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**THEORITICAL CONCEPT OF INDUSTRIAL RELATION IN NALCO, ODISHA**

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**ABSTRACT-** Industrial relations are the relationships between employees and employers within the organizational settings. The field of industrial relations looks at the relationship between management and workers, particularly groups of workers represented by a union. Industrial relations are basically the interactions between employers, employees and the government, and the institutions and associations through which such interactions are mediated. National Aluminium Company Ltd. (NALCO) is considered to be a turning point in the History of Indian Aluminium industry. In a major leap forward, NALCO has not only address the mood for the self-sufficiency in the Aluminium, but also given the country a technology edge, in producing this strategic metals on the best of world standards. NALCO was incorporates in 1981 in the public sector, to exploit a part of the large deposits of Bauxites, discovered in the East Coast, in technological Collaboration with Aluminium Fechinery of France National Aluminium Company Ltd. (Nalco) is considered to be a turning point in the history of Indian Aluminium Industry. In a major leap forward, Nalco has not only addressed the need for self-sufficiency in aluminium, but also given the country a technological edge in producing this strategic metal to the best of world standards.

**KEY WORD-** Freedom, Democracy, Discipline, Value, Cooperative and Harmonious.

**INTRODUCTION-**

According to Lester "Industrial relations involve attempts fort arriving at solutions between the conflicting objectives and values; between the profit motive and social gain; between discipline and freedom, between authority and industrial democracy; between bargaining and co-operation; and between conflicting interests of the individual, the group and the – community". Good human relations are the backbone of every successful organization. Industrial relations deal with the people from different walks of life. So IR bridges, conducts and maintains the relationship to achieve the organizational objective. Industrial relations has become one of the most delicate and complex problems of modem industrial society. Industrial progress is impossible without cooperation of labors and harmonious relationships. Therefore, it is in the interest of all to create and maintain good relations between employees (labor) and employers (management).

National Aluminium Company Limited was incorporated in 1981, as a public sector enterprise, under ministry of Mines, Government of India .Nalco is Asia's largest integrated alumina-aluminium complex, comprising bauxite mining, alumina refining, aluminium smelting and casting, power generations, rail and port facilities. Aluminium Pechiney of France, a world leader in the field, provided the technology and basic engineering for bauxite mining, alumina refinery and smelter. Nalco products enjoy worldwide reputation on account of their quality, reliability in shipment, backed by high standard of customer services. Commissioned during 1985-87, Nalco has emerged to be a star performer in production, export of alumina and aluminium, and more significantly, in propelling a self-sustained growth. As a testimony of good man, money, machinery and materials management, Nalco has been a profit making organisation since its inception. And in reorganization of NALCO's ability to perform and grow into a significant contributor to the economic development of India having a growth of 13.66% in profit since last decade, its competitive advantage and capacity to turn into a global giant, the

Government of India has accorded “ NAVARATANA” status to the company in the year 2008. With consistent track record in capacity utilization, technology absorption quality assurance , export performance and posting of profits, NALCO is a bright example of India’s industrial capability. With the discovery of the vast east coast bauxite resources at Panchpatmali. Hill a new chapter in the history of Alumina and Aluminium in India began in 1979. Government of India decided to set up a mines and refinery unit and accordingly the foundation stone was laid in 1981, by the then Prime Minister Ms Indira Gandhi. Incorporated in 1981 ,as a public sector enterprise of the Government of India, National Aluminium Company Limited (NALCO) is Asia’s largest integrated aluminium complex, encompassing bauxite mining, alumina refining , aluminium smelting and casting , powder generation , rail and port operations. The open cast mines was located at Panchpatmali hills of Koraput district in Orissa where as the Alumina Refinery was located at Damanjodi a flat land located about 15 kms away from the mines. Together the unit came up to be the largest open cast bauxite mine and the largest Alumina plant in Asia.

NALCO was incorporated in 1981 as a CPSE to exploit a part of the large bauxite deposits discovered in the East Coast, in technological collaboration with Aluminium. Pechiney of France (now Rio Tinto- Alcan). Presently, NALCO is a Navratna CPSE of Govt, of India, under Ministry of Mines. With consistent track record in capacity utilization, technology absorption, quality assurance, export performance and profitability, NALCO is a bright example of India’s industrial capacity. The company is listed at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Besides, ISO 9001, ISO MOOland OHSAS ISO01 certification, the company has also adopted SA 8000 ; 2008 for Corporate Social Accountability. Its Captive Power Plant (CPP) is also certified to ISO 50001 Energy Management System. Recently the Company has diversified into Wind Energy Sector and also investing in Nuclear Power.

