Evolving Industrial Relation Climate in Durgapur Steel Plant

It was on a late winter afternoon, 26 December, 1959, President Dr. Rajendra Prasad symbolically pushed a lever that started a loud siren. Hot metal flowed out of blast furnace No.1 (Sharada Devi). A group of engineers and workmen, including S R Mitra, C S N Raju, Y S Bhat, M F Mehta, P G lyengar and C R Srinivasan, saw the lava flowing out, clapped and wiped their tears of joy. Across the road, near the power house, under a small shamiana were seated President Rajendra Prasad and other dignitaries, including Minister of Steel and Industries, Swaran Singh, British High Commissioner Mac-Donald, Steel Secretary S Bhoothalingam, West Bengal Governor Padmaja Naidu, Hindustan Steel Chairman G Pande, General Manager, K Sen and Indian Steel Consortium (ISCON) representatives.

Ever since then, for more than five decades now, Durgapur Steel Plant an integrated Steel Plant of Steel Authority of India Limited has been producing steel for the nation. The entire post independence industrial revival of West Bengal to regain its pre-independence eminence as the industrial hub for the country was planned around this region with a host of other projects conceived by the state government as well as the central government of that time.

To facilitate mining operation MAMC was built to cater to the needs of mining machinery, Durgapur Projects Limited and DVC was commissioned to make the region power sufficient. Raniganj less than fifty kilometers from the place was also getting developed for coal mining activities.

The result was that a lot of skilled, semi-skilled and literate populations from West Bengal as well as neighbouring states of Bihar and Orissa and also the migrants of East Bengal found their aspirations of a decent livelihood being realized in the Region. Thus the region acquired the cosmopolitan characteristics typified by low materialistic cravings but amplified social affiliations both typical of eastern part of the country. The strong social affiliations gradually gave rise to unionism which was also encouraged by the nation’s new found obsession for egalitarianism and development of fair labour practices. Having just come out of British rule the political class wanted to payback the worker class for their critical role in freedom movement.

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Also early industrialisation of Bengal had a catalytic effect on both the nationalist movement and the trade union movement and helped link them. Many of the early union leaders like C.R. Das and Netaji Subhash Chandra Bose were freedom fighters and nationalist stalwarts. The more extremist form of the nationalist movement probably helped establish a tradition of militancy in the union movement. All this resulted in the area acquiring the reputation of being hotbed of union activism characterized by inter union rivalry as well as management - union face-offs.

During this very period Bengal was experiencing its first taste of Naxal romanticism which was struggling to erase class barriers and exclusivity from our social fabric. This had its own influence on molding the union philosophy which at times manifested itself in adopting aggressive and even sometimes violent campaigns for worker’s rights. An extremely turbulent period between 1967 and 1970 was dominated by the Naxalite movement and militant trade unionism, which many believe was the cause of subsequent de-industrialization with industrialists fleeing to other states and widespread sickness and closures of industrial units.

**Industrial Relations in Durgapur Steel Plant**

Centre of Indian Trade Unions (CITU), a national central trade union in India was founded in 1970. Politically attached to the Communist Party of India (Marxist), it was the result of a split in the AIITUC and the resultant split in the Communist Party of India itself. Indian National Trade Union Congress (INTUC) the trade union wing of the Indian National Congress, was founded in 1947. All India Trade Union Congress (AITUC) is the oldest trade union forum in India and one of the five largest. It was founded in 1920 and until 1945, when unions became organized on party lines, it was the central trade union organization in India. In the early seventies, CITU and INTUC represented by their affiliated HSEU and HSWU respectively were the two main unions representing the workers in the bipartite forum the Joint Apex Committee. AITUC through its affiliate DSSU occasionally made its presence felt on odd issues. However, later with induction of DSSU in the forum union concept all the above three unions were formally inducted in management-union discussion in the course of collective bargaining.

