departments, township and other non-works departments, are not covered by the incentive scheme. The Study Group was given to understand that on the basis of experience gained so far; the Hindustan Steel Limited is trying to introduce individual incentive schemes for the Repair Shops and other similar groups. The Company is also trying to introduce a labour productivity factor in the incentive schemes. In addition to the incentive schemes in the Rourkela, Bhilai and Durgapur Steel Plants, the Hindustan Steel Limited has also introduced schemes in its Fertilizer Plant at Rourkela and Dugda and Bhojudih Coal Washeries. A beginning has also been made at the Alloy Steels Plant where the units are gradually coming into production. In these incentive schemes, labour productivity factors have been introduced.

#### **7.19 THE MYSORE IRON AND STEEL LIMITED.**

A monthly production bonus scheme was introduced in this plant from 1st July, 1952. The entire works has been classified into production, semi-production, service and non-production departments. There are at present 12 production departments, 20 service departments and 37 non-production departments. Production bonus for production departments varies from 12% to 40% of the basic pay, according to different targets of production fixed on the basis of production obtained for the previous five years, and the present trend of production. 75% of the average of the total monthly percentage payable to the 12 production departments is the monthly production bonus rate for the semi-production departments, 50% of this for service departments and 25% of this for non-production departments. In addition, Attendance Bonus at the rate of 50% of the basic pay is paid to the workers for reducing absenteeism. According to the replies given by the Mysore Iron and Steel Limited to the Central Wage Board for Iron and Steel Industry, it is noted that the incentive scheme was not working satisfactorily and was under review.

7.20 The Study Group was informed that the incentive bonus scheme in the Tata Iron and Steel Company Limited has been working satisfactorily and the main objectives of the scheme have been fulfilled. In the Indian Iron and Steel Company Limited, the scheme functioned satisfactorily during normal times but not during the abnormal period of 1967 when industrial relations were seriously affected and



production in the plant came down. It should, however, be noted that this period in 1967 in West Bengal was abnormal and the effectiveness of the scheme in the Indian Iron and Steel Company Limited may not be judged by the happenings during this period. So far as the incentive scheme of the Hindustan Steel Limited is concerned, the Study Group was informed that the initial objective of raising the production of steel and some main products in the plants and keeping it at a high level was achieved but problems arose in production of more sophisticated products and improving the quality of production. The scheme was, therefore, modified by introduction of suitable weightage factors for production of more sophisticated products. The scheme has also not functioned very satisfactorily from the point of view of maintenance of the plant and equipment and this, in turn, has affected production in some of the units. The Study Group was also informed that since incentive payments in the maintenance and ancillary units like Repair Shops are not based on the unit's own performance but on the overall production in the steel plant, the performance of these units is not satisfactory.

7.21 The Study Group considers that in order that incentive schemes may raise productivity, the schemes may require modification in the following respects in the plants in which they have not been functioning satisfactorily :—

- (a) Incentive schemes should be related to the performance of the individual or the smallest possible group whose performance can be identified. A scheme of incentive bonus based on overall performance of the whole plant or a big unit is not related to the good and efficient work of the sub group or individual.
- (b) It will be desirable to introduce equipment utilisation and labour productivity factors in the schemes as has been done in the Tata Iron and Steel Company Limited.
- (c) Incentive schemes should have weightage factors for utilisation of raw materials and quality of products.
- (d) Incentive schemes should be such as will really motivate the workers to increase productivity.
- (e) Modifications in the scheme should be made after proper studies regarding utilisation of equipment, raw materials and stores and productivity of labour, and

- (f) Such modifications should be done after full consultation with the representatives of the workers and the workers should be informed of the basis and implications of the modifications.

## 7.22 ABSENTEEISM :

7.23 The rate of absenteeism in the steel plants does not seem to be abnormal when viewed against the prevailing rate of absenteeism in the engineering industry as a whole.

7.24 The average percentage of absenteeism in the Tata Iron and Steel Company Limited excluding authorised absence is only 2.5%, while in the plants of Hindustan Steel Limited it varies from 2.9% to 5.3%. In the Mysore Iron and Steel Limited, the rate of absenteeism is slightly higher.

7.25 In the social conditions prevailing in India, a certain degree of absenteeism is accountable by the ties which a worker maintains with his village and the joint family and also certain economic considerations like sharing the produce of the joint agricultural land for which the worker has to return to his village. Some religious considerations also account for absenteeism to a certain extent. For example, during Dussehra, about 20% of the employees of the Durgapur Steel Plant take earned leave or remain on unauthorised absence. In the Rourkela and Bhilai Steel Plants, the majority of the workers avail of authorised leave during the summer months when marriages are held. Also, those working in hot zones like the Coke Ovens, Steel Melting Shop, and Blast Furnace, take leave mostly during the summer to escape the rigours of the heat. In all the plants, absenteeism is high during local festivals irrespective of whether the workers are from rural areas or not.

7.26 Although the rate of absenteeism in the steel plants is not high, the Study Group feels that even the low unauthorised absenteeism which exists can be reduced or eliminated if the causes are studied in depth and suitable remedial measures taken. It is felt that the number of habitual absentees is small and it should be possible for management to contact them individually and counsel them.

## 8.0 SAFETY IN THE IRON AND STEEL INDUSTRY

8.1 Safety and accident prevention are demanded by law, by humanitarian considerations and also because accidents are costly and affect productivity and the morale of the employees. Working conditions in the steel plants are arduous because of the peculiar nature of iron and steel technology involving high temperatures, injurious gases and noisy operations which, unless proper precautions are taken, may cause accidents. There is also risk of accidents in steel plants in operations like material handling, crane operation and railway operation.

8.2 The managements of the steel plants have been aware that the problem of safety and accident prevention is big and continuing in nature requiring well-planned and sustained efforts which can only be possible by having a well-organised safety organisation. Each of the steel plants has set up therefore a full-fledged Safety Engineering Department manned by qualified Safety Engineers.

8.3 The functions of the Safety Engineering Department in the steel plants are generally the following and the staff of the Safety Department work in close collaboration with the management in achieving successful implementation of safety programmes :—

- (i) **Safety Inspection** : Regular inspections are carried out by Safety Engineers and Inspectors to detect unsafe conditions and unsafe practices on the shop-floor. In the Tata Iron and Steel Company Ltd. and the three plants of Hindustan Steel Ltd., one Safety Inspector is posted in each of the three shifts so as to be available round the clock. Unsafe conditions and unsafe practices are brought to the notice of the concerned departmental heads by the Safety Department which also follows up the action taken on its recommendations. The Safety Department has also designed safe job procedures in collaboration with operation and maintenance staff and ensures during inspections that such safe job procedures are being followed.

(ii) **Investigation of Accidents :** Immediate spot investigations of all lost time accidents are carried out by the staff of the Safety Department to find out their actual causes and suggest remedial measures. The findings are communicated to the departmental heads. Similarly, all fatal and serious accidents are investigated by enquiry committees whose recommendations for preventing recurrence of such accidents are implemented. Appropriate action is also taken against the person or persons held responsible for any accident by the enquiry committee.

(iii) **Safety Training :** The Safety Department conducts safety training courses for supervisors and other levels of management as well as for workers at regular intervals. In the steel plants, safety induction training is given to new entrants. Short appreciation courses in safety for top level executives have been organised both in the Tata Iron and Steel Company Ltd. and in the plants of the Hindustan Steel Limited and they have proved worthwhile.

**(iv) Compilation and Dissemination of Accident Statistics:**

Detailed statistics of accidents like severity and frequency rates, causing agents, and parts of body injured, etc., are being maintained by the Safety Department in respect of all the departments of the plant and are published in safety news bulletins. The statistics are also discussed in the meetings of the General Safety Committee and Departmental Safety Committee.

(v) **Safety Propaganda:** To arouse and maintain interest in safety, the Safety Department exhibits safety posters and statistics, organises 'no accident campaigns', competitions in preparation of safety posters, safety slogans, essays on safety, suggestions on safety, and good house keeping. Prizes are awarded to the employees participating in these competitions who submit winning entries.

(vi) **Association with Safety Committees :** All the steel plants have constituted General Safety Committees at the plant level and a number of Departmental Safety Committees. In some steel plants, there are also General Safety Appliances Committees at the plant level and Departmental Safety Appliances

Committees which discuss all issues pertaining to supply of safety appliances to the employees. Representatives of the Safety Department are members of all these committees and take part in their deliberations. These joint committees have played a significant role in arousing safety consciousness among the employees.

(vii) **Liaison with Factory Inspectors :** The Officers of the Safety Department keep close liaison with the Inspector of Factories and assist line management in complying with the provisions regarding safety under the Factories Act and Rules and in timely reporting of lost time accidents to prescribed authorities. The Safety Department also takes necessary follow-up action for rectification of irregularities pointed out by the Inspector of Factories

8.4 In the steel plants under the Hindustan Steel Limited, another function given to the Safety Department is that of ensuring that the equipment procured for installation under both the 1 million tonne and expansion stages has the requisite degree of in-built safety. No new unit is commissioned unless it has been thoroughly checked and cleared by the Safety Department. The Hindustan Steel Limited also convenes periodical coordination meetings of all the Plant Safety Engineers to discuss common problems relating to safety and conclusions reached at these meetings are implemented by the plants. These coordination meetings have helped in bringing about uniformity in policies and practices relating to safety.