#### **THEORETICAL PERSPECTIVES OF INDUSTRIAL RELATIONS :**

Industrial relations has become one of the most delicate and complex problems of modern industrial society. Industrial progress is impossible without cooperation of labor and harmonious relationships. Therefore, it is in the interest of all to create and maintain good relations between employees (labor) and employers (management). Industrial relations are a multidisciplinary field that studies the employment relationship. Industrial relations are increasingly being called employment relations because of the importance of non-industrial employment relationships. Maintaining smooth industrial relation is not an easy task. Almost all the industrialized countries of the world face the problem of establishing and maintaining good management worker relationships in their industries. Each country has sought to find out solution, depending upon its economic, social and political environment. However, industrial conflict still arises and therefore establishment and maintenance of satisfactory industrial relations forms an important plank in the personnel policies.

#### **Objectives of industrial relations**

1. To bring better understanding and cooperation between employers and workers.
2. To establish a proper channel of communication between workers and management.
3. To ensure constructive contribution of trade unions.
4. To avoid industrial conflicts and to maintain harmonious relations.
5. To safeguard the interest of workers and the management.
6. To work in the direction of establishing and maintaining industrial democracy.
7. To ensure workers’ participation in decision-making.
8. To increase the morale and discipline of workers.

**9.** To ensure better working conditions, living conditions and reasonable wages.

**10.** To develop employees to adapt themselves for technological, social and economic changes.

The expression Industrial Relationship by itself means the relationship that emerges out of day to day working and association of labour and management. The task of IR in wider meaning a set of functional interdependence involving historical, economical, social, psychological, demographic, technological, occupational, political and legal variables. Out of these we have taken three significant factors trade Union, labor, legislation and industrial democracy. Industrial relations are concerned with the organization and practice of multipronged relationship between workers and their unions in an industrial enterprises. These relationship exists in both the organized and unorganized sectors of industry. These relationship however, do not constitute a simple relationship but are a set of functional interdependence involving historical, economical, social, technological, demographic, occupational, political, legal, and other variables needing an inter disciplinary approach for their study. If we make industrial

disputes the centre of a circle, it will have to divide into various segments. A study of the conditions of work mainly the level of wages and security of employment, comes under the purview of economics. The origin and development under history. The resultant social conflicts under sociology, the attitude of combatants, government and the press under social psychology, their cultural interaction under social psychology, their cultural internal interaction under cultural anthropology, state policies bearing on the issues involved in the conflict under political science, legal aspect of disputes under law, issues involved in interactional aids under international relationship, the degree of effectiveness with which the labor policies is administered under public administration technological aspects of the disputes under technology and qualitative assessment of issues incurred by the parties and the countries economy under mathematics.

The primary objective of industrial relationship is to bring about good healthy relations between the two partners in industry- labour and management, it is found that political objective are likely to bring about disunity in the trade union movement, then other safeguards and greater restraint are required to avoid conflict. The labour:-management committee of the Asian regional conference of the ILO has recognized certain fundamental principles as objective of social policies in governing industrial relations with a view to establish harmonious labour management relations, the; are :-

- I.** Good labour:- management relations development when employers and trade union are able to deal with mutual problems freely, independently and responsibly.
- II.** Trade unions and employers and their organizations are desirous of resolving their problems through collective bargaining , and in resolving these problem, the assistance of appraise Govt, agencies might be necessary in the public interest collective bargaining .therefore is the corner stone of the good relations and the legislative frame work of industrial relations should assist in the maximum use of process of mutual accommodation.
- III.** The workers and the employers organizations should be desirous of associating with Govt, agencies in considering the general, social and economic measures affecting employers and workers relations.

#### **OBJECTIVES OF THE INDUSTRIAL RELATION**

**a.** To safe guard the interests of labour as well as of management by securing the highest level of mutual understanding and good will between all sections in industry which take part in the process of production.

