Industrial Disputes and Redressal Process in BHEL: A Case Study of Haridwar Plant

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Abstract:  
Industrial disputes means disagreement or difference of friction over some issues between management and labour with respect to wages, working conditions, other employment matters or union recognition. The present paper is based on empirical study with the objective mainly to study the causes of Industrial Disputes in BHEL Haridwar and to examine the redressal System in BHEL Haridwar. The data collected for this purpose is mainly based on both primary as well as secondary sources. The major findings of this study are both executive and non-executive response that welfare facilities and working condition are the major causes of disputes in the plant and also study found that majority of executive and non-executive both are in favour of mutual negotiation method for the settlement of industrial dispute in organisation.

Key Words: Industrial Disputes, Employee, Strikes, Working Condition, Machinery Settlement

Introduction:  
Dispute means disagreement or difference of friction over some issues between the parties. According to Section 2 (k) of the Industrial Disputes Act, 1947, the term ‘industrial dispute’ means “any dispute or difference between employers and employers or between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment or the terms of employment and conditions of employment of any person”. (Bhatia & Ahmad, 2006)

The objective of the Industrial Disputes Act is to secure industrial peace and harmony by providing machinery and procedure for the investigation and settlement of industrial disputes by negotiations. This act deals with the retrenchment process of the employees, procedure for layoff, procedure and rules for strikes and lockouts of the company. Industrial Disputes have adverse effects on industrial production, efficiency, costs, quality, human satisfaction, discipline, technological and economic progress and finally on the welfare of the society. A discontent labour force, nursing in its heart mute grievances and resentments, cannot be efficient and will not possess a high degree of industrial morale. (Monappa, Nambudiri, & Selvaraj, 2012 & Mamoria & Mamoria, 2008)

BHEL is the 7th largest power equipment manufacturer in the world. In the year 2011, it was ranked ninth most innovative company in the world by US business magazine Forbes. BHEL was granted the ‘Maharatna’ status on 1st February 2013 by the government of India making it one of the only 7 mega Public Sector Undertakings (PSUs) of India clubbed under this esteemed status. It has established in 1964 and also has a network of 17 manufacturing units, 2 repair units, 4 regional offices, 8 service centres, 8 overseas offices, 15 regional centres, 7 joint ventures, and infrastructure allowing it to execute more than 150 projects at sites across India and abroad. The company has established the capability to deliver 20,000 MW p.a. of power equipment to address the growing demand for power generation equipment. It offers a wide
spectrum of products and services to the core sector like Power generation, Transmission, Distribution, Industry, Transportation, Oil and gas, Defence and non-conventional energy system. The company has been earning profits continuously since 1971-72 and paying dividends uninterruptedly since 1976-77.

The study is mainly based on BHEL Haridwar Plant. The Heavy Electricals Equipment Plant is one of the major manufacturing units of BHEL. The core business of HEEP includes design and manufacture of large size steam and gas turbines, turbo generators, heat exchangers, condensers and auxiliaries. HEEP & CFFP both have been awarded certificates for Quality Systems (ISO-9001:2008) Environment (ISO-14001) and Occupational Health & Safety (ISO-18001).

**Forms of Industrial Disputes:**

- **Strikes:** Strike is a very powerful weapon used by the trade unions to get their demand accepted. It means quitting work by a group of workers for the purpose of bringing pressure on their employer to accept their demands.

- **Lock Outs:** It is the counterpart of strike. In lock out, the employer closes down his factory or place where his workers are employed or if he refuses to continue in his employ a person or persons because he wants to force them to agree to his terms and conditions of service during the pendency of a dispute. Lock outs bring psychological pressure on the workers to agree to his conditions or face closure of the unit.

- **Gherao:** it is a Hindi word which means to surround. It denotes a collective action initiated by a group of workers under which members of the management of an industrial establishment are prohibited from leaving the business or residential premises by the workers who block their exit through human barricade.

- **Picketing:** Workers are dissuaded from reporting for work by certain persons stationed at the gate of the factory. It is legal so long as no violence is involved. It is primarily a method of drawing public attention towards the dispute.

- **Boycott:** It aims at disrupting the normal functioning of an enterprise, through forceful appeals and negative behavioural acts. Striking workers prevent others from entering the place of work and persuade them not to cooperate with the employer. *(Gupta & Joshi, 2011)*

**The Following Principles Judge the Nature of an Industrial Dispute:**

1. The dispute must affect a large number of workmen who have a community of interest and the rights of these workmen must be affected as a class.
2. The dispute must be taken up either by the industry union or by a substantial number of workmen.
3. There must be some nexus between the union and the dispute.
4. According to Section 2A of the Industrial Disputes Act, 1947, a workman has a right to raise an industrial dispute with regard to termination, discharge, dismissmal, or retrenchment of his or her service, even though no other workman or any trade union of workman or any trade union of workmen raises it or is a party to the dispute.

