

CHAPTER I

INTRODUCTION

1.1 Introduction:

Labour relation is a system of industrial management where labours, management and state involve with their organizations and their departments for smooth operation of industry. It includes the study of workers and their trade unions. It deals with certain regulated relationship among the workers in the industry. In the other words, labour relation is that part of the management which is concerned with the manpower of the enterprise whether machine operator, skilled worker or a manager. It is the composite result of attitudes and approaches of employers and employees towards each other with regard to planning, supervision, direction and co-operation with proper for the genuine well- being of all the members of the organization.

ILO defines the term as the relationship between the state, employers and workers' organization. The ILO uses the expression to such matter as freedom of association and the protection of the right to organize, the right of collective bargaining, collective agreement, conciliation and arbitration and machinery for co-operation between the authorities and the occupational organization at various level of economy. From the above description it can be concluded that labour relation is the art of living together for the purpose of production.

Nepal is developing country and GNP and GDP is basically based on agricultural sector. Besides, agriculture there is some other like tourism, service and from industrial sector also though in small contribution. But industrial sector could not be underestimated because of being, Nepal a developing country and within a few successive years, it may be one of the leading countries in industries too.

Management and labour are often seen to take conflicting stands on the various issues of labour relations in Nepal. Comparatively, industrial relation is a new field of activity in Nepal. Though, the industrial disputes can be traced way back to 1947 A.D. Thus it will not be wrong to say that the employees, employers and the government are still in the stage of learning by doing.

Therefore, there is need to our knowledge, understanding and experience so that practicing managers can fall back to some kind of resource material. Good labour relation in the business enterprise is must for success. There is need for concerted effort by the all three parties in the development of industrial relations in Nepal.

Labour is an important resources and a means to economic growth of industry. Therefore, there should be a good labour relation system in the industry for its overall development. Labour relation came into existence with industrialization. Major actors involve in labour relation system are employees, employer and the government. The three actors and their interplay constitute the study of labour relations.

Labour relation denotes the relationship between employee and employers, employees' organization and employers' organization and between these respective organizations to public authorities.

Managing of harmonizing the divergent of even conflicting interest of three actors with the goal of development is the essence of LR (Thiagarajah).

The well example of Labour relation is productivity. Productivity is affected by the technology, skills and industrial relation climate and labour administration.

The Labour problem and its relation is one of the major problems in the field of industries and factories. It is more serious challenging and burning issue in the developing countries like Nepal. NEA is an enterprise established for hydro and electricity development support activities. It has also some problems such as skilled man power, trade unions issues, wage based issues, security etc.

For the purpose of investigation, condition of workers, factors affecting productivity, wages and minimum wages, employment situations, labour sources and industrial reaction are analyzed.

1.2 A brief scenario of Kali Gandaki Project:

It is located in Gandaki zone, on the southern edge of Nepal Middle Mountains. It is located on the border between the west and the central mid land , and the Kali Gandaki river is considered the dividing line between these two reasons. The dam site is located at approx. 83°36' East, and 27° 57' North, some 180 kilometers West of Kathmandu. It's authorized capital was 452.8 million US dollars.

The Kali Gandaki "A" hydroelectric project is designed as a run of river type hydro electric scheme which includes daily peaking capability to the NEA system during adverse hydrological conditions. It is designed with a nominal installed capacity of 144MW at a net head of 115m utilizing a rated discharge of 142 m³/s to generate about 842 GWh of electric energy per annum. The facility includes a concrete diversion dam and spillway, a power intake structure, desander basins, a 6 km headrace tunnel and a power plant complex.

The availability of 842 Gwh of energy from this project will provide a greater operating flexibility to the system and will reduce the country's dependence on imported fuels. The power generated from the project will be to the central grid through 131 Kv single circuit transmission lines to Pokhara and Butwal sub stations.

Headrace Tunnel:

The headrace tunnel will be a fully concrete lined 7.4 m diameter circular shaped pressure tunnel. Access to the upstream heading of the main tunnel will be through a short temporary access tunnel beginning from the joint use haul road and similarly access to the main tunnel upstream of the surge location. The access tunnels will be closed with a concrete plug fitted with a removal bulkhead for maintenance access.

Main tunnel

Length	5,925m
Finish	7.40m
Lining	0.45m
Invert level at intake	El. 508.30
Invert level at surge tank	El. 487.50
Slope	0.35%.

The objective of NEA Pvt. Ltd is to develop indigenous waterpower technology via training of local manpower to design, manufacturing, refurbish, installation and commission Hydro-Mechanical and Electro Mechanic equipment including transmission line hardware for Hydro and electric power projects. Manpower is of 178 approximately. It covers its services to Butwal A and Butwal B and Pokhara C in Nepal.

Financing agencies of Kali Gandaki Hydro project "A" are as follows:

1. Asian Development Bank, Manila Phillipines
2. Overseas Economic Cooperation fund, Tokyo, Japan
3. Recent Japan Bank For International (JBIC)

Consultants of Kali Gandaki Hydro project "A".