- b. To avoid industrial conflicts and develop harmonious relations, which are essential for the productive efficiency of workers and the industrial progressive of the country.
- c. To rise productive to a higher level in an era of full employment by reducing the tendency to higher and frequent absenteeism.
- d. To establish and maintain industrial democracy based on labour partnership, not only for the purpose of sharing the gains of the organization but also participating may be fully developed and he grows into a civilized citizen of the country.
- e. To bring down strikes, lockouts, gheraos by providing better and reasonable wages and fringe benefits to the workers and improved living conditions.
- f. To ensure that the state endeavors to bridge the gap between the unbalanced disorder and maladjusted social order and need for shaping the compels social and relationship emerging out of technological advances by controlling and discipline its members and adjusting their conflicting interest-protecting some and restraining others and evolving a healthy social order.

**THE MAIN ASPECT INDUSTRIAL RELATION ARE**

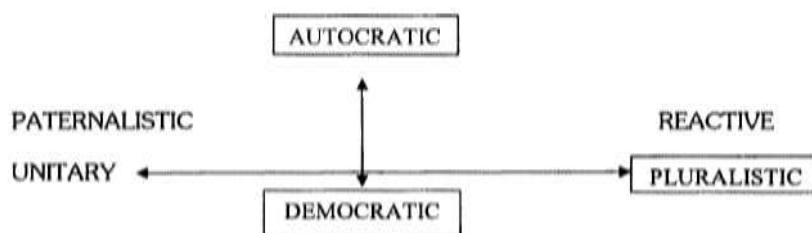
1. Promotion and development of healthy labour management relations.
2. Maintenance of industrial peace and avoidance of industrial strike.
3. Development of industrial democracy.

**Following are three principal participating groups involved in any industrial relation system.**

- a. Employer's and Employer's organization.
- b. Employees and their Trade unions.
- c. Government and its agencies concerned with workplace and work community.

These three groups, employees, employers and Government interact with each social, political, and economic environment. The product of such interaction so far as they relate to the job-regulation in the industrial relations. The employers and the employees are the main partners in the process of job regulation, but the government being the custodian of the interest of the community at large also tries to regulate jobs as well as relationship between the two conflicting interest groups and safeguarding the interest of public interest.

Chart No-3  
FOUR POSSIBLE STYLES OF INDUSTRIAL RELATIONS MANAGEMENT



The combination of managerial assumption and control give rise to the above matrix, which depicts four possible styles of industrial relations management. The style mentioned in each quartile reflects the level of management maturity within an organization. In other

words as a management matures, it moves from the first quartile on to the second and hence to the third on route to the fourth contrary evidence also exists to the support the views that the organization ,unable to the withstand the pressure of charges regressed from quartile three to quartile two and ascend themselves in the familiarity of quartile one.

**PATERNALISTIC STYLE** village affinity, caste bias and politics positioning of management accentuated the paternalistic style.

**REACTIVE STYLE** was adopted not so much in respect of the actions of workers themselves. Out of the environment in which the company functioned e.g the PWG in the locality, the interest of MP or the MLA, the state government regarding the particular industry.

**PRO-ACTIVE** style was more prevalent in cases where workers were skilled craftsman or where the manager was an educationally qualified person.

**PARTICIPATIVE STYLE** is usually used by the Co-operative societies especially fit the description best.

There are a number of key components associated with an industrial relations Audit or a human resource, management Audit and very briefly. These are

- a. The corporate policy or the company or organization
- b. The industrial relation policy
- c. The environment facing the organization

Attitude and styles of the parties that are associated with industrial Relations

Industrial relations and it becomes non going exercise in a free market economy. This does not TPSO facto assumes that all conflicts, which hinders the achievements of cooperate objectives, must be anticipated and regulated by industrial relation. Some theorist justifiably go the extend or stating that conflict arise out of change is a product of dynamism and hence must be welcomed this is indeed extreme view but was great merit. It prevents stability from becoming inertia that has been witnessed in the public sector. One has to see the institution of higher learning specially which is funded by the government to see the amount of dead words carried on the payrolls. The end result of this is that these is little or no real value addition arising out of managerial actions but in fact happens that management perceives that there action will lead to the realization of their objectSive and thereby add value IPSO factor .since the objective are thus mercantilist –traders /businessman , the perception of value addition s is flowed and real progress is vitiated the inevitable result is that we have organizational paralysis with all symptoms of development, less growth which is a typical feature of peripheral capitalism of retracted variety