**Causes of Industrial Disputes:** The causes of industrial conflict or disputes have been much varied. These may be described partly a psychological or social and partly political, but predominantly economic. Some important factors responsible for industrial conflict and poor industrial relations many are briefly stated as follows:

- Lack of proper fixation of wages inconformity with cost of living and a reasonable wage structure generally and bad working conditions.
- Attempts by management to introduce changes (such a rationalization, modernization or automation) without creating a favourable to appropriate climate or environment for the same.
- Lack of strong and healthy trade unionism, lack of a proper policy of union recognition and inter-union rivalries.
- Lack of competence or training on the part of first-line supervision as well management at upper levels in the practice of human relations.
- Management’s general apathetic towards workers or employees because of their contention that they want more and more economic or monetary rewards and want to do less work etc.

**No. of strikes occurs during last five years in BHEL Haridwar (2009- 2015):**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Strike Date</th>
<th>Strike By</th>
<th>Reasons</th>
<th>Time Lost</th>
<th>Process/Functions Were Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>15/09/2009</td>
<td>Workers</td>
<td>Pay revision</td>
<td>2 days</td>
<td>Negotiation</td>
</tr>
<tr>
<td>2</td>
<td>28/02/2012</td>
<td>Executives, Non-Executives &amp; workers</td>
<td>Price rise, strict enforcement of labour laws and stoppage of disinvestment</td>
<td>1 day</td>
<td>Settle in joint committee meeting.</td>
</tr>
<tr>
<td>3</td>
<td>04/04/2012</td>
<td>Unions</td>
<td>Better wage &amp; worker’s unions</td>
<td>2 days</td>
<td>Company agree to give 8.3% bonus.</td>
</tr>
<tr>
<td>4</td>
<td>08/07/2014</td>
<td>Executives, Non-Executives &amp; workers</td>
<td>Bonus / performance related pay</td>
<td>2 days</td>
<td>Settle in joint committee meeting.</td>
</tr>
<tr>
<td>5</td>
<td>02/09/2015</td>
<td>Unions</td>
<td>changes in labour laws, stopping the disinvestment and privatization of PSUs</td>
<td>1 day</td>
<td>Collective bargaining</td>
</tr>
</tbody>
</table>

**Machinery for Prevention and Settlement of Industrial Disputes:** When the relationship between the parties is not cordial, discontentment develops and conflicts erupt abruptly. It is not always easy to put out the fires with the existing dispute-settlement machinery, created by the government. Hence both labour and management must appreciate the importance of openness, trust and collaboration their day-to-day dealings.
Machinery for Prevention and Settlement of Industrial Disputes

<table>
<thead>
<tr>
<th>Voluntary Methods</th>
<th>Government machinery</th>
<th>Statutory Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collective Bargaining</td>
<td>Labour Administration</td>
<td>Works Committees</td>
</tr>
<tr>
<td>Trade Unions</td>
<td>Machinery</td>
<td>Conciliation</td>
</tr>
<tr>
<td>Joint Consultations</td>
<td>• State Level</td>
<td>1. C. Officer</td>
</tr>
<tr>
<td>Standing Orders</td>
<td>• Central Level</td>
<td>2. C. Board</td>
</tr>
<tr>
<td>Grievance Procedure</td>
<td></td>
<td>Arbitration</td>
</tr>
<tr>
<td>Code of Discipline</td>
<td></td>
<td>Adjudication</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1. Labour Courts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Industrial Tribunals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. National Tribunals</td>
</tr>
</tbody>
</table>

Review of Literature:
Gani (1990) study the industrial relation in Jammu and Kashmir. It has been found that the wages and allowances were the major causes behind the industrial disputes in the state. This study concludes that, both the direct and third party dispute settlement measures have, by and large, not been successful in the state.

Saha and Pan (1994) explained the determinants of industrial disputes (both strikes and lock-outs) by developing an econometric model using disputes data for 19 industries over seven years from 1980 to 1986. It was found that in more unionised industries, man days lost from disputes are likely to be less compared to less unionised industries. In contrast, industries with larger average factory size will have greater man days lost. Employees' monthly earnings seem to be a weak variable having ambiguous and almost insignificant effects on man days lost.

Ghosh & Geetika, (2007) focuses on the protection of basic worker and human rights in developing nations thus necessitates unionization so that the working population can reap the benefits of economic growth.

Vasanthagopal & Venugopalan (2008) study depicts that wages and allowance as the main cause of disputes. They perceived ‘bonuses, ‘workload’ and ‘violation of agreement’ as the other important causes in both these sector. Reasonable demands and units of workers were the most important reasons for the success of strikes in both the public and private sectors.