1. Morrison Knudsen Centennial, USA
2. Norconsult International, Norway
3. IVO International, Finland.

Civil Contractor of Kali Gandaki Hydro project "A".

1. Impregilo SPA Italy

Electromechanical

- 2 Noyal Germany
- 3 Mitsui and company/joint venture

Rank and level of higher level staffs:

Table :1
Rank and level of higher level staffs

S.no.	Rank	Level	Dept.	Name
1	Director	11	technical	Ishwori Prasad Tiwari
2	Asst Manager	8	technical	Raj Bdr Bista
3	Asst Director	8	admin	Ganga Adhikari
4	Asst Director	8	admin	Daya Ram Regmi
5	Engineer	7	admin	Ramdular Regmi
6	Engineer	7	technical	Gir Bdr K.C
7	Engineer	7	technical	Pralahad Raut
8	Asst Engineer	6	technical	Nur Bdr Karki

1.3 Statement of the problem:

It is universally accepted that no organization is left untouched by the labour related issues. It is more serious in Nepal's private organizations where traditional aspect

of the management is prevalent. Modern management concepts are relatively new except in some multinational companies like banking, hotels, insurance, travel and tourism, air transport, etc. Long term strategic plans are lacking and traditional approach is widely prevalent. Managers plan and give instructions, which are implemented by other employees. Even the communication system are defective in the sense that Nepalese organization are highly centralized which favours downward communication and lacks interpersonal skills by managers which leads to conflicts and misunderstanding. Besides these, the superiors have very little faith in the capacity of subordinates and hence there is no environment of trust and team work.

National peace and economic development is possible only through the industrial development and peace. The industrial peace can be maintained by the proper labour relation system. The labour related problems and issues are the serious challenging and burning issues in the world of business industries and factories. Similarly Nepalese enterprizes have also been suffering from the problem of poor performance and are unable to get the established object. The industrial problems and issues not only hamper employees and employers growth but also the whole society has to suffer from it.

Kali Gandaki "A" hydroelectric project is a government enterprize established for hydro electricity development support activities. It has to face many problems such as skilled manpower, materials, unhealthy environment between management labour relations, trade union's issues, lack of qualified personnel to suit the vacant place, wage based issues, etc.

1.4 Objectives of the study:

The basic objective of this study is to examine the labour relation condition in NEA, The major objective of the study are:

- a. To analyze the overall conditions of workers.
- b. To examine the factors affecting the production.
- c. To analyze the wages and minimum wages.
- d. To observe employment situation, labour sources, and relation.
- e. To identify the trade union and its activities.
- f. To provide suitable recommendations and suggestions to improve labour related issues of KGA as well as NEA.

1.5 Hypothesis of the study:

Ho: Labour related issues do not affect the smooth running of the management, production of electricity.

H1: Labour related issues directly affect the smooth running of the management, production of electricity.

1.6 Limitation of the study:

- a. This study basically focuses on labour related works and evaluates the labour relation condition in KGA hydro power project only.
- b. The study based only on five year's performance of the company.
- c. All required data may not be provided by the department.
- d. The accuracy and conclusion of the study depends upon the data and information provided by the management of NEA.
- e. There is a limited time for the study and hence may have some drawbacks.

1.7 Research Methodology:

Methodology is the research method used to test the hypothesis. In designing methodology for a thesis project the following elements should be taken into account.

- a. Research questions and hypothesis.
- b. The sample
- c. Testing the hypothesis
- d. Reliability and validity
- e. Controls

1.8 Research Design:

It includes arrangement, classification, analysis, and description of data received to get the conclusion of the research study.

1.9 Sources of data and information:

The data and information needed for the study will be collected from the primary and secondary sources.

Primary data are collected through discussion and interviews with the staffs of KGA.

Secondary data are collected from documents, reports and statements of the company.

1.10 Data collection and tools:

To find out the problems and issues about labour relation, following tools will be used:

- a. Observation and study of the periodical reports, audit report, thesis of the experts, related documents on the internet and important books of different authors.
- b. Interviews with the concerned authority and staffs of KGA hydro electric project.
- c. Observations and study of the published documents of KGA.

1.11 Method of data analysis:

- a. Related literature and various writers' views will be reviewed.
- b. The collected primary and secondary data will be presented in the form of table and figures where necessary.

1.12 Organization of the study:

The research study is primarily related with the problem of labour relations and will be divided into the following five chapters:

a. Introduction:

The first chapter of the thesis is introductory which consists of background of the study, introduction of KGA hydro electric project, significance of the study.

b. Review of literature:

This part deals with the theoretical framework and review of some important literature as well as the related books of the experts.

c. Research Methodology:

This chapter includes research design, data gathering, data processing procedures, tools and techniques employed in presentation and analysis of data.

d. Presentation and Analysis of data:

This part deals with the presentation of related data of Kali Gandaki hydro electric department. Data are shown to make easier understanding and proper techniques are used for the analysis of the data.

e. Conclusion and recommendation:

Findings of the study are summarized and presented as conclusion and proper recommendation are mentioned on the basis of the study.