8.5 It has been brought to the notice of the Study Group that there has been a significant decline in the number of lost time accidents in the Tata Iron and Steel Company Ltd. after the Safety Engineering Department introduced a system of "Safety Audit" in the year 1960. This safety audit consists of periodical inspections, noting safety hazards, reporting them on a standard form and follow-up action at specified intervals at different levels, namely, the departmental heads, the General Superintendent, and the General Manager or even the Director, if need be. The Tata Iron and Steel Company Ltd. has also adopted a system of "Safety Communication Zone" according to which the steel works has been divided into different zones and the

worker-steward and the member of the Safety Committee representing a particular zone are responsible for communicating all decisions and programmes concerning safety to the employees of their zone. These two systems have resulted in various improvements in matters like lighting, work practices, guarding of machines and quality of safety appliances procured, etc. In the Bhilai Steel Plant under the Hindustan Steel Limited, a similar system of safety audit has been introduced and reports of the Safety Engineer are taken up for discussion by the General Manager with the departmental heads in regular weekly coordination meetings. The Study Group recommends adoption of these two systems in all the steel plants.

8.6 The trend of accidents during the last few years for which data are readily available is indicated in the following table :—

TABLE 12 Reportable Accidents During the Years 1964-66 in TISCO, IISCO and HSL.

Name of Plant	1964		1965		1966	
	Fatal	Non-fatal	Fatal	Non-fatal	Fatal	Non-fatal
Tata Iron & Steel Co. Ltd.	5	1823	2	1559	9	771
Indian Iron & Steel Co. Ltd.	7	637	6	566	6	530
Hindustan Steel Ltd.						
Bhilai Steel Plant	3	1820	11	1193	8	700
Durgapur Steel Plant	6	1213	6	761	1	490
Rourkela Steel Plant	6	613	6	500	10	376
	27	6106	31	4579	34	2867

Source : Directorate General, Factory Advice Service and Labour Institutes, Bombay.

It will be observed from Table 12 that the total number of non-fatal accidents in the five plants has gradually decreased from 6106 in 1964 to 4579 in 1965 and to 2867 in 1966. Fatal accidents, however, have slightly increased from 27 in 1964 to 31 in 1965 and to 34 in 1966. The percentage reduction in non-fatal accidents from 1964 to 1966 is 53.4%. The reduction has been more marked in the Tata Iron and Steel Co. Ltd. and the three plants of Hindustan Steel Ltd., while in the Indian Iron and Steel Co. Ltd. the decrease is 16.7%. This indicates that all the

plants have taken concrete measures in the last three years to reduce the number of accidents.

8.7 The Study Group however noted that there have been more fatal accidents involving construction employees in the public sector steel plants during the past few years mainly because the contractors failed to observe safe methods of work. The Study Group was informed that the Safety Departments of the plants advise the contractors on problems relating to safety of their employees.

8.8 The accident frequency rates for the three years 1964, 1965 and 1966 in the five plants are given below :—

TABLE 13. Accident Frequency Rates for the years 1964-1966 in TISCO, IISCO and HSL.

	1964	1965	1966
Tata Iron & Steel Co. Ltd.	20.37	14.1	12.25
Indian Iron & Steel Co. Ltd.	17.75	15.20	14.60
Hindustan Steel Ltd.			
Bhilai Steel Plant	53.05	30.80	15.72
Durgapur Steel Plant	32.99	19.27	12.8
Rourkela Steel Plant	21.26	16.05	10.61
Five Plants	30.50	21.65	13.17

Source : Directorate General, Factory Advice and Labour Institutes, Bombay.

It will be noticed that the frequency rate in each of the five plants has gone down during the above period. The overall frequency rate for the five plants has declined from 30.50 in 1964 to 21.65 in 1965 to 13.17 in 1966.

8.9 The Study Group has noted that the Tata Iron and Steel Co. Ltd. and the plants of Hindustan Steel Ltd. at Rourkela and Durgapur won National Safety Awards in a number of competitions in the years 1965 and 1966 for their good performance in safety. While the number of accidents as well as the frequency rates have shown a downward trend, the Study Group feels that the rates are still high as compared to those in developed countries and there is therefore still scope for improvement.

8.10 While examining the method of maintaining statistics relating to accidents and injury rates in the steel plants, the Study Group noted that there is no uniformity. Some plants include in their records accidents to contractors

labour without adding the manhours worked and the manhours lost due to accidents involving such labour, while other plants do not take into account accidents to contractors' labour at all. Similar is the case with regard to accidents to officers employed in the plants. Some plants do not include in their records accidents to officers of the rank of Assistant Foreman and above, while others include accidents to them but do not take into account the manhours worked and manhours lost due to accidents involving officers. There is also no uniformity in the calculation of severity rates in the plants. The Study Group noted that the Indian Standards Institution has recently approved an 'Indian Standard Method for Computation of Frequency and Severity Rates for Industrial Injuries and Classification of Industrial Accidents'. The Hindustan Steel Limited has decided to adopt this Standard in all its plants from 1st January, 1968. The Study Group hopes that it will be possible for all the steel plants to adopt the Standard laid down by the Indian Standards Institution for maintaining accident statistics. This will make the statistics easily comparable and more meaningful.

8.11 An analysis of different causes of fatal accidents during the years 1964 to 1966, for which data are readily available, indicates the following position :—

TABLE 14. Summary of Analysis of Fatal Accidents during 1964-66 in TISCO, HISCO and HSL.

Classification head	Plants					Total	Percent- age of total
	TISCO	HISCO	HSL				
			BSP	DSP	RSP		
Due to unsafe acts alone	8	6	9	2	6	31	32.3%
Due to unsafe conditions alone	5	7	3	6	12	33	34.4%
Due to both combined Cause not known	2	7	4	5	4	22	22.9%
	Nil	5	5	Nil	Nil	10	10.4%
<b>Total</b>	<b>15</b>	<b>25*</b>	<b>21</b>	<b>13*</b>	<b>22</b>	<b>96</b>	<b>100 %</b>

\*This figure is upto September, 1966, and includes 6 fatal accidents to contractors' workers engaged in operational work.

Source : Directorate General, Factory Advice Service and Labour Institutes, Bombay.

It will appear that unsafe conditions of work and unsafe acts account for the bulk of fatal accidents. In respect of non-fatal accidents, unsafe acts which include unsafe procedures of work account for the majority of serious accidents.



8.12 Some of the unsafe conditions of work which include some defective procedures of work generally found in the steel plants are listed below :—

- (i) Collecting samples of raw material by going into the hopper of the scale car.
- (ii) Lack of proper coordination between the electrical and mechanical maintenance staff resulting in some electrically driven machinery being operated by the electrical staff causing injuries to the mechanical staff doing some work on it.
- (iii) Using improper types of slings or other lifting gear.
- (iv) Unguarded platforms at a height.
- (v) Unguarded openings around the metal spout in the cast house.
- (vi) Defective or worn-out locking hooks on the doors of old wagons resulting in self-opening of the door flaps causing the contents to rush out and bury workers.
- (vii) Unguarded passages between the roll tables of rolling mill.
- (viii) Engaging inexperienced contract workers on cleaning overhead cranes and gantries.

Similarly, some unsafe acts which have caused serious and fatal accidents in the steel plants are mentioned below :—

- (i) Rash or negligent driving.
- (ii) Not testing the incoming lines before carrying out electrical maintenance work.
- (iii) Trying to get on or get down from running wagons or locos.
- (iv) Attempting to lift heavy articles manually, resulting in loss of balance and falling.
- (v) Giving signals to loco drivers without ascertaining whether the other side of the track is clear.
- (vi) Throwing solid slag into liquid slag causing splashes.
- (vii) Failing to inform the control cabin in rolling mills before starting maintenance jobs in the basement of the machinery.

8.13 The Study Group feels that improvement can be made in respect of both unsafe conditions of work and unsafe acts by the efforts of management with the active cooperation of the employees to make all levels of employees safety conscious by training them, and by removing the causes of unsafe conditions of work. In this connection, it may be mentioned that safety should be fully taken into consideration in designing and preparing the layout of new plant and equipment. It will be desirable to associate the Safety Engineer of each plant with the preparation of layout and installation of new equipment.