Sarkar & Jafar, (2011) in this study, some of the issues that have been highlighted in the context of the unorganized sector pertain to low wages, indecent working condition, non-availability of appointment letter to the worker, etc.

Objective of the Study:
a) To study the Causes of Industrial Disputes in BHEL Haridwar.
b) To examine the Redressal System in BHEL Haridwar.

Research Design
Scope of the Study: The present study is based on HEEP the unit of BHEL Haridwar, plant had been selected as representative unit of BHEL.
Type of Study: This study is descriptive in nature.

Period of the Study: The study is spread over 5 financial years, from 2009-2010 to 2014-2015, for objective study

Sample Size: As per calculation according Yamane formulas a sample size of 380 has designed and same numbers of respondents have been approached. For approaching to the representatives of various categories of employees this sample size of 380 employees was divided into 80 executive employees (engineers and managers); 200 non-executive employees (unskilled/ semi-skilled, skilled and supervisory); 100 members of trade union (comprising both from executives & non-executive employees group and office bearers).

Reliability Statistics:

<table>
<thead>
<tr>
<th></th>
<th>Executive</th>
<th>Non-Executive</th>
<th>Trade Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s</td>
<td>0.78</td>
<td>0.865</td>
<td>0.744</td>
</tr>
</tbody>
</table>

We can see that as per the reliability test the sample selection (and there sub divisions) are reliable as the outcomes in the entire sub-category are greater than 0.5.

Collection of Data:

Primary Data: The primary data were collected through questionnaire which was filled by Executives, Non – Executives and Trade Union

Secondary Data: The secondary data has been collected through various official and non-official records. These materials comprised of annual reports and other publications of BHEL, reports and publication of various governmental agencies, journals and various other published sources.

Analysis of Data: The data has been classified, tabulated and analysed according to the objectives of the study. The analysis has been done by making use of various statistical tools such as percentage, Mean, standard deviation, chi-square, t-test, analysis of variance (ANOVA).

Limitation of the Study:

1. The limitations involved in primary data and observational method is also present in the study. The study mainly depends over the responses of the respondents.
2. The study was confined to HEEP Haridwar, BHEL only.
3. There are only limited variables which have been framed for the objective analysis.

Analysis & Discussions:

Table – 1: Distribution of respondent about occurring of industrial dispute in their unit according to designation and job experience

<table>
<thead>
<tr>
<th>Designation</th>
<th>Occurrence of Industrial Dispute</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Engineer</td>
<td>47</td>
<td>3</td>
</tr>
<tr>
<td>Manager</td>
<td>27</td>
<td>3</td>
</tr>
</tbody>
</table>
Out of total selected 80 executives of BHEL 74 (92.5%) accepted to happen industrial disputes in their unit whereas out of total selected 200 non-executives, all admitted to occur any type of industrial disputes in their organisation. Those executives who admitted to the occurrence of industrial disputes in their unit majority 94.0% were engineer and 90.0% of a managerial group. It is also noted that 92.0% of executive having job experiencing 5 – 10 years’ experience 88.2% & 100% having job experience between 11 – 15 and greater than 15 years reported occurrence of disputes in their unit but statistically these difference are not significant.

Table No. 2, shows that majority 55.4% of executive respondent major causes of disputes related to employees welfare facilities followed by bonus (39.2%) and wages & salary (28.4%) while working condition (20.3%) and adoption of new change (10.8%) where the causes placed on 4th & 5th position respectively. The major causes of industrial disputes reported by non-executive was about working condition (40.5%) followed by wages & salary (31.0%) and then about welfare facilities of the employee whereas on the 4th & 5th place was adoption of new change (18.5%) and bonus related matter which is accounted only 7.0% of non-executive.

Table – 2: Major causes of industrial disputes in BHEL Haridwar

<table>
<thead>
<tr>
<th>Major causes of disputes</th>
<th>Yes</th>
<th>%</th>
<th>NO</th>
<th>%</th>
<th>Total</th>
<th>Yes</th>
<th>%</th>
<th>NO</th>
<th>%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages &amp; Salary</td>
<td>21</td>
<td>28.4</td>
<td>53</td>
<td>71.6</td>
<td>74</td>
<td>100.0</td>
<td>62</td>
<td>31.0</td>
<td>138</td>
<td>69.0</td>
</tr>
<tr>
<td>Bonus</td>
<td>29</td>
<td>39.2</td>
<td>45</td>
<td>60.8</td>
<td>74</td>
<td>100.0</td>
<td>14</td>
<td>7.0</td>
<td>186</td>
<td>93.0</td>
</tr>
<tr>
<td>Working Condition</td>
<td>15</td>
<td>20.3</td>
<td>59</td>
<td>79.7</td>
<td>74</td>
<td>100.0</td>
<td>81</td>
<td>40.5</td>
<td>119</td>
<td>59.5</td>
</tr>
<tr>
<td>Welfare Facilities</td>
<td>41</td>
<td>55.4</td>
<td>33</td>
<td>44.6</td>
<td>74</td>
<td>100.0</td>
<td>51</td>
<td>25.5</td>
<td>149</td>
<td>74.0</td>
</tr>
<tr>
<td>Adoption of new change</td>
<td>8</td>
<td>10.8</td>
<td>66</td>
<td>89.2</td>
<td>74</td>
<td>100.0</td>
<td>37</td>
<td>18.5</td>
<td>163</td>
<td>81.5</td>
</tr>
</tbody>
</table>

