



Working And Performance Of Industrial Relation Measures In Public Sector Industries Of Bihar

Dr. Sapana Rani Roy

Ph.D. in Management

B.R.A.Bihar University, Muzaffarpur

Abstract: This research paper examines the effectiveness and functionality of industrial relations (IR) strategies within the public sector industries of Bihar, with a particular focus on case studies from the Muzaffarpur Thermal Power Station (M.T.P.S.) and the Barh Thermal Power Station (B.T.P.S.). By analyzing these specific units, the study aims to provide insights into the dynamics of labor relations, employee engagement, and the overall impact of IR measures on productivity and workplace harmony. The effectiveness of key measures such as collective bargaining, employee involvement in management, grievance resolution, and industrial safety has been thoroughly assessed. The analysis highlights several significant obstacles, including the prevalence of multiple unions, political interference, wage inequalities, and resistance to technological advancements. These challenges contribute to subpar performance and heightened industrial unrest. The findings are expected to shed light on the challenges and successes faced by these thermal power stations, offering a comprehensive understanding of how industrial relations practices can influence operational efficiency and employee satisfaction in the context of Bihar's public sector. Through this detailed exploration, the paper seeks to contribute to the broader discourse on industrial relations in India, highlighting the unique circumstances and outcomes observed in these key industrial facilities. Recent policy initiatives, exemplified by the Industrial Relation (Bihar) Rules of 2025, indicate a potential pathway for reform; however, longstanding issues continue to undermine both industrial harmony and overall productivity.

Key-words : Industrial relations (IR), Public Sector Industries, Bihar, Muzaffarpur Thermal Power Station (M.T.P.S.), Barh Thermal Power Station (B.T.P.S.), Political interference, Wage inequalities, Technological advancements.

1. INTRODUCTION :

Industrial relations within the public sector industries of Bihar involve the complex dynamics between labor, management, and governmental authorities, which are essential for ensuring operational effectiveness and fostering economic development. Bihar, with its historical roots in agriculture, has a relatively small number of public sector undertakings (PSUs), primarily focused on sectors such as power generation and engineering. Notable examples include the M.T.P.S. and B.T.P.S., both of which operate under the aegis of NTPC or state-owned utilities. These entities illustrate the various challenges faced by the sector, including issues related to workforce management, regulatory compliance, and the need for

modernization in operations. The interplay of these factors significantly influences the overall productivity and sustainability of public sector industries in the region, highlighting the importance of effective industrial relations in navigating the complexities of the economic landscape.

Industrial relations (IR) measures are designed to enhance collaboration among stakeholders through various mechanisms, such as collective bargaining and grievance resolution processes. However, the effectiveness of these measures has often been undermined by a range of structural and political challenges. This paper provides a comprehensive analysis of the implementation and efficacy of these IR measures, drawing on empirical data and examining the relevant policy environments. By exploring the nuances of how these mechanisms operate in practice, the study aims to shed light on their overall impact on labor relations and organizational dynamics, ultimately contributing to a deeper understanding of the factors that influence their success or failure.

2. HISTORICAL CONTEXT OF INDUSTRIAL RELATIONS IN BIHAR'S PUBLIC SECTOR

Bihar's public sector began to take shape in the aftermath of India's independence, marked by significant investments aimed at developing infrastructure. However, the anticipated growth of this sector was hindered by various resource limitations and shifts in policy direction. Prior to the economic liberalization of 1991, the industrial relations landscape was heavily regulated by national legislation, including the Industrial Disputes Act of 1947 and the Trade Unions Act of 1926, which underscored the importance of state intervention in labor matters. The liberalization movement initiated in 1991 brought about a paradigm shift, introducing market-oriented reforms that exerted considerable pressure on public sector undertakings (PSUs). These reforms not only encouraged privatization but also demanded greater labor flexibility, fundamentally altering the operational dynamics of the public sector in Bihar and beyond. In Bihar, public sector undertakings (PSUs) have been grappling with significant challenges attributed to "industrial sickness," primarily stemming from poor management practices and reliance on outdated technology. This situation has intensified industrial relations (IR) tensions within the region. The landscape of labor unions has been characterized by a multitude of organizations, including prominent groups like the All India Trade Union Congress (AITUC) and the Indian National Trade Union Congress (INTUC), which have historically influenced the dynamics of labor negotiations. This multiplicity of unions has resulted in fragmented bargaining processes and a propensity for frequent disputes among stakeholders. Recent statistics reveal a concerning trend in industrial growth, with the sector's contribution to the Gross State Value Added (GSVA) hovering at a mere 17.2% in recent years, underscoring the urgent need for strategic reforms to revitalize the industrial framework in Bihar.