CHAPTER II

REVIEW OF LITERATURE

This chapter includes the reviews of previous writings and studies relevant to the problem being explored, and within the framework of the theory structure. Literature review is taken as a process of understanding the concept of the related literature. The labour problem and its relation is one of the major problems in the world of business, factories and industries. It is a serious challenging and burning issue in the developing countries like Nepal where the concept is relatively new. Many studies and research work was conducted by various experts and institutions in context of world but very few research work was conducted, in the context of Nepal. In this chapter, a review of available literature in the field of labour relations and problems is presented.

Though labour movement, as we all know started in Europe the land of industrial revolution. Therefore, insofar as organized labour is concerned, the important ideologies and concepts originated from Europe. On tracing the origin of industrial relations theory, we find that Karl Marx was the first social thinker to visualize the misery of the working class. Industrialization, which is the basis of industrial relation, is comparatively new phenomenon in Nepal. The Biratnagar Jute Mill setup in 1936 A.D. marked the beginning of organized industry in the country. With the rise of industries, the problem of industries within and outside also gained prominence. A glance of industrial relations over the last half a century gives us an idea of changing course of labour management relations. Nepal's first incident of industrial strike occurred in 1947A.D. While some protest

continued the following two decades. During the 70'S that industrial relations became particularly strained. Some of the problems that marked industrial scene were: disputes, low productivity, high absenteeism and other indicators of lack of commitment among the workers.

This emphasizes the existence of sever labour problems and issues in every organization. The major indications used for analysis are:

- a) worker b) wages benefits c) minimum wages e) trade union e) productivity
- f) strike g) bonus etc .

This study points out that labour relations has provoked by global trends as a result of the current scenario of the country. Not only these, the extensive problems of labours disputes, low productivity, anti-social activities, unemployment, availability of cheap workforce, lack of skilled manpower also put strength on the problem.

The nature of the industrial relations process is such that the demands which management and labour make upon each other constantly tend to disturb the fragile balance of relations resulting in the open symtoms of grievances, labour disputes, strikes, lock outs. Mr. R.R. Singh found the causes of disputes, are as follows

- i) Political reasons
- ii) Lack of implementation of labour laws
- iii) Financial reasons

Mr. R.D. Sharma mentions the important issues leading to strikes are:

- i) Political reasons
- ii) Economic reasons
- iii) Inter-group rivalry

Labour legislation in Nepal has a history of over 25 years during which two labour laws of fundamental importance have been enacted namely the Nepal Factory and Factory workers act 1959 and The Bonus Act 1974. There are also a few other laws that have some applications in the sphere of labour administration. Such as the industrial Apprentice Act 1980, the class organization Act 1979, and the maintenance of essential services Act 1957. Labour laws are like marriage laws that can prescribe the rules to be followed if people wish to marry. But the law cannot guarantee happy relationship or marriage. Industrial relationship is an analogous to this situation. Labour laws are necessary but not a sufficient condition for the practice of good industrial relations.

Labour court is recent establishment in Nepal. It was established only in 1996 A.D. So Nepal's experience with labour litigation is short, it is relatively new. During the last three years the court has settled 160 cases of which 30 cases has gone for write petition and about 90 cases are in pending. Although cases are measurable now but the backlog of cases is slowly piling up. There is only one court in capital that is too costly to travel all the way to file a case for the outside valley cases. This trade unions demand for mobile court but when the government cannot ever sustain a single court, there is little prospect of having a mobile court.

The collective bargaining process - a process by which labour and management voluntarily negotiates to determine the terms, conditions and relations of employment has a gradually evolved form labour - management dispute settlement mechanism to an effective decision making system where traditional adversarial roles of the parties are effectively put an end. Since collective bargaining is new concept, there is increasing

tendency between management and unions to optimize the strikes and lock out as the one and only weapon to settle labour disputes.

First the management is not interested to negotiate with the unions. Management thinks collective bargaining process as an encroachment in its prerogative to manage the enterprise. For some managers to get down into the business of labour negotiation is humiliation. The complains and demands come with irritating language to harass and humiliate management. Second the unions took collective bargaining process as a real weapon to corner the management to fulfill their demand A/F - CIO President, Mr. Samuel Gomper definition of collective bargaining as "More, More and More" very much befit unions definitions here.

The Article 75 of Labour Act speaks that no demands can be made until lapse of 2 year period since the last collective agreement. Similarly the Article 79 speaks that "no demand in relations to the matters mentioned in such agreements shall be permitted to put again for two years from the date of its commencement. The confusion is created here by these two provisions. Is the trade union cannot demand till termination of 2 years? Or does it mean the trade union cannot make only those demands that have already been agreed. Some experts say that the two year term has been made in the Act to guarantee some minimum degree of industrial peace.