8.14 As already mentioned, gases and faulty crane and railway operations account for a large number of accidents in the steel plants. A study made by the Safety Departments of the steel plants indicates that among the accidents caused by different gases, 50% of the total accidents are caused by blast furnace gas while coke oven gas contributes to the second highest number. In the steel plants of the Hindustan Steel Ltd., separate Gas Safety Cells have been set up under the Energy and Economy Department. There is no such separate cell in the Tata Iron and Steel Co. Ltd. and the Indian Iron Steel Co. Ltd. Instructions have been issued in all the plants giving the complete procedure for lighting furnaces and for scheduled and immediate shutdown of furnaces, but it appears that sometimes these procedures are not strictly adhered to resulting in accidents. Nearly half of the total rail accidents during 1964-66 were caused during coupling and uncoupling of wagons. The next important causes of rail accidents were slips and falls while mounting and dismounting or riding vehicles, the victims being mostly members of the shunting crew. The lowest number of accidents occurred during loading, unloading or adjusting loads on vehicles. Rail accidents can be avoided largely by proper observance of safety rules by the workers of the traffic department and loco crews. A study of crane accidents during the three years 1964 to 1966 revealed that more than 3/4th (76.35%) of them occurred during slinging/unslinging, lifting, lowering or other movement of loads. These accidents can be avoided by giving suitable and adequate training to slingers. Lack of coordination between maintenance staff and electrical staff is another important cause of crane accidents. There is need for periodical medical examination of crane drivers in the plants. This is generally not being done at present.

8.15 The Study Group has noted that a Tripartite Sub-Committee on Safety has been set up by the Industrial Committee on Iron and Steel Industry which is currently examining safety and accident prevention in the steel plants in detail. The report of this Sub-committee shall bring out the specific problems being faced by the steel plants as far as safety of employees is concerned and further steps to be taken to improve safety and accident prevention programmes. The Study Group feels that the report of this Sub-committee which is comprised of safety experts should be awaited.

8.16 All the steel plants as a practice issue safety appliances and protective equipment to their employees exposed to hazards in the course of duty. These appliances include :—

- (i) Boots—safety toe, ammunition and rubber sole.
- (ii) Safety helmets.
- (iii) Gloves — leather, canvas, rubber, asbestos, etc.
- (iv) Mittens — asbestos.
- (v) Aprons — canvas, leather, asbestos, and rubber.
- (vi) Goggles — plain (chippers), blue (melters) and green (welders).
- (vii) Breathing apparatus — self-contained, fresh-air-hose mask, oxygen resuscitator.
- (viii) Safety belts.

The Study Group feels that the existing arrangement in the steel plants for the supply of protective appliances is satisfactory except in the Indian Iron and Steel Company Ltd. as mentioned in the 'Report on accidents and safety measures in five large Steel Plants' of the Tripartite Sub-Committee of the Industrial Committee on Iron and Steel appointed to go into the question of safety and prevention of accidents in the iron and steel industry. The Study Group feels that the Indian Iron and Steel Company Ltd. may also make suitable arrangement for issue of protective equipment to its employees.

8.17 It has been brought to the notice of the Study Group that some accidents take place because employees who have been issued protective equipment do not wear it while on duty. Although in almost all the plants disciplinary action can be taken against employees who do not obey

instructions relating to safety, the Study Group feels that the remedy does not lie in disciplinary action alone. The willing cooperation of the workmen and their unions is necessary. Since safe conditions of work and safe acts lead to increased productivity and better employee morale, it should be the concern of all, management and employees, to ensure that accidents are prevented. The Study Group feels that it will be desirable to give emphasis on safety in programmes of training for employees at all levels including management's trainees as well as trainees under the Workers' Education Scheme.

8.18 Apart from the work on safety done in individual plants, the organisation of the Chief Inspector of Factories in the various States is responsible for ensuring proper compliance with the statutory provisions pertaining to safety enacted under the Factories Act and Rules. The Factory Inspectors regularly inspect the steel plants and point out to management irregularities coming to their notice. It is noted that the managements of the steel plants generally take prompt action for rectifying such irregularities and they forward compliance reports to the Inspectors of Factories. The Study Group, however, feels that apart from merely pinpointing technical breaches of the provisions of the law relating to safety, the Chief Inspectors of Factories should also undertake a systematic programme of educating line managers and employees at various levels on statutory obligations and accident prevention measures by holding seminars and orientation courses, etc.

8.19 The Study Group feels that labour unions in many steel plants have not so far played a significant role in arousing safety consciousness among workers. Training union executives in safety matters would perhaps enthuse them to participate earnestly in the safety promotional activities taken up by management and the Chief Inspector of Factories.

8.20 The Study Group discussed the following issues in particular :

- (i) What has been the trend of accidents in the steel plants for the past few years? What have been the causes and what preventive measures do they suggest?

- (ii) What specific responsibilities can be shared by Government, managements of the steel plants and the labour unions in order to achieve success in safety programmes ?
- (iii) What is the availability/suitability of indigenous safety equipment for use in steel plants ? How can their availability/suitability be improved ?
- (iv) Would enhancement of compensation benefits under the Workmen's Compensation Act induce managements to become more safety conscious ?

8.21 As regards (i), it may be pointed out that the prevailing trend of accidents as indicated in Tables 12 and 13 given under paragraphs 8.6 and 8.8 clearly shows that there has been significant improvement in the safety record of all the five steel plants, namely the Tata Iron and Steel Company Ltd., the Indian Iron and Steel Company Ltd. and the steel plants of the Hindustan Steel Ltd. at Bhilai, Rourkela and Durgapur during the past few years. The position regarding the Mysore Iron and Steel Ltd. cannot be indicated as no data regarding this steel plant are readily available. It has been stated earlier that the predominant causes of accidents continue to be unsafe conditions and unsafe acts, the majority of which can be attributed to human failure. Remedy for this lies in intensifying the efforts of line managers, safety departments, workers and trade unions for arousing safety consciousness at the shop-floor by adopting safe job procedures and practices.

8.22 As far as sharing responsibility in regard to safety by Government, the managements of the steel plants and the trade unions is concerned it may be recalled that the President's Conference on Industrial Safety held at New Delhi in December, 1965, had opined "Safety is the responsibility of management with active and full cooperation of workers and with the sanction and support of the Government". As regards the roles of the managements of the steel plants and the trade unions, the Study Group has expressed its views already. As far as the role of the Inspectorates of Factories are concerned, the Study Group suggests that they should place greater emphasis on prevention of accidents rather than on preventive action after accidents take place. The Study Group has noted with

satisfaction that some of the Inspectorates of Factories are already active in this respect and have organised seminars and training courses and carried on research on hazards in different industries. These activities need to be done in a more systematic manner.

8.23 As regards (iii), the Study Group noted that suitable protective appliances of certain types are not available in the country. Such appliances can be procured indigenously but they are not of the requisite standard, have poor aesthetic appearance and are uncomfortable with the result that the employees are reluctant to wear them. Mention may be made in this connection of safety goggles, breathing apparatus, splash-proof and flame-proof clothing, etc. The Study Group recommends that the National Safety Council and the Indian Standards Institution should take up research and design work in this area. It also recommends that manufacturers should not be allowed to sell safety appliances which do not conform to the Indian Standards Institution's specifications which should be laid down for all kinds of protective equipment used in steel plants.

8.24 As regards the suggestion for enhancing the quantum of compensation under the Workmen's Compensation Act to induce managements to become more safety conscious, the Study Group came to the conclusion that in view of the fact that all the steel plants are big undertakings and have already set up Safety Engineering Departments and taken other steps to minimise accidents, a deterrent of this kind would have little meaning in these undertakings. The Study Group, therefore, does not favour any amendment of the Workmen's Compensation Act incorporating the above suggestion.

## 9.0 WELFARE AMENITIES FOR EMPLOYEES IN THE IRON AND STEEL INDUSTRY

9.1 A minimum standard of basic measures to protect the health of the employees and ensure their welfare is required to be maintained by law in all factories including the steel plants. Details of the amenities provided in the steel plants of the country as described below will, however, show that these amenities are far in excess of the minimum statutory standards in scope and dimension.

### 9.2 STATUTORY BENEFITS :

9.3. According to the provisions laid down under the Factories Act and Rules, the managements of the steel plants have taken measures to protect the health of the employees by installing sanitary and washing facilities, to ensure cleanliness and suppression of dust and fumes, to ensure adequate ventilation and lighting and have conformed to standards to prevent overcrowding of the workplace, etc. Statutory provisions relating to safety such as sound construction and proper maintenance of buildings and machinery, fencing of dangerous machinery and institution of safe work practices, etc., have also been implemented by the steel plants. In all the shops and departments within the plants' an adequate number of first aid boxes equipped with prescribed appliances has been provided and the workers of the various shifts have been trained in rendering first aid. Moreover, a full-fledged medical post functions round-the-clock inside each plant. Ambulance vans are provided at the medical post for transporting emergency accident cases to the main hospital in the steel township. Statutory regulations concerned with the welfare and health of the workers call for the provision of toilets, urinals, drinking water, cloakroom accommodation, spittoons, washing facilities, and rest rooms, etc. all of which have been provided by the managements of the steel plants. The statutory regulations provide for canteens to be established in every factory employing more than 250 workers and the steel plant managements have fully

complied with this provision. The number of canteens in each steel plant is given below :—

TABLE 15 : Number of Canteens in TISCO, IISCO, MISL, and HSL.