3. KEY INDUSTRIAL RELATION MEASURES AND THEIR WORKING

3.1 Collective Bargaining and Wage Policies

Collective bargaining is a critical process that encompasses negotiations regarding wages, bonuses, and overall working conditions. In the public sector undertakings (PSUs) of Bihar, this process is typically bipartite, exemplified by the National Joint Consultative Committee of NTPC. However, the effectiveness of these negotiations is often compromised by ad hoc settlements and significant disparities among workers. As inflation continues to rise, employees are increasingly advocating for wages that reflect their needs, which has led to a series of strikes focused on issues such as incentives and overtime pay. The performance of the bargaining process is hampered by the absence of a coherent national wage policy, which exacerbates the existing inequalities between skilled and unskilled labor, thereby fostering unrest among the workforce. Although the Payment of Bonus Act of 1965, amended in 1976, stipulates a minimum bonus of 8.33%, the push for productivity-linked bonuses has resulted in conflicts. In specific cases like M.T.P.S. and B.T.P.S.,

unions have been known to manipulate performance targets, which undermines the effectiveness of the measurement systems in place.

3.2 Workers' Participation in Management

This initiative encourages collaborative decision-making through the establishment of committees. Nevertheless, the effectiveness of this approach is undermined by low union membership, averaging around 800 members per union, and the prevalence of multiple unions within the same sector, which complicates active participation. Notably, smaller unions, which constitute 71% of the total, account for a mere 13% of the overall membership, while larger unions, representing only 0.8% of the total, encompass 32% of the members. Furthermore, the politicalization of union activities diverts attention from pressing worker-related issues to the agendas of political parties. The overall performance of these unions is subpar, as inter-union rivalries often lead to work stoppages, and the involvement of external leaders tends to stifle authentic engagement from the rank-and-file members. To address these challenges, it is recommended that a model of "one union per industry" be adopted, facilitated through secret ballots, to improve the effectiveness and unity of representation within the labor movement.

3.3 Grievance Handling

Grievance procedures play a crucial role in addressing complaints related to promotions, recruitment, and workplace conditions. In the context of public sector undertakings (PSUs) in Bihar, the integration of Industrial Relations (IR) cells with personnel departments serves as a mechanism to identify and resolve these issues. However, the effectiveness of this integration is often undermined by political pressures and a lack of sensitivity from management, which can exacerbate existing disputes. Furthermore, the overall performance within these organizations has been deemed inadequate, particularly in light of abrupt policy shifts, such as the strikes in 1991 against the newly introduced industrial policy. These sudden changes have contributed to a climate of indiscipline, highlighting the need for more stable and responsive management practices to foster a healthier work environment.

3.4 Industrial Safety Measures

The safety regulations established by the Factories Act of 1948 and the Workmen's Compensation Act of 1923 require the implementation of essential measures such as proper equipment, comprehensive training, and the formation of safety committees. In older facilities, such as the M.T.P.S. and B.T.P.S., the presence of outdated machinery significantly contributes to workplace hazards, with a staggering 95% of accidents attributed to unsafe acts or conditions. To address these issues, various initiatives have been introduced, including safety weeks, educational seminars, and thorough investigations into incidents. However, the performance of these safety measures remains suboptimal, particularly in what are referred to as "sick" units, where financial constraints hinder effective implementation. Additionally, labor unions tend to concentrate on less critical issues rather than addressing the more pressing hazards, which ultimately detracts from overall productivity and safety in the workplace.

4. PERFORMANCE ANALYSIS: CASE STUDIES FROM BIHAR PSUs

Muzaffarpur Thermal Power Station (M.T.P.S.) and Barh Thermal Power Station (B.T.P.S.)