At present, there are three nationally recognized trade union federations NTUC, GEFONT, DECONT. Basically trade unions are intermediary management and workers.

2.1 Concepts of Industrial Relations:

Labour Movements Started first from Europe .The important ideologies and concepts were emanated from Europe .There are different concepts of industrial relations. The popular concepts are following:

- System Concept
- Pluralistic concept
- Marxist concept

Systems Concept:

Prof. John T. Dunlop Purposed the concept of industrial relations as a system in 1958 A.D. Dunlop states that an industrial relations system at any one in its development is regard as comprised of certain actors, certain context and ideology which binds the industrial relations system together, and a body of rules created to govern the actors at the work place and work community. Under this concept, IRS is a subsystem of the total social system. The subsystems are industrial relation systems, economic systems and political systems. They are interdependent and linkage together into the social system.

The IRS has three different actors (1) a hierarchy of managers and their representatives in supervision, (2) a hierarchy of workers (non-managers) and any spokesmen and (3) specialized government agencies created by the first private agencies (created by the first two actors) concerning with workers enterprises and their relationship.

Pluralistic Concept

Pluralistic concept is also important in industrial relations as argued by Allan Flanders H.A Clegg, Allen fox and various types of people carrying different goals, objectives and interest. So the industry is a plural society. In a plural society, conflict is there, but it is quite natural and the aim should be to reconcile opinions. Allan fox argues that the aim of pluralism is to combine social stability with adaptability and freedom. This involves the assumption that on most occasions conflicts will be resolved by compromise. According to Clark Kerr, power in a pluralistic system must be distributed to some acceptable fashion of individuals, organizaed groups and the state.

IR to pluralists is a study of institutions of - job regulations. Relations are governed through the system of rules. Rules remain the center of this concept and are found to have been classified as follows.

- 1) Unilateral actions by trade unions.
- 2) Unilateral actions by employers; associations;
- 3) Tripartite regulation;
- 4) State regulation; and
- 5) Social regulation by custom and convention.

Therefore, from the pluralistic standpoint, "industrial relations" is a study of rule making process.

In Pluralistic concept, rule-making process is a function of collective bargaining for pluralists the political variables such as institutional and power factors are very important.

Marxist concept

The Marxist concept says "Industrial Relations" arises out of a dynamic conflict situation. According to Marx, IR is a market relation. In the market capitalists or the purchaser and workers or the sellers are opposite to each other. Labour who is the owner of the commodity "Labour" presents them in the market to sell their labour in order to survive. On the other hand, capitalists are the owners of the other means of production. The Labourer has mere natural strength. The capitalists own the means of production. Thus they have upper hand in the market.

The workers have more competition. That is why they have to sell their Labour or low price, and are often exploited. Karl Marx thus assumes about class struggle in every capitalist, which arises the conflict between Labour and capitalist. Marx views that trade unions are neither decisive to make any impact on power relationship governing the Labour market, trade unions can help the workers in an attempt to overcome the powerlessness of their position.

2.2 Industrial relations: Management vs. labour:

Management and labour are often seen to take conflicting stands on the various issues of labour relations of Nepal. The roles taken by these two parties are still adversary in character that is, basically engulfed in fear, doubts and suspicion. They still have long way in terms of mutual trust, understanding and cooperative endeavor.

The preamble of the Act speaks that law has been formulated to safeguard the rights interest, facilities and security of the workers management grumbles that there is nothing for the interest of the enterprises. Similarly, the workers and their representatives also accuse that the law is nothing more than a piece of paper. Management claims over

growing indiscipline, lack of productivity and skills amongst the workers. The unions hold the view that there is over exploitation of labour and job discrimination and Nepali labour force is being displaced by Non-Nepali force. The management desire for attaining flexible operation system is being increasingly challenged by worker's demands for job security. Thus there is an overt conflict of managerial rights and labour rights at the shop floor level.

The biggest challenge for Nepal is to provide jobs to the increasing number of people. The over demanding labour force within and growing competition outside together with gradual withdrawal by state form the economy, have put management at central position in the IR scenario. This calls for managerial orientation of IR approach as contrast to logistic solutions. This in turn demands the management and the labour to opt for more bipartite solutions as compared to tripartite ones. So the grievance handling, negotiations, conciliations, involvement, representation and participation of labour in management will be prominent features of IR in the days to come. The article written by Mr. Jack Barbash who is Bascon professor of economics and Industrial Relation (Emeritus) at the University of Wisconsin has pointed out about American labour movement. He has suggested that we are entering a new era of industrial relations, and that's cause for concern. This author, an eminent labour economist, surveys current developments and see alarming signs that the balance of power has shifted from unions to employers. He argues that employers are mounting an aggressive campaign to overturn many of organized labour's bargaining achievement, and he poses disturbing question about the social consequences of the union's fall from favour.

The thesis written on 'A survey of Industrial Disputes in Kathmandu' by Mr. Suresh Nakarmi has drawn the following conclusion.