Tata Iron and Steel Company	— 6 + 2 kiosks
Indian Iron and Steel Company	— 3 + 5 kiosks
Mysore Iron and Steel Limited	— 1
Hindustan Steel Limited :	
Bhilai Steel Plant	— 26
Durgapur Steel Plant	— 15 + 4 kiosks
Rourkela Steel Plant	— 13

Canteens are generally run departmentally but in the Bhilai Steel Plant under Hindustan Steel Limited, however, the canteens are run by cooperative societies set up by employees of different shops. Though under the law, canteens are required to be run on a "no profit no loss basis", the canteens are in fact heavily subsidised by the management. Arrangements in the canteens, which generally stay open for 18 hours a day, exist for the sale of hot and cold drinks, snacks and meals, etc. at cheap rates. The canteen services are utilised by a very large number of employees in the steel plants. All the steel plants are employing qualified Welfare Officers as required under the Factories Act who are responsible for the supervision and proper maintenance of welfare measures both inside and outside the steel works.

#### 9.4 NON-STATUTORY BENEFITS:

#### 9.5 MEDICAL FACILITIES:

9.6 The Employees' State Insurance Scheme has not been extended to any of the steel plants which provide their own medical facilities to their employees. The managements of the steel plants run well-equipped hospitals in their steel townships supplemented by health centres and dispensaries in different residential localities. The number of beds as against the number of employees in the different plants is indicated below:



TABLE 16 : Ratio of number of hospital beds to employees in TISCO, IISCO, MISL, and HSL.

Name of Plant	No. of beds	No. of employees.	Ratio of Col. to Col. (3) approximately
Tata Iron and Steel Co. Ltd.	608	34223	1 : 56
Indian Iron and Steel Co. Ltd. **	270	17942	1 : 66
Mysore Iron and Steel Ltd.	150	8843	1 : 59
Hindustan Steel Limited.			
Bhilai Steel Plant	365	28557	1 : 78
Durgapur Steel Plant	250	21889	1 : 87
Rourkela Steel Plant	300	22531	1 : 75*

\*\* Information supplied by IISCO.

\* As the number of beds has increased the ratio now is 1 : 54

Source : Paper prepared on Iron and Steel Industry by the National Commission on Labour, 1967.

Medical aid is provided free to all employees, their children and dependents in the steel plants of the Hindustan Steel Limited, the Mysore Iron and Steel Limited and the Indian Iron and Steel Company Limited. In the case of the Tata Iron and Steel Company Limited, treatment is free in the Outdoor and General Wards to the employees and their dependents; treatment in Special Wards and Cabins however has to be paid for. In the Tata Iron and Steel Company Limited and the Indian Iron and Steel Company Ltd., facilities for domiciliary treatment are also available to patients. No facilities for domiciliary treatment however exist in the steel plants of the Hindustan Steel Ltd. Facilities for specialised treatment are available in all the steel plant hospitals. In addition, public health and industrial health services are also provided in the steel plants. The steel plant hospitals run family planning clinics with arrangements for distributing contraceptives and performing tubectomy and vasectomy operations.

### 9.7 EDUCATIONAL FACILITIES:

9.8 Each of the steel plants has provided for the education of the employees' children. The number and level of the schools run by the different steel plants are indicated below :—

TABLE 17 : NUMBER AND LEVEL OF SCHOOLS RUN BY TISCO, IISCO, AND HSL.

<b>Tata Iron and Steel Company Ltd.</b>	Higher Secondary	10
	Middle	3
	Upper Primary	6
	Lower Primary	9
<b>Indian Iron and Steel Co. Ltd.</b>	Higher Secondary	2*
	High School	1*
	Primary <sup>†</sup>	5
	K G.	1*
<b>Hindustan Steel Limited :</b>		
	<b>Bhilai Steel Plant</b>	
	Higher Secondary	4
	Middle	2
	Primary	20
<b>Durgapur Steel Plant</b>	Multipurpose	
	Higher Secondary	3
	Primary	10
	Pre-Primary	11
<b>Rourkela Steel Plant</b>	High School	1
	Higher Secondary	1
	Lower Secondary	10
	K. G.	1

\* Company aided.

Exemption from tuition fees, free supply of uniforms to school-going children, free or subsidised meals, subsidised transport, free supply of books and stationery and scholarships for poor children are among the facilities provided in the schools of the steel plants.

9.9 Adult education also receives due attention from the managements of the steel plants. The expenditure incurred in operating adult literacy schemes is generally borne entirely by the management. The Tata Iron and Steel Company Limited has been running a night school in which 500 adults receive education. The entire expenditure of about Rs. 11,000 per annum is borne by the management of the Tata Iron and Steel Company Limited. In the Bhilai Steel Plant under Hindustan Steel Limited, an ABC Adult Education Scheme has been in operation since 1961 with funds for running the scheme provided by the management. During 1965-66, a sum of Rs. 19,400 was spent by the plant management on this scheme. In the Rourkela Steel Plant under Hindustan Steel Limited, an adult literacy scheme was introduced in January, 1966. About 100 students are admitted to three adult education centres being run in the township. A budget provision of Rs. 5,000 was made in the financial year 1967-68 for running these centres.

9.10 The Workers' Education Scheme evolved by the Central Board for Workers' Education is also being imple-

mented in the steel plants. Under this scheme, employees are trained as worker-teachers who, in turn, start unit level classes to train other employees. The management provides necessary facilities to the employees attending the worker-teachers' training courses and for establishing unit level classes.

### 9.11 HOUSING FACILITIES:

9.12 Housing is generally provided in all the steel plants though the coverage varies from one plant to another. The percentage of workers who have been provided housing accommodation in the different steel plants is given below :—

TABLE 18—Percentage of employees provided Housing in TISCO, IISCO, MISL, and HSL.

Tata Iron and Steel Company Ltd	68%
Indian Iron and Steel Company Ltd.	26%
Mysore Iron and Steel Limited	50%
Hindustan Steel Limited :	
Bhilai Steel Plant.	53%
Durgapur Steel Plant.	69%
Rourkela Steel Plant.	64%

Generally, all the houses are provided with modern amenities like laid-on water supply, electricity, and electric and sanitary fittings, etc. The Indian Iron and Steel Company Limited provides rent-free accommodation to its employees. The Mysore Iron and Steel Limited also makes available rent-free accommodation to certain categories of employees. In the Tata Iron and Steel Company Limited house rent is collected from the employees at the rate of 10% of salary plus dearness allowance or the standard rent whichever is less. In the plants of the Hindustan Steel Limited, for employees (other than nursing, security and fire brigade staff upto a certain level), house rent is charged at the rate of 7½% of pay plus allowances for those drawing upto Rs. 150/- per month, and 10% of pay and allowances for those employees drawing Rs. 150/- and above per month. In both cases, recovery of house rent is restricted to the prescribed percentage of pay or the standard rent, whichever is less.

### 9.13 TRANSPORT FACILITIES :

9.14 Except for the steel plants under the Hindustan Steel Limited, there are no subsidised transport facilities for the workers from their residence to the workplace and back. In the Tata Iron and Steel Company Limited, the Indian

Iron and Steel Company Limited and the Mysore Iron and Steel Limited, the employees by and large reside in or near the townships close to the steel works and are therefore not really in need of transport facilities. The short distance is covered by the employees on their own conveyance. In the case of the steel plants under the Hindustan Steel Limited, however, the townships are generally situated 5 to 6 miles from the steel plant sites. Hence the necessity of providing transport facilities to the employees from the townships to the steel plants arises.

#### 9.15 FACILITIES FOR RECREATION AND COMMUNITY SERVICE :

9.16 The managements of the steel plants have provided recreational facilities to the employees and their families through clubs and community centres, etc., organised by separate departments entrusted with this work. In the Bhilai Steel Plant under the Hindustan Steel Limited, a Sports and Recreation Council has been set up to organise various recreational and social activities for the benefit of the employees. The Social Welfare Unit in Rourkela Steel Plant under the Hindustan Steel Limited, apart from organising such facilities, also recommends grants-in-aid to private institutions engaged in social work in the steel township. In the Tata Iron and Steel Company Limited, the Welfare Department provides welfare facilities through numerous community development and social welfare centres which are managed and financed by the steel plant. Private organisations and clubs, etc. engaged in providing community services are also aided by the Company through allotment of land and occasional financial grants. The plants of Hindustan Steel Ltd. provide furniture and other necessary equipment on loan to such private social organisations in addition to monetary grants. There is a fund which is known as 'Amenities Fund' in each steel plant under the control of Hindustan Steel Limited, to which a budget allocation is made at the rate of Rs.2/- per employee per year. The Fund is operated by an Advisory Committee comprising of representatives of management and employees. Financial assistance from the fund is granted in the following cases :—

- (a) Relief to employees in distress due to serious illness, accidents, flood, fire, etc.
- (b) Recreational, cultural and sports activities.

- (c) Welfare activities in the field of education, such as, nursery schools, libraries, etc.