### **NALCO'S HISTORY AND DEVELOPMENT**

National Aluminum Company Limited (NALCO) is the largest Aluminum Company in India as well as in Asia. On 29th March 1981, the Prime Minister of India late Mrs. Indira Gandhi at Angul and Damanjodi, Orissa laid down the foundation stone. NALCO was incorporated in 1981 in public sector, following a major investment decision of Government of India to exploit a part of the large deposit of Bauxite discovered in East Coast of the country. M/S Aluminum Pechinery of France, a world leader in the field of Aluminum, provides the technology and basic engineering for Bauxite mine, Aluminum Refinery and Smelter. National Aluminum Company Limited (NALCO) is considered to be a turning point in the history of Indian Aluminum Industry. In a major leap forward, NALCO has not only addressed the need for self-sufficiency in Aluminum, but also given



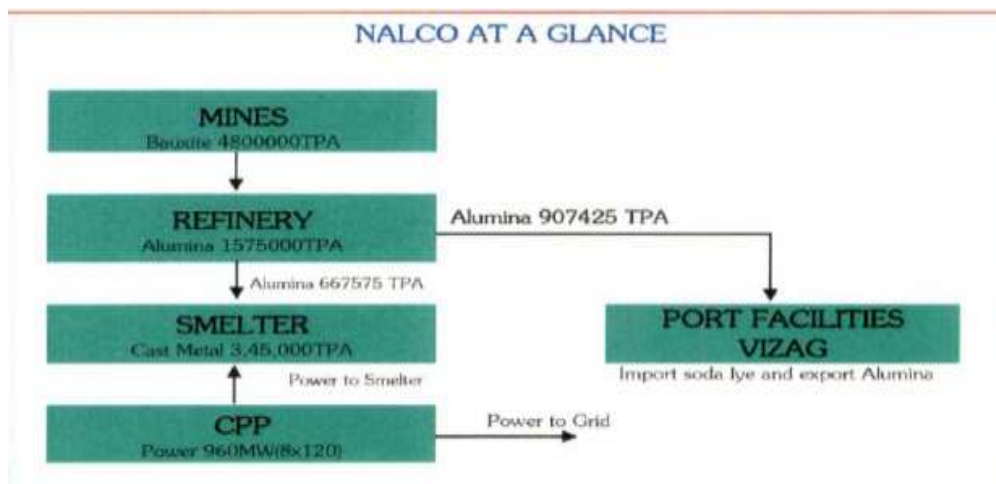
the country a technology edge, in producing this strategic metal on the best of world standards. Nalco was incorporated in 1981 in the public sector, to exploit a part of the large deposits of bauxite, discovered in the east coast, in technological collaboration with Aluminum Pechiney of France. Nalco's original project cost of Rs.2408 core was partly financed by 980 million US dollars, extends by a consortium of international banks .By 1998, the company has paid back overseas loans and going steady with an internally funded major expansion plan involving an investment of over Rs.3900 core. With its consistent track record in capacity utilization, technology absorption, quality assurance export performance and posting of profits, NALCO IS BRIGHT example of India's example of India's Industry capacity. Today as an ISO 9002 and 14001 Company, NALCO has emerged as the largest integrated bauxite -alumina-aluminum complex in Asia. The complex has five multi-locations, well integrated, segments viz. Bauxite Mine, Aluminum Smelter, captive Power Plant and Port Facilities. Nalco has taken over International Aluminum Product Limited (IAPL), a wholly owned subsidiary of Nalco i.e. March 2000 with the project cost of Rs.356 cores having capacity of 50,000 TPY of aluminum alloy coil sheets

**Vision**

To be a reputed global Company in the Metals and Energy sectors

**NALCO AT A GLANCE**

National Aluminium Company Ltd. (NALCO) is considered to be a turning point in the History of Indian Aluminium industry. In a major leap forward, NALCO has not only address the mood for the self-sufficiency in the Aluminium, but also given the country a technology edge, in producing this strategic metals on the best of world standards. NALCO was incorporates in 1981 in the public sector, to exploit a part of the large deposits of Bauxites, discovered in the East Coast.