- i) The psychology of disputes
- ii) The labour union
- iii) Collective bargaining
- iv) Industrial relations
- v) Industrial disputes.

The following acts are directly or indirectly related to industrial relations in the organized sector.

A) Labour Act, 1992 (as amended in 1998)

The main features of this act relate to:

-) Employment and job security, firing of workers.
-) Working hours
-) Remuneration and yearly pay increment
-) Health, safety, welfare provisions
-) Workers participation
-) Special provisions for organizations like tea gardens, construction work, transport, hotels, travel and trekking etc.
-) Conduct and punishment
-) Settlement of labour disputes

B) Bonus Act 1971 and Bonus Regulation, 1981

Bonus Act 1971 and Bonus Regulation 1981 were enacted for the purpose of distributing bonus to workers/employees working in enterprise whether run in public or private sector. Each profit making enterprise is required to allocate 10 percent of its annual net income for the purpose of distributing bonus to its workers/employees. Such enterprises are required to submit their annual balance sheet for the ascertaining their

income status. The lump sum amount of bonus obtainable by worker/employee is equivalent to 3 to 6 months of the salary depending upon the rate of their job-wise salary.

C) Trade Union Act, 1992 and Regulation, 1992

Trade Unions are the by-products of Nepalese multiparty democracy restored after 1990, pursuant to Article 12(2) (c) and (c) of the constitution. The underlying objective of the Trade Unions Act 1992 is to provide for registration and operation of, and other matters relating to trade unions for the protection and promotion of the professional rights and welfare of workers engaged in enterprises. According to the Act, "Trade Union" denotes Enterprises-level Trade Union Association and Federation of Trade Unions.

The Trade Union Act, 1992

Trade Union Act, 1992 has been enacted by HMG in order to safeguard and promote the professional rights and interests of the workers working in various establishments. The Trade Union Act 1992 allows two levels of Trade Unions-Enterprise Level and National Level.

The objectives of the Enterprise level Trade Unions are as follows:

1. To engaged in economic and social development by improving the condition of workers
2. To make an effort to establish good relationship between worker and management.
3. To assist in the development of Enterprise by increasing the productivity of enterprise.

4. Try to make the workers dutiful and discipline. Including the above mentioned activities the Association or Federation of Trade Unions also has the following additional objectives:
5. To conduct activities providing education to the workers.
6. To establish relations with International institutions for the benefits of the workers.
7. To provide necessary advice to His Majesty's Government in formulating the labor policy.
8. In order to enhance social and economic standard of the workers publish facts beneficial to the workers by conducting necessary workshops, seminar etc.
9. In order to protect and promote the rights of the workers, negotiate with His Majesty's Government and take other necessary steps within the existing law.

Main Features of Labour Act, 1992

The labour Act, 1992 is enacted to make appropriate provisions related with labour by providing for the rights, interests, facilities and safety of workers and employees working in establishments belonging to different fields. Following are the main features:

1. The Act is normally applicable to organizations with ten or more workers or employees.
2. The Act has the provision for Factory Inspector, Welfare officer, labour officer etc. to look after its proper implementation.
3. The Act defines "child" as persons below 14 years, "minor" as persons between 10 and 14 years and "adults" as persons above the age of 18 years.

4. While engaging minor workers or employees of more than fourteen years and less than sixteen years of age in the work of any enterprise, they shall not be deployed in work for more than 6 hours per day or thirty six hours of work per week and for workers of more than sixteen years of age, for periods other than from 6AM to 6PM., they may be deployed in work as per the mutual consent entered, between such minor workers and employees or proprietors.
5. The service of a permanent worker or employee cannot be terminated without fulfilling procedures in the Labour Act or the rules or by-rules framed by the government. Due to special circumstances, if the establishment has to curtail production or close down the entire establishment or a part thereof, the management can do so only after taking due permission from the labor office, the labor department or the ministry of labor depending on the time period required for the closure of the establishment.
6. No worker can be engaged in work for more than 8 hrs. a day or 48 hours a week and every worker shall have one day's leave in a week. Every worker will have 30 minutes for Tiffin in an 8 hrs. Workday.
7. Minimum remuneration for workers is fixed by the Government upon recommendations of the Minimum Remunerations Fixation committee consisting of representatives of workers, management and government. Notices regarding minimum remunerations rates shall be published in the Nepal Rajpartra.
8. The management of each establishment is required to make necessary arrangements for the protection of health and safety of the workers as described in the Act and its rules or by-rules. The government is empowered

to specify safety standards and such standards will be gazette notified according to need.

9. A worker or employee sustaining any physical injury or disablement or death while working in the establishment is entitled to compensation as prescribed.
10. Special provisions applicable to special establishments like Tea estates; Construction enterprises; Transport enterprises; Hotel, Travel, Trekking, Rafting, Safari etc. will be as stated in the Act and its specific rules and by-rules.
11. Every establishment shall have a labor relations committee of workers and employees for developing healthy industrial relation based on mutual participation and coordination.
12. In case the workers or employees fail to settle their differences with the management and wish to go on strike, they may do so after fulfilling procedures mentioned in Sections (74) and Section (75) of the Act.
13. The management may declare a lock-out after due approval of HMG. But the management may declare a lock-out in case of emergency by notifying labor office or labour department as per Section (77) sub-section (3).