In the Tata Iron and Steel Company Limited, a fund is raised by voluntary contributions from employees in the different departments and is utilised for the benefit of those who are either ill for a long period or avail of leave without pay and allowances and also for other welfare measures. Besides, monetary grants are sanctioned by the trustees of the Tata Steel Charitable Trust for various purposes, namely, distress arising out of prolonged sickness such as tuberculosis and leprosy, grants for blood transfusion, college education for meritorious students, particularly those studying technical subjects like medicine, engineering, etc. No amenities fund for the benefit of employees is in existence in the Indian Iron and Steel Company Ltd. The Company, however, runs two clubs for providing recreational facilities to the employees and also a Mahila Mangal Sabha for the benefit of the families of the employees. The Company subsidizes this Sabha and has allotted to it a spacious building which is equipped with all the necessary facilities for carrying on the activities of the Sabha such as holding regular classes in cooking, sewing, embroidery, music, and painting, etc. Members are required to pay nominal subscriptions to the Sabha.

#### **9.17 SPORTS AND GAMES, ETC :**

9.18 As regards indoor and outdoor games, the steel plants have provided play grounds and other facilities for sports to the employees. Well-organised inter-Steel Plant and intra-HSL Plant sports and games meets are a regular annual feature and are arranged by rotation in each steel plant. Radio sets are provided in the community centres. Library facilities are also available in the plant townships. In the steel plants of Hindustan Steel Limited, Company's accommodation at concessional rent has been allotted to a number of voluntary social bodies which run libraries and reading rooms.

#### **9.19 ACTIVITIES RELATING TO COOPERATIVES :**

9.20 Consumer Cooperative Societies and Cooperative Credit Societies are functioning in all the steel plants. The Jamshedpur Cooperative Store promoted by the Tata Iron and Steel Company Ltd. has 49 branches in Jamshedpur and undertakes the distribution of all the essential daily requirements of the employees residing in the township. In the Indian Iron and Steel Company Ltd., the Burnpur Cooperative Multipurpose Society Ltd. which is functioning with

two branches in Burnpur, supplies the essential daily requirements of the employees. In the Mysore Iron and Steel Ltd., two consumer cooperative societies are functioning. The steel plants under the Hindustan Steel Limited also have employees' consumer cooperative societies besides wholesale consumer cooperative societies. Financial aid in the form of loans to meet the needs of working capital is provided to all the consumer cooperative societies in the steel plants except in the Indian Iron and Steel Company Ltd. The loans given by the Hindustan Steel Limited are free of interest. Hindustan Steel Limited has also contributed towards the share capital of the cooperative societies and has given ad-hoc grants-in-aid to them. The Mysore Iron and Steel Ltd. has provided interest-free advances upto Re. 1 lakh to the cooperative society for purchase of foodgrains during the harvest season. While such other facilities as stationery and electricity are generally provided, the management of Bhilai Steel Plant under the Hindustan Steel Ltd. subsidises 50 per cent of the expenditure on the salaries of the staff of the cooperative societies. Transport facilities are also provided to the cooperative societies by the managements concerned. In some steel plants, credit facilities are extended to the employees who hold shares in the cooperative society.

9.21 Cooperative credit societies have been organised in some of the steel plants for providing loans on reasonable terms and also to promote the habit of saving among the employees. In the Tata Iron and Steel Company Limited, there are forty six such societies which cover almost all the departments of the steel plant. The Credit Society functioning in the Indian Iron and Steel Company Limited, provides loans to the members for specific purposes at a reasonable rate of interest. In the Mysore Iron and Steel Ltd., the Cooperative Society carries on the business of banking as well as retail shops in consumer goods. The Cooperative Society also has a retirement-cum-death benefits scheme under which each member has to pay compulsorily a small amount each month enabling him to get about Rs. 1,800 by way of retirement benefit after his retirement from the Company. In the plants under Hindustan Steel Limited, the employees of Bhilai Steel Plant have set up credit societies in some departments; however no cooperative credit societies have been set up so far in the Rourkela and Durgapur Steel Plants.

9.22 Also to combat indebtedness the managements of the steel plants advance loans to meet the employees' occasional demands. Mention may again be made of the Tata Steel Charitable Trust which advances interest free loans in deserving cases to the employees for settlement of their debts and thereby relieve them from the clutches of unscrupulous money-lenders. In the public sector steel plants there is a system of giving advances to the employees free of interest on occasions like festivals and with interest for purchase of conveyance. The managements of the steel plants also allow employees to take advances to meet their urgent needs from their Provident Fund Accounts.

9.23 A summary statement showing expenditure per worker per month incurred directly or indirectly on fringe benefits in the different steel plants is given below :—

TABLE 19 : Summary statement of expenditure per worker per month on fringe benefits in TISCO, IISCO, MISL and HSL.

Plant	Housing	Medical	Education	Transport	Recreation	Total
Tata Iron and Steel Company Ltd.	15.15	13.38	5.11	—	2.47	36.11
Indian Iron and Steel Company Ltd.*	29.04	10.29	4.37	—	0.50	44.20
Mysore Iron and Steel Ltd.	10.34	4.61	2.23	4.26	—	21.44
Hindustan Steel Ltd.						
Bhilai Steel Plant	21.76	11.17	4.61	2.72	0.37	40.63
Durgapur Steel Plant	25.00	9.47	2.63	24.21	0.52	61.83
Rourkela Steel Plant	28.77	10.74	2.31	9.55	8.17	59.54

Source : Report of the Central Wage Board for Iron and Steel Industry

\*Data supplied by Indian Iron & Steel Company Ltd., Burnpur.

Note : It has been stated in the Report of the Central Wage Board for Iron and Steel Industry that the Indian Iron and Steel Company Ltd. has provided Company accommodation to 25% of the employees ; those who have not been provided accommodation by the Company are paid Rs. 4/- per month as house rent. The Wage Board recommended that this allowance should be merged in dearness allowance. In view of the lower percentage of employees allotted houses by this Company the amount of subsidy appears to be high. The Study Group is not sure whether the management of the Indian Iron and Steel Company Limited while calculating the quantum of expenditure per worker per month on account of housing facilities has taken into consideration the rent-free accommodation allotted to their executive personnel and house rent allowance which has been paid to those who have not been allotted accommodation by the Company.

9.24 The Study Group considered whether the welfare measures and amenities available in the steel plants require to be changed in any respect and whether it is possible to bring about standardisation and rationalisation of these measures and benefits in the various steel plants.

9.25 The Study Group noted that the standard of welfare measures and amenities available in the steel plants is already high as compared to that available in other industries and these measures and amenities add to the cost of production of steel but such welfare measures help to build up the morale of the employees. However, the steel plants have not been able to provide houses for all their employees. The Study Group was informed that according to the standard laid down by Government the ultimate objective of the public sector steel plants is to provide houses for 80% of their employees. This standard has been laid down assuming that 20% of the employees will come from neighbouring villages and will not require accommodation. However, even those who come from neighbouring villages ask for the better type of accommodation with modern amenities available in the steel townships. In the absence of houses for all the employees slums are coming up on the unutilised lands of the townships. This is an undesirable development. The capital invested in the steel plants, particularly in the public sector steel plants, is very high affecting the profitability of the industry and further capital investment in construction of houses will only add to the heavy financial burden on the steel plants. While appreciating that there is need for more houses in the steel plants for providing accommodation to a larger number of employees, the Study Group is of the view that the burden of providing houses should not fall entirely on the managements of the steel plants but the State Governments and the Central Government should also come forward for constructing houses under the various housing schemes including construction of houses on cooperative basis in and around the steel townships.

9.26 Another problem brought to the notice of the Study Group is that relating to adequate provision for education. In the public sector steel plants there is an increasing demand every year for more educational facilities because most of the employees in these plants are young and the number of school-going children has been increasing



from year to year. Although provision for education is the responsibility of the State Government, the responsibility for providing educational facilities rests at present almost entirely on the managements of the steel plants. In this connection the attention of the Study Group has been drawn to the following recommendation made by the Committee on Public Undertakings\*:

“As public undertakings have to run on a commercial basis, it is not advisable for them to incur heavy capital and recurring expenditure on providing educational facilities which is the responsibility of the State Governments under the Constitution. The most that the undertakings should do is to construct buildings at a reasonable cost and to meet recurring expenditure from the assistance obtained from the State Governments and fees from the pupils. It would, however, be desirable if the provision of educational facilities is settled with the State Governments at the time of deciding on the location of the projects in a State. The Committee recommend that Government should look into this matter and evolve a suitable pattern for the provision of educational facilities in the public undertakings”.

The above recommendations should equally be applicable to the private sector steel plants. The Study Group recommends that the Central and State Governments should take greater responsibility in the matter of providing educational facilities in the steel plants on the same basis as in other industrial centres.

9.27 The third problem is whether facilities for medical treatment should be provided under the Employees, State Insurance Scheme in the steel plants. The medical and public health benefits now provided in the steel plants are of a higher standard than those provided under the Employees' State Insurance Scheme and the employees of the steel plants do not want to be brought under the Employees' State Insurance Scheme. It may also be mentioned that the medical benefits under the Employees' State Insurance Scheme are available only to employees drawing

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\*Extract from para 45, page 17 of the Eighth Report of the Committee on Public Undertakings on “Townships and Factory Buildings of Public Undertakings”.

salaries upto Rs. 500/- a month. This will exclude a large number of employees drawing pay above Rs. 500/- a month from the Employees' State Insurance Scheme and the steel plants will have to continue the arrangements for medical treatment for such personnel. In the circumstances, the Study Group feels that the existing provisions regarding medical and public health benefits for the employees in the steel plants should be continued. However, it may be pointed out that the managements of the steel plants are not getting any return on the amount paid by them as Employer's Special Contribution to the Employees' State Insurance Corporation under the Employees' State Insurance Act, 1948.