**Mission**

- To achieve growth in business with global competitive edge providing satisfaction to the customers, employees, shareholders and community at large competitive edge
- To be a good corporate citizen, protecting and enhancing the environment as well as discharging social responsibility in order to ensure sustainable growth.

- To continuously develop human resources, create safe working conditions, improve productivity and quality and reduce cost and waste.
- To satisfy the customers and shareholders, employees and all other stakeholders.
- To intensify R and D for technology development.

**COMPANY PROFILE**

**Vision**

To be a Company of Global repute in Aluminum Sector.

**Mission**

To achieve growth in business with a global competitive edge providing satisfaction to the customers, employees, shareholders and community at large.

The integrated complex has five main segments:

**Table-1**

SEGMENT CAPACITY	SEGMENT CAPACITY	SEGMENT CAPACITY	SEGMENT CAPACITY
Bauxite Mine	4,800,000 tpy	63,00,000 tpy	Panchpatmali in Koraput
Alumina Refinery	15,75,000 tpy	21,00,000 tpy	Damanjodi in Koraput
Aluminum Smelter	3,45,000 tpy	4,60,000 tpy	Angul
Captive Power Plant	960 MW	1200 MW	Angul

The Company serves the national interest and enjoys trust and confidence of the market and of the general public on account of its product excellence, productivity, and profitability and good industrial relations. The inherent thrust on customer service is another hallmark of the Company. Energy and environment are the subjects of prime importance to the Company. Right from the design stage, the Company has adopted anti-pollution and energy efficient technologies. There is constant monitoring to ensure that there is no pollution of water and air and that there is no disturbance to environment or ecological balance. Plans are on the anvil to expand basic capacities of the plants and facility and create downstream capabilities to meet the demands of the future. The Company is a Government of India Enterprise under the administrative control of the Ministry of Coal and Mines. The Company is managed by a Board of Directors appointed by the President of India. The Board consists of maximum 18 Directors including the Chairman-cum-Managing Director of the Company. Apart from CMD, there are 5 functional or full time Directors heading Project and Technical, Personnel and Administration, Commercial, Finance and Production disciplines. There are 2 senior Government officials nominated to the Board as Directors by the Government of India. Besides, there are non-official Directors in the Board.

Thus, the Board of the Company is a pool of highly experienced and outstanding professionals drawn from various fields of specialization. The Board enjoys maximum possible operational autonomy, consistent with the overall corporate objectives, basic policies and programs with a view to achieving optimum utilization of its resources. Subject to the provisions of the Indian Companies Act, the Memorandum and Articles of Association, Memorandum of Understanding signed with the Government and also subject to policies formulated by the Board of Directors, from time to time, the Chairman-cum-

Managing Director has full powers to sanction expenditure or to deal with other matters for effective functioning of the Company.

The management's control system is based on delegation of authority and individual accountability for results. The responsibility and authority to take decisions on various matters are delegated by the Chairman-cum-Managing Director to different levels in the management hierarchy. For personnel matters such as appointments, confirmations, promotions, discipline, transfer, grant of various benefits, leave etc. powers have been delegated to different levels of executives, in conformity with the principles and policies of the management. The schedule of delegation of powers is a published document available for reference, which is subjected to review, from time to time, to incorporate necessary changes.

### **OBJECTIVES OF NALCO**

- To maximize capacity utilization.
- To optimize operational efficiency and productivity.
- To maintain highest international standards of excellence in product quality, cost efficiency and customer service.
- To provide a steady growth in business by technology up gradation, expansion and diversification.
- To have global presence and earn foreign exchange.
- To maintain leadership in domestic market.