HMG is empowered to frame rules to implement the objectives of the Act.

D) Privatization Act, 1994

This act which is in enforce now, has given priority to the sale of shares of the enterprises to employees/workers and others as well as among the various processes of privatization. It further emphasizes that while selling shares, keeping in view the nature and financial status of the enterprise, participation to the extent possible, of the general public, workers and employees shall be maximized.

- E) Apprentice Act 1982
- F) Class organization Act 1975
- G) Civil Law 1965

These laws are still inadequate instruments to settle industrial issues through labour management relation. Hence the enactment of suitable labour laws should be the priority area for the government.

2.3 Definition of Terminology:

1. Labour: Labour means any service rendered by human in production of wealth etc. In other words, it is a general body of wage earners. In an organization, they are one of the main groups.
2. Wages: Wages means all remuneration paid or payable in cash to an employee, if the terms of the contract of employment expressed or implied were fulfilled and includes any payment to an employee in respect to any period of authorized leave, lock-out, strike which is not illegal or lay-off and other additional remuneration, if any paid at intervals not exceeding two months.
3. Minimum wages: Minimum wages reflects an idea, a belief a conviction, a demand for some measure of social justice towards providing a wage adequate to enable a worker to maintain himself and his family within reasonable standards.

This means that minimum wages must also provide for some measures of basic education, medical requirements, and other essential amenities.

4. Trade union: In accordance with the Trade Union Act 1992, unions can be formed at enterprise level with at least 25% of the workers of the enterprise. Trade Union

Federation can be formed with an association of minimum 50 enterprise level unions or minimum 5000 individual members.

But in informal sectors, a trade union federation can be formed with 250 or more workers doing the same nature of work.

5. **Benefits:** Benefits refers to the payment in addition to pay. These are non-financial rewards and financial rewards offered to attract and keep employees.
6. **Grievances:** Grievance is a written complaint filed by an employee claiming unfair treatment. It is also seen as any real or imaginary feeling of personal injustice that an employee has about the employment relationship.
7. **Dispute:** Disputes are common where unions exist. Labour disputes are differences conflicts or strife between workers and employees. They manifest in the form of strike, lock-outs and other industrial action. They can be individual dispute or collective dispute. Disputes can be between workers and employers, between workers and government, employers and government.
8. **Strike:** A state when workers collectively refuse to work. A notice to go on a strike is given to management 30 days in advance. The resolution to go on strike should be passed by 60% of workers through secret ballot. The notice is given to department of labour, labour office, and local administration.

According to C.W. Doten strike is spontaneous and concentrated withdrawal of labour from production temporarily.

9. **Bonus:** Bonus Act 1971 and Bonus Regulation were, enacted for the purpose of distributing bonus to workers/employees working in enterprise whether run in public or private sector. Each profit-making enterprise is required to allocate 10% of its annual net income for the purpose of distributing bonus to its workers/employees.

10. Provident Fund: This benefit is meant for economic welfare of the employee.

Provident fund scheme of the act provides for monetary assistance to the employees and or their dependents during post-retirement life.

11. Skill: It is the dexterity, ability to work and handle job related matters specifically.

There are skilled, unskilled and semi-skilled workers.

12. Absenteeism: Any failure of employee to report for or not to remain at work as per schedule.

13. Overtime: It is termed as time more than the actual working hour. Employees work overtime for money (more than the salary), for delivery of goods in time etc.

14. Workers participation: The concept of worker's participation is defined as the mental and emotional involvement of a person in a group situation which encourages him to identify himself with group goals and share responsible in them.

15. Education level:

There is literacy of workers/ employees. There is literate, SLC, certificate, bachelors, masters level of the employees in the company.

16. Quality of work life:

It is a subjective assessment on condition of the relationship between the management and labour and all the overall work environment. In the other words, it is the state of work of life that the employees experience within their company.

Even though there are many labour laws, Labour Acts, unions which favours about the rights and the authority of the workers it is not applicable context to Nepal. There are other methods like grievance handling, arbitration, conciliation, for settling disputes which is important to solve difficult situations.

CHAPTER III

Research Methodology

3.1 Research Design

The term research is to understanding any complex human activity through scientific ways. It is defined as a systematic and self-critical enquiry. The enquiry is aimed at understanding a thing or phenomenon or solving problem. Research is an art of scientific investigation. The Advanced Learner's Dictionary of current English lays down the meaning of research as "a careful investigation or enquiry specially through search for new facts in any branch of knowledge.