9.28 As regards the need for standardisation and rationalisation of welfare measures and amenities, the Study Group has noted that except for transport facilities which are provided in the plants of the Hindustan Steel Limited the welfare measures and amenities in the public sector steel plants and the Tata Iron and Steel Company Limited are based on the same pattern. There is, however, scope for improvement in respect of these facilities in the Indian Iron and Steel Company Limited.

9.29 It was brought to the notice of the Study Group that while the managements of the steel plants have taken the initiative in starting cooperative societies for the distribution of essential articles and making credit available to the employees on reasonable terms and the employees' representatives in some of the steel plants have actively cooperated in managing these cooperative societies, the management and the employees of some of the other steel plants have not been active in this respect. The Study Group would recommend that both management and the employees' representatives should take greater interest in organising and managing cooperative activities.

## 10.0 LABOUR RESEARCH AND INFORMATION SCHEMES

10.1 In the steel plants, most of the labour statistics which are compiled and maintained are those required to be collected within the framework of existing labour legislation. There are a number of authorities to whom reports and returns have to be submitted by the managements of the steel plants. To mention but a few, reports and returns have to be submitted to the :—

- (i) Chief Inspector of Factories ;
- (ii) Chief Inspector of Shops and Establishments ;
- (iii) Statistical Authority under the Statistics Act ;
- (iv) Chief Inspector under the Motor Transport Workers' Act ,
- (v) Regional Provident Fund Commissioner under the Provident Fund Act ;
- (vi) Commissioner of Workmen's Compensation under the Workmen's Compensation Act ;
- (vii) Authority appointed under the Minimum Wages Act ;
- (viii) Authority appointed under the Payment of Wages Act ;
- (ix) Chief Inspector of Boilers under the Indian Boilers Act.

10.2 Labour statistics are also collected by the managements of the steel plants for administrative purposes. For example, detailed statistics are collected and maintained on manpower employed in the various departments of the steel plants, wages, incentive and overtime earnings, number and nature of grievances received and settled under the grievance procedure and their distribution in the various departments of the steel plants, percentage of absenteeism and its distribution in the various departments of the steel plants, and labour turnover rates, etc.

10.3 As far as labour research is concerned, none of the plants seems to have any systematic programme of

research activities. Ad hoc studies in certain problem areas are however made in the steel plants. In Hindustan Steel Ltd., for example, studies have been made into the causes of absenteeism among workers and reasons for flight of personnel. Studies have also been conducted on the effectiveness of the Company's communication policy, induction procedure, and suggestion box scheme. The Tata Iron & Steel Company Ltd. has conducted studies on absenteeism, accident proneness, socio-economic surveys of various areas of Jamshedpur and effectiveness of training programmes.

10.4 The Study Group considered whether coordination between the various statutory authorities collecting labour statistics is desirable; whether the statistical data presently collected by different statutory authorities are adequate for measuring the state of industrial health and for adequate comprehension of labour problems; what steps are needed to improve labour research; and what should be the role of the Press in promoting industrial harmony.

10.5 The Study Group feels that coordination between the various statutory authorities collecting labour statistics is desirable. Multiplicity of agencies for collection of labour statistics leads to unnecessary work and confusion. Moreover, some of the statutory agencies collect data on subjects which are common. This results in a large amount of unproductive clerical work. The Study Group feels that it is desirable that standardised forms should be adopted for collecting labour statistics and data according to such standardised forms should be sent to the various prescribed authorities under the various statutes. The Study Group also feels that it will be desirable if only those returns and forms in each plant are required to be maintained under the various enactments which show the state of implementation of the enactment in the plant. All other subjects should be dealt with centrally under the Collection of Statistics Act, 1953, under which a statutory authority can coordinate all work relating to labour research and information.

10.6 The Study Group feels that the statistical data presently being collected by statutory authorities in regard to work stoppages are not adequate for measuring the state of industrial health. Strikes are not the only manifestations of industrial unrest. Demonstrations during working hours, slow-down, sit-down strikes or tool-down strikes, *gherao*, *dharna*,

work-to-rule agitation. number of grievances and number of industrial disputes raised, etc. are also indicative of industrial unhealth. Data in respect of such matters, the Study Group feels, should also be collected by the statutory authorities. Moreover, the current emphasis in the collection of labour statistics appears to be on data which will help in understanding the economic aspects of the worker's life. Social and sociological aspects have been comparatively neglected. The economic life of workers is directly correlated with social and socio-psychological factors. The Study Group feels, therefore, that for better comprehension of labour problems collection of labour statistics relating to the social, moral, psychological, political and cultural aspects of the life of the workers has also to be made.

10.7 The Study Group feels that as far as labour research in the steel plants is concerned, it would be preferable that such research to be sufficiently comprehensive and deep should be done by the steel plants in conjunction with research organisations and agencies both Government, semi-Government and private. For this purpose, Government should provide facilities for training research personnel in methods and techniques adopted by industrially advanced countries in the field of labour research. The universities, for their part, should follow a systematic plan of study and research in consultation with management and trade unions and should publish their findings widely. Both Government and industry should encourage research by making suitable financial grants for such projects.

10.8 The Study Group is of the view that the Press has a significant role to play in maintaining industrial peace. The Press can play this role if reporting on matters relating to industrial peace and industrial disputes is objective. Complaints have been heard from workers and trade unions that the Press controlled by the industrialists is biased in favour of employers. The managements of the public sector plants have also complained that the Press which is in the hands of the private sector tries to disparage the public sector. On the other hand, some private sector companies have complained that in order to play up to the gallery, the reporting of incidents and attitudes by the Press is sometimes biased in favour of workers who indulge in agitations. Many complaints may be based on misunderstanding or lack of contact between the parties concerned.

It is noted that each steel plant has a Public Relations Officer. It should be the responsibility of the Public Relations Officer to keep the Press informed of facts and happenings in an objective manner. The Press should also establish contact with management personnel and workers' representatives.

(Sd.) R.P. Billimoria,  
Member.

(Sd.) S.N. Pande,  
Member.

(Sd.) V.G. Gopal  
Member.

(Sd.) Sambal Chakravorty,  
Member.

(Sd.) M.S. Rao,  
Chairman.

(Sd.) R. Sinha,  
Member-Secretary.

*Ranchi,*

*12th February 1968.*

## 11.0 SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

### CHAPTER-2

11.1 **Development of the steel industry and distinctive characteristics:** Per capita consumption of steel in India is very low. The country has also been importing steel of some categories production of which is inadequate in the country. For economic development of the country, the production of steel of all categories has to increase significantly. The iron ore reserves in the country are large enough to support increased production of steel in the country.

(Para 2.10)

11.2 The steel industry has not only to generate resources adequate for repayment of loans obtained for financing the development of the industry, but also for generating internal resources for future development. This objective can be attained mainly by increase in productivity and consequent decrease in cost of production of steel. Capital cost also can be reduced to some extent by full utilisation of the installed capacity in India for production of heavy machinery and equipment required for setting up steel plants.

(Para 2.11)

11.3 The employment potential of the steel industry should not be judged only by the number of employees actually employed in the steel plants, but also by the employment potential created in ancillary and subsidiary sectors. In fact, each worker in the steel industry creates subsidiary jobs for 8 employees in other industries.

(Para 2.12)

11.4 The Study Group feels that there is need for growth of the steel industry in the country on a continuous basis for many years to come and this need requires to be emphasised when policies of recruitment and training of personnel and establishment of stable and healthy industrial relations in the industry are evolved.

(Para 2.13)

11.5 In the steel plants, people hailing from different regions of the country and speaking different languages and

with somewhat different cultural background are employed. The forces of integration have sometimes been affected by too much emphasis on group interests and loyalties. It is noted, however, that by and large the forces of integration do exist and it is hoped that in due course the communities living in the steel townships will be models for other parts of the country.

(Para 2.14)

11.6 The development of the steel industry has led to the emergence of an inbred community living in the steel township. There is need for integration of the inbred community of the steel townships with the people in surrounding areas.

(Para 2.15)

### CHAPTER-3

11.7 **Manpower employed :** The number of persons employed in the steel plants in India is larger than the number employed in comparable steel plants of advanced countries. However, realising the need for increasing productivity and the emoluments of the employees the steel plants in India also have been trying to contain their manpower.

(Paras 3.5 and 3.6)

11.8 **Recruitment :** The existing recruitment procedure evolved and followed by the steel plants is on the whole satisfactory.

(Para 3.19)

11.9 There have been complaints in some States in which the steel plants are located that the residents of the State are not represented in adequate numbers in employment in the plants. If the Employment Exchanges of the area in which the steel plants are located function efficiently, there is no reason why they should not be able to sponsor suitable candidates of the local area/region to meet the reduced annual intake of trainees required by the steel plants now.