The inter union competition led to unions resorting to brinkmanship with the management and also one-upmanship with each other in order to increase their support base and attract the attention of the workers. Inter union competition and rivalry was the order of the day. As in the case of other industries in the region, the populist approach quite often gave way to aggressive behaviour and violence, a typical reflection of the similar competitive behaviour witnessed
on the political arena between their political patrons. High degree of politicization had always been the stumbling block for harmonious IR in the plant. The inter union competition for follower base in Durgapur Steel Plant always had adverse effect on the management in terms of having to contend with many unrealistic demands on account of populist orientation of the unions and also getting accused of partisan behaviour by unions from time to time.

In early seventies the country’s leadership was seized with the protracted nature of IR problems in the Durgapur Steel Plant, one of the most important industrial units in the Region. In their bid to come out with innovative solution for cooling down the nerves they thought appointment of a trade union leader as head of management will better balance the management and worker’s interest. They thus appointed Bagaram Tulpule the veteran trade unionist as head of the plant. However during his tenure the plant faced one of its fiercest IR challenges in the form of mixer bay crane strike, the steel melting shop strike and the furnace strike, all pointing towards increasing difficulty faced by the management and the union in maintaining sanity and bridging the management worker divide.

The tumultuous IR climate continued up to late eighties and gradually gave way to focus on modernization which continued up to the nineties. This period witnessed a tectonic shift in bringing about a demographic change in the workers profile. Large scale recruitment was done for manning the newly commissioned facilities and machinery. They required higher skill and education level thus bringing in the ability to be aware of the issues on their own and also seek reason and logic into union decisions. Further the new recruits owed their selection to fair and transparent competitive process rather than based on recommendation of union leaders, and, sourcing from villages covered by the steel plant and the sprawling township. Thus the new recruits were not as politicized as their earlier counterparts. Many of these new recruits were also highly educated, and, DSP provided them the only opportunity in the region to have a decent living as most of the central units had shut down or were ailing. They had comparatively longer stint in the company and slowly the unions started reflecting their interest in pursuing long term objectives for the plant. Liberalisation too had its effect as unions started realizing that government will slowly be retracting from its commitment of providing budgetary support to ailing units and thus all things must come second to the all important financial viability of the business unit. The political class and also the higher leadership of the union had by this time started realizing that their interest could be met only through a healthy and viable plant. They had already before them examples of once flourishing PSUs namely MAMC, BOGL
and Durgapur Fertiliser Plant etc. losing their business viability on account of prolonged management – union face-offs and extending the turf for union activism which at times impinged on managements prime responsibility of ensuring business viability of the unit. At times it even gave management an opportunity to hide their own failures and ineptitude behind the high glare of union interferences in normal functioning of the units. People slowly even started being critical of the union leaders and also the political class for taking up stands which did irrepairable damage to the once thriving organisations in the region.

Post modernization discussions between the union and the management in DSP which continued throughout the nineties was the watershed era in evolving nature of management union relations. This decade was marked by relative ease marking union and management relations as they were learning to work with each other for finding solutions for workers interest and also for overcoming restrictive practices rather than adopting permanent confrontationist postures. Many of the contentious issues hanging since long, such as union demands for four year intra-cluster promotion eligibility instead of five years in line with that of other units of SAIL and management's standing concern for eliminations of restrictive practices in the name of a LOPs and trades could be overcome through joint management-

union efforts and dialogue. These negotiations were done mostly in harmonious atmosphere across the discussion tables in the various union-management standing committees and left hardly any scope for muscle flexing at the shop floors to force the issues. The two sides started showing signs of maturity in patiently waiting for results rather than precipitating the issues. The sustained negotiations for workers benefits for taking up new assets, and also, for providing management the free hand for multi-skilling and flexibility in deployment, started bearing fruits in terms of new found confidence in each other. This awakening was also facilitated by the 21st century management ideals of employee engagement for increased productivity.

**Evolution of Industrial Relation Machinery**

Upto the year 2004 the union management discussion and the process of collective bargaining used to be done under the concept of forum unions, with no single recognized union, which had three participating unions namely HSEU, HSWU and DSSU affiliated to CITU, INTUC and AITUC respectively.