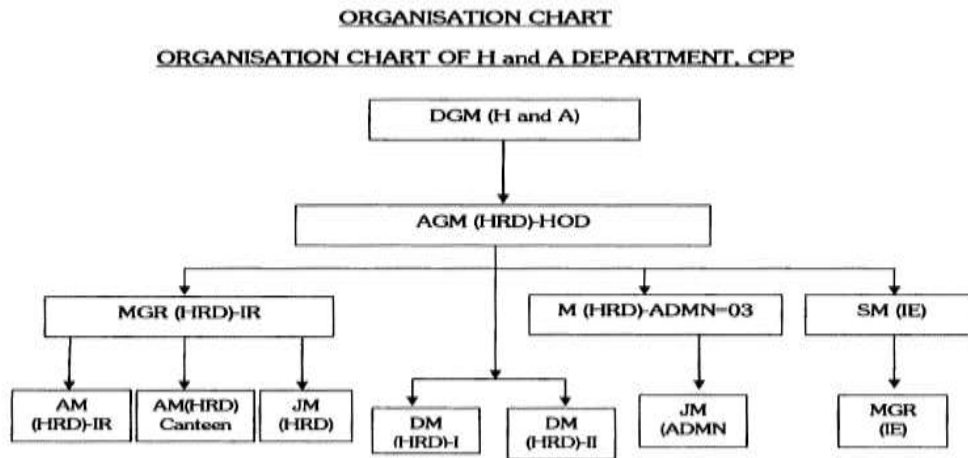
To instill financial discipline at all levels for achieving cost and budgetary controls, optimize utilization of working capital and effective cash flow management.

- To maximize return on investment.
- To develop a strong R and D base and increase business development activities.
- To promote a result oriented organizational ethos and work culture that empowers employees and helps realization of individual and organizational goals.
- To maximize internal customer satisfaction. To foster high standards of health, safety and environment friendly products.
- To participate in peripheral development of the area.

### **STRUCTURAL ORGANISATION OF NALCO-**

Nalco is a Govt, of India enterprise under the administrative control of the Ministry of Mines. Board of directors appointed by the president of India manages the company. The board consists of 10 directors including the Chairman-cum-Managing Director of the company. There are four functional full time directors heading, production, finance, project and technical, personal and administration disciplines. There are four senior Govt, officials nominee to the board as directors on ex-officio basis. Besides there are three non-official directors in the board appointed to represent the interests of financial institutions, allied industries and RSD objectives of the company Thus ,the board of company is a full of highly experienced and outstanding professional drawn from various fields of specialization.





## FUNCTIONS OF INDUSTRIAL RELATIONS OFFICER IN NALCO

### Collective bargaining-

Collective bargaining involves discussions and negotiations between two groups as to the terms and conditions of employment. It is called 'collective' because both the employer and the employee act as a group rather than as individuals. It is known as 'bargaining' because the method of reaching an agreement involves proposals and counter proposals, offers and counter offers and other negotiations. Collective bargaining is process of joint decision making and basically represents a democratic way of life in industry. It is the process of negotiation between firm's and workers' representatives for the purpose of establishing mutually agreeable conditions of employment. It is a technique adopted by two parties to reach an understanding acceptable to both through the process of discussion and negotiation.

### Employee participation-

Employees of the organization, who belongs to different cultural context, capability and desires, should bring to one platform. In Industrial relations the employees are invited to participate in organizational decision making process. To solve the organizational issues.

### Counseling-

It is the main function of IRO. Grievance redressal and dispute settlement are focused more. Every little issue is solved by the immediate supervisor. But the big issues are dealt very carefully by the chief IRO and General manager. The company continuously strives a grievance free climate in the organization. yet when any act of omission and commission causes a grievance, readily accessible machinery is available for prompt redressal of the same.

### Process of solving an issue of labour union-

- Enquiry - to find out the authenticity and root cause of the issue.
- Door open for discussion- frank discussion with the chief IRO or Management, depending upon the issue.
- Conciliation- intervening third party ,like labour welfare authority ,to solve the issue through legal procedures.
- Arbitration- on the suggestion of the interested parties involved in that issue ,goes to an expert to solve it.

**CONCLUSION-**The relationships which arise at and out of the workplace generally include the relationships between individual workers, the relationships between workers and their employer, the relationships between employers, the relationships employers and workers have with the organizations formed to promote their respective interests, and the relations between those organizations, at all levels. Industrial relations also includes the processes through which these relationships are expressed (such as, collective bargaining, workers' participation in decision-making, and grievance and dispute settlement), and the management of conflict between employers, workers and trade unions, when it arises. Transparent and successful operations of NALCO, as well as its contribution, have brought about remarkable socio-economic progress in the two under developed districts of Orissa, where the company plant and facilities are located. An overall view Establishment of National Aluminium Company Limited (NALCO), is considered to be a turning point in the history of Indian Aluminium Industry. NALCO has not only addressed the need for self sufficiency in aluminium but also given the county a technological edge in producing this strategic metal as per world standards.

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