Table -3: Methods favour most for the settlement of industrial disputes in BHEL Haridwar

<table>
<thead>
<tr>
<th>Methods Favour that settlement of industrial disputes.</th>
<th>Executive</th>
<th>Non- Executive</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Mutual Negotiation</td>
<td>49</td>
<td>66.2</td>
</tr>
<tr>
<td>Conciliation</td>
<td>6</td>
<td>8.1</td>
</tr>
<tr>
<td>Collective Bargaining</td>
<td>19</td>
<td>25.7</td>
</tr>
</tbody>
</table>
The above table explained that majority 66.2% of executive and 70.0% of non-executive subjects opined that mutual negotiation is the best method for the settlement of industrial dispute followed by collective bargaining (25.7%) among executive and conciliation (24.5%) among non-executive respectively. Only 3.5% & 2.0% of non-executive subject were of the opinion that collective bargaining and arbitration for the most important method for the settlement of industrial dispute.

Findings of the Study:
1. It found from the present study that executives accept the major causes of industrial dispute related to welfare facilities, bonus, wages & salary while non-executives to working conditions, wages & salary and welfare facility.
2. The study reveals that both executive & non-executive are in favour of mutual negotiation that are the best method for settlement of industrial disputes followed by conciliation and collective bargaining respectively.
3. It clearly indicates that there is variance in the opinion of non-executive for reporting various causes of disputes in their organisation but statistically no significant association is exist in the organisation.
4. The result clearly shows that there is no significant association between designation & Job experience of executives with explaining favourable methods for settlement of industrial disputes.

Suggestion:
1. Economic & Non – Economic incentives that are being presently provided is needed to be reframed / restructured as working condition and welfare facilities are key causes of industrial disputes along with wages and salary.
2. Having good level of control and confidence over employees and union can help in minimizing the level of industrial disputes and sorting out such issues if any occurs in a way favourable to the parties of industrial relations.
3. Mutual negotiation is the commonly used method for settlement of industrial disputes in the organisation, followed by conciliation and collective bargaining. So it is suggest that such machinery should be strengthened more to tackle down dispute situations in a peaceful way along with expectation of positive outcomes.

Scope for Further Research:
1. It would be possible to be get- more fairer outcomes by increasing time period for objective analysis and number of respondents for primary data purpose.
2. Making a comparative study in between BHEL and other organisations in same cadre (Maharatana status) or along with same industry (heavy industries) can be helpful in making new valuable study.
Conclusion: Dispute constitutes open manifestations of the feelings of unrest and dissatisfaction on the part of workers. Most of the executive and non-executive are admitted that strike was occur in the plant and the major cause of dispute was related to the welfare facility (55.4%) and working condition (40.5%) on the basis of response of executive and non-executive. They also favour the mutual negotiation (66.2% & 70.0%) is the best method for settlement of dispute in the organisation.

Reference:


Websites:

AUTHORS DESCRIPTION

*Dr F. B. Singh*, is a Professor in Faculty of Commerce, Banaras Hindu University, Varanasi, U.P. India, having 20 years of teaching experience and performed several administrative roles during his career. He has supervised 12 Ph.D work, 2 M.Phil. Student and 8 scholars are pursuing their research work under him at present. He has made published 35 research papers in national/International journals/edited books and chaired various technical session in different seminars/conferences. He is chief editor of a Biannual Refereed International Journal of Business and Social Studies - ‘Hermeneutics’

**Arun Kumar** is a Senior Research Fellow (SRF) in Faculty of Commerce, Banaras Hindu University, Varanasi, U.P. India. He has completed M.Com with specialisation in HRM from same institution. He is having 10 research papers published to his credit which are published in several national/international refereed journals and 10 papers published as chapters in different edited books. He also had participated and presented 40 research papers in various national/International seminars/conferences, and also participated in 4 workshops. He is a life member of the Indian commerce Association, Indian Accounting Association, Youth Empowerment and Research Association. He is a member of editorial board of a Biannual Refereed International Journal of Business and Social Studies - ‘Hermeneutics’