(Para 3.19)

11.10 Public sector steel plants have sometimes experienced delays in recruiting personnel because the Employment Exchanges are not able to sponsor suitable candidates nor do they issue non-availability certificates promptly. If the Employment Exchanges fail to sponsor suitable candidates or to issue non-availability certificates within a reasonable period which may be about a month from the date on



which the requisition is received by the Employment Exchange, the management of the plant should be free to tap other sources of recruitment.

(Para 3.20)

11.11 Some of the Employment Exchanges do not appear to be working satisfactorily. Their officers lack adequate training and experience. If the Employment Exchanges are to serve as the main source of recruitment, their working will need improvement. The officers of the Exchange should have adequate training and should be in close touch with the industries which notify vacancies to them.

(Para 3.21)

11.12 Public sector steel plants have to follow Government directives regarding reservation of posts for candidates belonging to the scheduled castes and scheduled tribes and they have also to give preference in employment to persons displaced from land acquired by them. While these preferences in recruitment of personnel should continue, if the managements of the plants are not able to recruit an adequate number of suitable persons from the categories who get preference in employment, they should be free to tap other sources of recruitment.

(Para 3.22)

11.13 The private sector steel plants observe the policy of giving preference in employment to employees' children and dependents. This has, it is reported, not only ensured the loyalty of a large number of employees but has also helped in building a stable workforce and reducing pressure for constructing of houses. The public sector steel plants, however, find it difficult to adopt this policy as under the Constitution they have to give equality of opportunity in employment to all citizens. One of the ways in which children of the employees can be encouraged to take up employment in steel plants is for management to award a large number of scholarships to them for studying technical and engineering subjects. Already some scholarships have been instituted in many of the steel plants for this purpose, but there is need for increasing their number.

(Paras 3.14 and 3.23)

11.14 Employment of temporary and casual workers in the steel plants to some extent is inevitable. Management, however, should every half year review the jobs on which casual employees are engaged and if these jobs are of

a sufficiently long duration, then such employees should be made eligible for service benefits admissible to temporary employees. If studies reveal that such jobs are essentially of perennial nature, the employment of casual or temporary labour on such jobs would not be justified and management should consider absorbing them permanently.

(Para 3.24)

11.15. No specific difficulty is likely to be experienced by the Bokaro Steel Limited in training its personnel. To meet the requirements of personnel for future steel plants, it should not now be necessary to depend on facilities in foreign countries except in respect of facilities which do not exist in the country.

(para 3.37)

11.16. Greater stress should be laid on the training programmes of the steel plants on the area of on-the-job training to make it more intensive also ; closer supervision of training programme is necessary. The managements of the steel plants are alive to the need for reviewing from time to time the effectiveness of their training schemes.

(Para 3.38)

11.17. The flight of technical personnel is not a serious problem in the steel plants. There is, however, scope for improving the coordination of the manpower requirement of each plant with the training of apprentices as a precaution against flight of technical personnel.

(Para 3.39)

11.18. Proper induction of employees who join a steel plant is necessary to adjust them to their new surroundings.

(Para 3.41)

11.19. The steel plants may consider adopting a programme for inducting employees who are promoted to supervisory positions on the lines of the "Supinduction Programme" introduced in the Tata Iron and Steel Company Ltd.

(Para 3.43)

11.20 Because of the very large requirement of personnel, the public sector steel plants had to recruit a large number of employees of the same age groups in the initial stages many of whom earned quick promotion. However, with the gradual filling up of higher posts, the rate of promotion has slowed down and many employees feel stuck in their positions and are consequently dissatisfied. This

problem can be solved to some extent as and when opportunities for their deployment in new steel plants like the Bokaro Steel Ltd. arise. The rate of promotion which existed at the time of rapid development of the industry cannot continue at the same pace when further development of the industry becomes slower.

(Para 3.47)

11.21. To utilise the skill and experience of those employees of the steel plants who are engaged on construction/erection work and have to be retrenched when such work is completed, Government may create a pool of such personnel who can be deployed for construction/erection work of not only steel plants but other heavy industries also.

(Para 3.48)

#### CHAPTER—4

11.22. In the steel plants, promotion of employees within the category of workmen is based on seniority and suitability in the lower grades and seniority-cum-merit in the higher grades, assessments made in confidential character rolls or merit rating and trade tests wherever such trade tests are prescribed.

(Para 4.3)

11.23. The procedure embodied in the Model Principles of Promotion recommended by the Ministry of Labour and Employment and mentioned in paragraph 4.5 are sound and may be taken as a guide by the managements of the steel plants. However, the existing principles of promotion which have been working well in the different steel plants should not be changed without agreement between the management and the representatives of the employees.

(Para 4.6)

11.24 **Training after placement :** In all the Training Institutes of the steel plants, systematic arrangements for training employees enabling them to use the workshops in the Technical Institutes to acquire skills required for passing trade tests and improve their prospects by practice during their off-hours should be made as has been done by the Tata Iron and Steel Company Ltd.

(Para 4.16)

## CHAPTER—5

11.25. **Hours of work :** In view of the fact that productivity in the steel plants in India is lower than that obtaining in advanced countries, the time has not yet come for any change in the total number of hours of shift, daily and weekly work of employees in the steel plants in India.

(Para 5.7)

11.26. **Weekly holiday :** For the same reasons, no change is recommended in the present system of a weekly holiday in the steel plants in India.

(Para 5.9)

11.27. **Overtime work :** It would be advisable for the steel plants to study in depth the problem where it exists of employees working overtime in an organised manner and to find out what steps, including a proper incentive scheme, should be taken to discourage such a tendency among employees.

(Para 5.12)

11.28. **Leave and holidays :** In the interests of the country's industrialisation and to develop the country's competitive position in the export market as well as to avoid disputes, it will be desirable to lay down uniform standards of leave and holidays on a national basis.

(Para 5.19)

## CHAPTER—6

11.29. **Industrial relations :** A review of industrial relations in the steel plants indicates that industrial relations are more satisfactory in those plants

- (i) In which the recognised union is strong and is the only union with which management can negotiate matters of collective nature and which is in a position to implement agreements arrived at and takes an objective view of the grievances of employees ;
- (ii) In which rules, regulations, procedures and practices have been either codified or established by convention and made known to managerial staff and employees;
- (iii) Which have established a grievance procedure and in which an endeavour is made to settle grievances by mutual discussion at different levels in terms of laid down procedures, practices and conventions and in which there is a desire on the part of representatives of both management and the employees to

arrive at mutually acceptable agreements and not to seek the help of a third party as far as possible;

(iv) In which there is mutual respect and closer association of employees with management at different levels;

(v) In which the Personnel Department is well-developed and both the Personnel Department and line management take timely and adequate steps to deal with the problems and grievances of the employees and do not wait for crises to develop before dealing with them.

(Para 6.13)

11.30. The following steps will be helpful in maintaining industrial peace and developing better relations between management and the employees in the steel plants :—

(i) Only one union should function in each steel plant and that union should be recognised which represents the majority of unionised employees.

(ii) Closer association of employees at all levels from the shopfloor to the top management level is desirable.

(iii) Bipartite committees should function effectively and should be utilised as a forum for two-way communication between management and the employees.

(iv) It should be the endeavour of both management and the unions to settle all grievances by mutual discussion and not to seek the help of a third party as far as possible.

(v) Procedures should be codified and conventions for dealing with grievances and disciplinary matters, etc. should be developed and mutually honoured in practice.

(vi) The Personnel Department should be strengthened wherever necessary and should provide adequate staff assistance to line management. Officers of the Personnel Department should serve as effective links between the employees and line management.

(vii) It will be desirable to have a federation of the recognised unions of all the steel plants with which management can negotiate on an industry-wide basis matters such as wages and conditions of service like leave, etc.

(viii) The role of the State Labour Department and Conciliation Machinery should be to help the

disputing parties to come together and give them guidance wherever necessary. Government should promote collective bargaining at the plant and industry level and recourse to conciliation or adjudication should be made only when it is unavoidable and necessary to prevent serious situations like a strike or lock-out from developing. The State Government should maintain a panel of arbitrators who should not only be objective in their outlook but also know the problems of the industry and whom the disputing parties can approach for arbitration.

- (ix) It should be appreciated on all sides that collective bargaining and negotiations can succeed only when there is mutual trust and coercive tactics like gherao, stoppage of work, closure and lock-out are avoided.

(Para 6.14).

## CHAPTER - 7.

**11.31. Job evaluation :** It should be the endeavour of both management and employees of the steel plants to follow agreed procedures for job evaluation wherever they have been evolved and to complete on this basis the programme of job evaluation which could not be finished by the Central Wage Board for Iron and Steel Industry. After jobs are evaluated according to the agreed procedure, the findings should be accepted and there should be no further evaluation until there is a significant change in job content.

(Para 7.13)

**11.32 Wage Boards :** Steps have to be taken to see that variations in wage structure recommended by different Wage Boards for different industries do not lead to industrial unrest. The decision of the Government to have a common secretariat for Wage Boards is in the right direction. The secretariat should have a research wing for systematically studying different problems affecting wages, incentives, etc.