The power units are currently grappling with significant industrial relations challenges stemming from both technological resistance and opposition from labor unions. Unions are advocating for increased positions and higher wages, which has led to a series of strikes aimed at resisting automation initiatives. The situation is further complicated by the presence of multiple unions and political factions, which intensify rivalries and hinder effective bargaining processes. Additionally, safety concerns in environments

characterized by high humidity and noise levels contribute to ongoing disputes among workers. Collectively, these factors illustrate a troubling cycle: the proliferation of unions leads to political interference, which in turn results in financial instability and diminished worker engagement, ultimately culminating in heightened industrial unrest.

5. RECENT DEVELOPMENTS AND POLICY REFORMS

The Industrial Relations Code of 2020, which came into effect in the same year, serves as a comprehensive framework that streamlines existing laws by reducing the number of regulations from 105 to 51 and the required forms from 37 to 18 on a national level. In alignment with this initiative, Bihar has introduced the Industrial Relation (Bihar) Rules, 2025, which aim to establish works committees and grievance redressal mechanisms; however, these provisions are still in the draft phase and await finalization. Additionally, the Bihar Industrial Investment Promotion Policy (BIIPP-2025) seeks to create 1 crore jobs by offering incentives specifically in labor-intensive industries, which could enhance industrial relations through measures linked to employment growth. Despite these ambitious goals, the specific effects on the public sector remain ambiguous, as the primary emphasis appears to be on fostering growth within the private sector and micro, small, and medium enterprises (MSMEs).

6. DISCUSSION :

The performance of industrial relations (IR) within Bihar's public sector is significantly hindered by structural obstacles, which in turn contribute to diminished productivity and increased economic strain. The political landscape often exploits these challenges, while the fragmentation of labor unions further complicates collective action, undermining efforts to improve working conditions and safety standards. This situation not only jeopardizes the well-being of workers but also poses serious risks to their lives. Despite these issues, there are some positive developments, such as the implementation of bipartite models in organizations like NTPC, which demonstrate the potential for effective collaboration between management and labor. However, for meaningful progress to occur, broader reforms are essential, including enhanced union education and greater management autonomy. Recent policy initiatives indicate a move towards improvement, yet the successful implementation of these strategies within public sector undertakings (PSUs) is crucial, especially in light of Bihar's concerning employment rates, which are currently 15% lower than the national average in terms of weekly status.

7. CONCLUSION :

The industrial relations landscape within Bihar's public sector industries is characterized by inefficiencies and ongoing disputes, which hinder optimal performance. Notable case studies from the M.T.P.S. and B.T.P.S. facilities highlight the pressing need for comprehensive reforms aimed at fostering industrial harmony. As Bihar looks towards the future with initiatives such as the Bihar Industrial Investment Promotion Policy (BIIPP-2025) and various state regulations, there exists a significant opportunity to rejuvenate the industrial sector. However, for these reforms to yield sustainable results, it is crucial to tackle underlying issues, particularly the pervasive political interference that has historically undermined operational effectiveness. Addressing these root causes will be vital in creating a more stable and productive industrial environment in the state.

References:

- [1] Problems of Industrial Relation Measures in The Public Sector Industries of Bihar (IJRAR) - <https://www.ijrar.org/papers/IJRAR19D2155.pdf>
- [2] Macro and Fiscal Landscape of the State of Bihar - <https://niti.gov.in/sites/default/files/2025-03/Macro-and-Fiscal-Landscape-of-the-State-of-Bihar-1.pdf>
- [3] Industrial Relations Code, 2020 - <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2025/nov/doc20251123703701.pdf>
- [4] The Industrial Relation (Bihar) Rules, 2025 - <https://ascent-hr.com/notification/the-industrial-relation-bihar-rules-2025/>
- [5] BIIPP-2025: Bihar's industrial policy - <https://government.economictimes.indiatimes.com/news/governance/bihars-ambitious-biipp-2025-a-game-changer-for-global-investment-and-job-creation/123882428>
- [6] EMPLOYMENT BREAK IN BIHAR AS COMPARED TO INDIA - https://www.researchgate.net/publication/364786785_EMPLOYMENT_BREAK_IN_BIHAR_AS_COMPARED_TO_INDIA