The research design for this study is mainly based on micro study of labour relation problems with NEA, Pvt. Ltd and the field study research which consist of finding industrial relations, employment, industrial relations, socio-cultural studies of workers, wages and minimum wages, trade union and its activities etc. The study tries to analyze the problems, issues and relationship of labours in a study area. So the study will be descriptive and analytic in nature as well.

According to Cufford Woody research comprises defining and redefining problems, formulating hypothesis or suggested solutions; collecting, organizing and evaluating data; making deductions and reaching conclusions; and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis. D. Stesinger and M. Stephenson in the Encyclopedia of social sciences define research as "the manipulating of things, concepts or symbols for the purpose of generalizing to extend, correct or verify knowledge, whether that knowledge aids in construction of theory or in the practice of an art." It also provides solution to research questions and to control

variance. It is devising the plan for the research. It describes the general framework for collecting, analyzing and evaluating data.

Research design deals with the detailing of procedures that will be adopted to carry out the research. It also provides solution to research questions and to control variance. It describes the general framework for collecting, analyzing and evaluating data.

The major objectives of the proposed research study is to critically examine the historical evolution and current status of labour relation in context to NEA Mirmi, and come up with practical suggestions for legal and institutional reforms that help in achieving harmonious and smooth tripartite relations amongst worker, employer and government, as well as between corresponding organizations. The study will be an input towards the process of building a workable and healthy worker/labour relations system in Nepal Electricity Authority in Mirmi, Syangja.

3.2 Methods of Data Collection:

The study is primarily based on primary data collected from using structured questionnaire personally in the study area and information collected by taking personal interview with the upper class and white coloured group. Relevant books, articles, journals publication of NEA Pvt. Ltd are also reviewed. In order to remove biasness on the part of management as well as by labourers, the questionnaire was filled up through interviews with both the parties.

3.3 Sources of data :

There are mainly two ways to collect the data. This study is based on primary data as well as secondary data.

a) Primary Data:

Primary information was collected through questionnaires distributed to employees and workers of NEA. They gave the positive response to the questions. The questionnaire were presented to a representative of some workers selected by using random sampling technique. This is done to obtain unbiased and fair study.

b) Secondary Data:

Secondary data are collected from the publication of NEA, Pvt. Ltd secondary data are used for supplementing of primary data. Secondary information were collected from various books, journals, magazines, other supporting published and unpublished reports that were available at the library of Tribhuvan Multiple Campus.

3.4 Data Processing:

Master tables were prepared from the complicated questionnaire for tabulating different socio-economic characteristic such as wages, skills evaluation, appointment, benefits, educational data, distribution of employees by religion, classification of skills of labour, method of getting job, demands in strike etc. The data were processed for analysis with the help of scientific calculation and computer as well.

3.5 Method and tools used for data analysis:

Various statistical tools are used to measure labour relation. Relevant statistical tools are used to show the relationship between working condition of workers and other factors like administration, unions, strike, dispute, source of appointment, output, working hours etc.

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

4.1 Socio-Cultural Status of Workers:

In this section, socio-cultural aspects of workers in the sample study have been analyzed as per the data and information obtained from the field survey.

4.1.1 Age and Sex:

Table 2, shows the sex composition, out of 116 employees in NEA Pvt. Ltd, it is overwhelmingly male dominated, 108 male and female participation is 8 only and average age group is above 25 years for males and above 25 for females.

Table :2
Sex composition

Sex	Number	Percentage
Men	108	93%
Women	8	7%
Total	116	100%

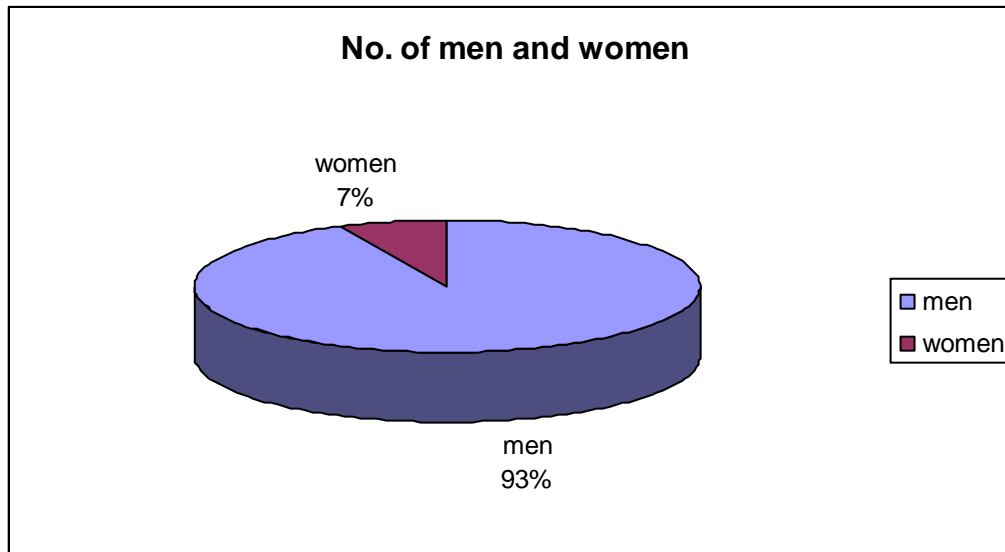


Figure:1

4.1.2 Religion: Table 3, shows distribution of employees by religion, based on size 116 of employees, it was found that about 93% employees are Hindus and Buddhist are 7% where as no Muslim and Christian employees are seen.