(Para 7.13)

**11.33.** It may be desirable to have a National Wage Commission to take up the question of fixing a national minimum wage for different sectors.

(Para 7.13)

**11.34. Incentive schemes :** In order that incentive schemes may raise productivity, they should have the following features :—

- (a) They should be related to the performance of the individual or the smallest possible group whose

performance can be identified.

- (b) They should provide equipment utilisation and labour productivity factors.
- (c) They should have weightage factors for utilisation of raw materials and quality of products.
- (d) They should really motivate the workers to increase productivity.
- (e) They should be modified only after proper study ; such modifications should be made after full consultation with the unions who should be informed of the basis and implications of the modifications.

(Para 7.21)

11.35. **Absenteeism** : Although the rate of absenteeism in the steel plants is not high, even the low unauthorised absenteeism which exists can be reduced or eliminated if the causes for such absenteeism are studied in depth and suitable remedial measures are taken. It should be possible for management to contact habitual absentees individually and counsel them since their number is small.

(Para 7.26)

## CHAPTER - 8

11.36. **Safety** : The system of "Safety Audit" introduced in the Tata Iron and Steel Company Ltd. and the Bhilai Steel Plant of Hindustan Steel Ltd. should be adopted in the other steel plants ; also the system of "Safety Communication Zone" introduced in the Tata Iron and Steel Company Ltd. should be adopted by the other steel plants.

(Para 8.5)

11.37. The frequency rates as well as the number of accidents in the steel plants show a downward trend over the past few years. Nevertheless they are still high as compared to those in developed countries and there is therefore scope for improvement.

(Para 8.9)

11.38. Improvement can be made in respect of both unsafe conditions of work and unsafe acts by the efforts of management with the active co-operation of the employees to make all levels of employees safety-conscious by training them and by removing the causes of unsafe conditions of work. Safety should be fully taken into consideration in designing and preparing the layout of new plant and equipment. The Plant Safety Engineer should be associated with this work as well as installation of new equipment.

(Para 8.13)

11.39. The existing arrangement in the steel plants for the supply of protective appliances is satisfactory except at the Indian Iron and Steel Company Ltd. which may also make suitable arrangements for issue of protective equipment to its employees.

(Para 8.16)

11.40. The remedy for improving safety does not lie in disciplinary action alone ; the willing cooperation of the workmen and the unions is also necessary. It will be desirable to give emphasis on safety in programmes of training for employees at all levels including management trainees as well as trainees under the Workers' Education Scheme.

(Para 8.17)

11.41. Labour unions in many steel plants have not so far played a significant role in arousing safety consciousness among workers. Training union executives in safety matters would perhaps enthuse them to participate earnestly in safety promotional activities.

(Para 8.19)

11.42. The National Safety Council and Indian Standards Institution should take up research and design work in the area of personal protective appliances. Manufacturers should not be allowed to sell safety appliances which do not conform to the Indian Standards Institution's specifications which should be laid down in respect of all kinds of protective equipment used in steel plants.

(Para 8.23)

## CHAPTER - 9

11.43. **Welfare amenities :** The standard of welfare measures and amenities available in the steel plants is already high as compared to that available in other industries, and they add to the cost of production of steel but such welfare measures help to build up the morale of the employees.

(Para 9.25)

11.44. There is need for more houses in the steel plants, but the burden of providing houses should not fall entirely on the managements of the steel plants. The State Governments and the Central Government should also come forward for construction of houses under the various housing schemes including construction of houses on cooperative basis in and around the steel townships.

(Para 9.25)



11.45 The Central and State Governments should take greater responsibility in the matter of providing educational facilities in the steel plants on the same basis as in other industrial centres.

(Para 9.26)

11.46 Existing provisions regarding medical and public health benefits in the steel plants should be continued. However it may be pointed out that the managements of the steel plants are not getting any return on the amount of Employer's Special Contribution paid by them under the Employees' State Insurance Act.

(Para 9.27)

11.47. Except in respect of transport facilities provided by the plants of Hindustan Steel Ltd., the welfare measures and amenities in the public sector steel Plants and the Tata Iron and Steel Company Ltd, are based on more or less the same pattern. There is however scope for improvement in respect of these facilities in the Indian Iron and Steel Company Ltd.

(Para 9.28)

11.48 Both management and unions should take greater interest in organising and managing cooperative activities.

(Para 9.29)

## CHAPTER - 10

11.49. **Labour research and information schemes :** Coordination between the various statutory authorities collecting labour statistics is desirable. Standardised forms should be adopted for collecting labour statistics and data according to such standardised forms should be sent to the various prescribed authorities under the various statutes. It will be desirable if only these returns and forms in each plant are required to be maintained under the various enactments which show the state of implementation of the enactment in the plant. All other subjects should be centrally dealt with under the Collection of Statistics Act under which a statutory authority can coordinate all work relating to labour research and information.

(Para 10.5)

11.50. Statistical data presently being collected by statutory authorities in regard to work stoppages are not adequate for measuring the state of industrial health. Data regarding demonstrations during working hours, slow-down, *gherao*, and strikes, etc. which are manifestations of industrial unrest

should also be collected. For better comprehension of labour problems, collection of labour statistics relating to the social, moral, psychological, political and cultural aspects of the life of the workers should also be made.

(Para 10.6)

11.51. Labour research in the steel plants should preferably be done by the managements of the steel plants in conjunction with research organisations and agencies—both Government, semi-Government and private. Both Government and industry should provide necessary financial and other assistance for such research work. Government should provide facilities for training research personnel in methods and techniques adopted by industrially advanced countries in the field of labour research. Universities should follow a systematic plan of study and research in consultation with management and trade unions and should publish their findings widely.

(Para 10.7)

11.52. The Press has a significant role to play in maintaining industrial peace and for this purpose its reporting should be objective. The Press should establish contacts with management and trade unions in this regard.

(Para 10.8)

## CHAPTER - 10

RECORD OF ATTENDANCE OF MEMBERS AT MEETINGS OF THE STUDY GROUP ON IRON & STEEL INDUSTRY

P R E S E N T

1st Meeting: 23rd June, 1967	Shri M. S. Rao Shri R. P. Billimoria Shri V. G. Gopal Shri R. Sinha
2nd Meeting: 11th September, 1967	Shri M. S. Rao Shri R. P. Billimoria Shri S. N. Pande Shri V. G. Gopal Shri Sampal Chakra- vorty Shri R. Sinha Shri S. N. Pande
3rd Meeting: 9th November, 1967	Shri M. S. Rao Shri R. P. Billimoria Shri V. G. Gopal Shri R. Sinha Shri S. N. Pande Shri Sampal Chakra- vorty Shri R. Sinha
4th Meeting: 2nd December, 1967	Shri M. S. Rao Shri R. P. Billimoria Shri V. G. Gopal Shri R. Sinha Shri Sampal Chakra- vorty Shri R. Sinha
5th Meeting: 20th December, 1967	Shri M. S. Rao Shri R. P. Billimoria Shri V. G. Gopal Shri R. Sinha Shri Sampal Chakra- vorty Shri R. Sinha
6th Meeting: 23rd January, 1968	Shri M. S. Rao Shri R. P. Billimoria Shri V. G. Gopal Shri R. Sinha Shri Sampal Chakra- vorty Shri R. Sinha
7th Meeting: 12th February, 1968	Shri M. S. Rao Shri R. P. Billimoria Shri V. G. Gopal Shri R. Sinha Shri Sampal Chakra- vorty Shri R. Sinha

APPENDIX

APPENDIX-1.

RECORD OF ATTENDANCE OF MEMBERS AT  
MEETINGS OF THE STUDY GROUP ON IRON  
& STEEL INDUSTRY

P R E S E N T

- 1st Meeting: 23rd June, 1967. Shri M. S. Rao  
Shri R. P. Billimoria  
Shri V. G. Gopal  
Shri R. Sinha
- 2nd Meeting: 11th September, 1967. Shri M. S. Rao  
Shri R. P. Billimoria  
Shri S. N. Pande  
Shri V. G. Gopal  
Shri Sambal Chakra-  
vorty  
Shri R. Sinha.
- 3rd Meeting: 9th November, 1967. Shri S. N. Pande  
Shri R. Sinha  
Shri A. D. Singh depu-  
tised for Shri R. P.  
Billimoria.
- 4th Meeting: 2nd December, 1967. Shri S. N. Pande  
Shri V. G. Gopal  
Shri R. Sinha
- 5th Meeting: 29th December, 1967 Shri Sambal Chakra-  
vorty  
Shri R. Sinha  
Adjourned as most  
members absent.
- 6th Meeting: 23rd January, 1968 Shri M. S. Rao  
Shri Sambal Chakra-  
vorty  
Shri R. Sinha
- 7th Meeting: 12th February, 1968. Shri M. S. Rao  
Shri R. P. Billimori  
Shri S. N. Pande  
Shri V. G. Gopal  
Shri Sambal Chakra-  
vorty  
Shri R. Sinha