In the year 1983, the West Bengal Legislative Assembly passed the Trade Unions (West Bengal Amendment) Act which got the President's assent in 1992. The rules took another six years to frame, came into effect from 4 August 1998. The Act provided for a union application
to the Registrar of Trade Unions for holding elections and for determining the bargaining agent status of the union. All unions with 10 per cent or more of the vote in an industry or 15 per cent of the votes in a plant or factory or establishment could become members of the bargaining council. One of the main objectives of the act was to reduce union multiplicity by restricting very small unions from achieving bargaining status.

Thus, in the year 2004 after the union elections out of three forum unions, DSSU affiliated to AITUC got out of the Joint Bargaining Council on account of its failure to secure prescribed number of followers.

With change in State Government Machinery once again in the year 2011 Joint Bargaining Council elections were conducted. Five labour unions affiliated to CITU, INTUC, AITUC, BMS and INTTUC (Trinamool Congress Labour Union) were in the fray. This resulted in INTTUC backed union also getting elected to Joint Bargaining Council in addition to the existing two unions.

**Contract Labour**

Of late DSP has been employing approximately 3-4 thousand contract labours for various jobs in different areas. Apart from this there are many contract labours engaged for different modernization projects of DSP.

The competition amongst the unions these days is most evident in the area of engagement of contract labours. This is an area where unions find it easiest to appease their cadres and dole out benefits in terms of getting hired for lucrative contractual assignments which is far in excess of the prescribed minimum wages.

For a long period CITU backed contract labour union held sway over the entire contract labour workforce as any contractor who had to hire contractual labours had to first approach the union office for sourcing its labour and the unions also used to extract their pound of flesh by negotiating with the contractor the number of labours etc. The management was totally vulnerable and hardly had any option to control the situation. There were also occasions when these CITU backed contract labours had sporadic confrontation with regular workers and their unions. They were highly organised and had the capacity to strike work at will even within the plant premises and shut down different operations and block gates.

The scene during early part of this second decade of twenty first century has changed to the extent that CITU’s monopolistic hold over contract labour has been eroded. After initial turmoil INTUC and INTTUC are in the process of consolidating their positions along with CITU. In the past things became critical at times as the contractors were finding it difficult to take up their contractual obligation for want of stable sourcing of their labour. This competition amongst
the unions saw its adverse effect in terms of delay in different projects such as B & R caster, Medium Structural Mills etc. The situation is slowly normalizing. Even now there is an element of bargain between different groups of unions for contract labour sourcing. The contract labour wings of these unions are in the process of consolidating their hold and at present are coming to an understanding for splitting outsourcing requirements of the contractors. There are occasions when contract labour working since long are losing their jobs on account of their union affiliations and this has lead to sporadic violence and work stoppages from time to time. It has become a source of distraction for the management as it has to regularly seek assistance of the labour authorities and the law enforcing agencies in managing the situations. Many of the events which have the potential to become catastrophic for different projects are proactively managed by keeping an eye on potential problems and seeking their timely resolution.

**Union Management Relations**

There are a few major issues that have been keeping the management engaged of late with the unions. There has been a long pending demand by the unions for compassionate ground employment for those who died in harness. Management has been restricting its obligation to merely those who met with unnatural death during the course of employment. However, the issue is likely to be put on simmer for some time with management agreeing to give compassionate employment to most of such cases.

Union has also been lobbying for opening up the long term house lease scheme for employees as was done a decade back.

Annual bonus settlement which used to raise the pitch in the past are no longer discussed at the level of local units as these are being discussed and settled with central trade union representatives by the Corporate Office.

Till a few years back a lot of demonstrations were being staged by the unions on the issue of expediting promotions but this too has become non contentious of late with most of the demands of the unions having been settled jointly between union and management.

**Regulatory Authority for Labour**

The appropriate government for labour issues till September 2010 was the state government. However, by virtue of Industrial Dispute (Amendment) Act 2010 central government has been made the appropriate government in case of almost all establishments of SAIL including the Durgapur Steel Plant.

This means that the establishments had to register themselves with the central labour commissioner for contract labour hiring and also all labour disputes shall have to be referred to central government
labour commissioner for conciliation, arbitration and adjudication.

**Questions**

- Identify the challenges inherent in handling multiple unions in managing IR in a production unit
- Enumerate benefits of regulated and structured IR machinery in an production unit

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