Table:3

No. of employees according to religion

Cast	No of employees	In percentage
Madhesi	6	5.172413793
Brahmin	79	68.10344828
Chhetri	7	6.034482759
Newar	4	3.448275862
Magar	15	12.93103448
Dalit	1	0.862068966
Bote	4	3.448275862
Total	116	100%

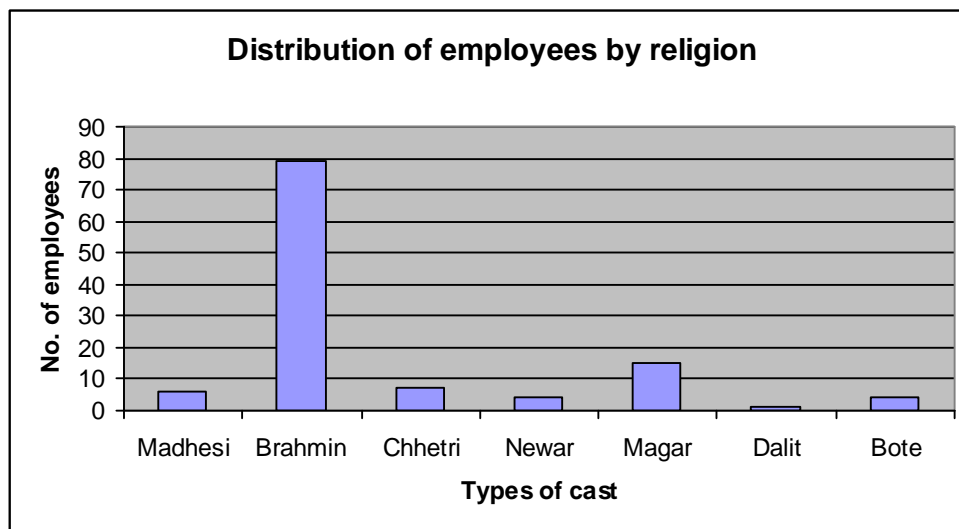


Figure : 2

4.1.3 Citizenship:

Table 4, shows distribution of employees according to citizenship, it is 100% Nepali employees. But the experts are from foreign countries come for technical assistance but

there isn't any foreign worker. Indian employee is 0% but there is major challenge to the Nepali labour force due to increasing number of migrants.

Table :4

Distribution of employees according to citizenship

Citizenship	Number	Percentage
Nepali	116	100%
Indian	0	0
Foreigner	0	0
Total	116	100%

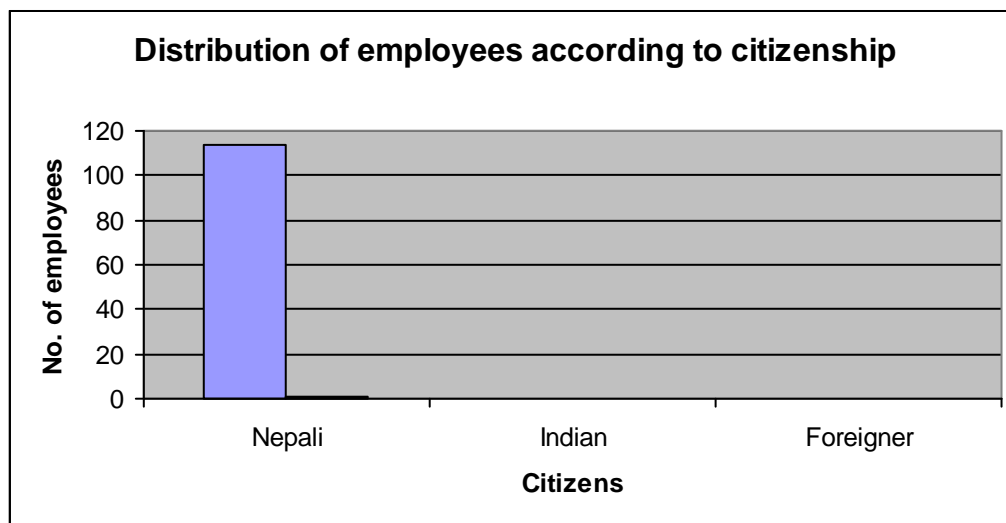


Figure :3

4.1.4 Marital Status:

Table 5, shows marital status of employees, in average 95% employees were found to be married during the sample survey. And only 5% are unmarried. This shows workers being more responsible towards work so as to support family.

Table :5

Marital status of men and women

no.of men (In %)	no. of women (In %)
95	5

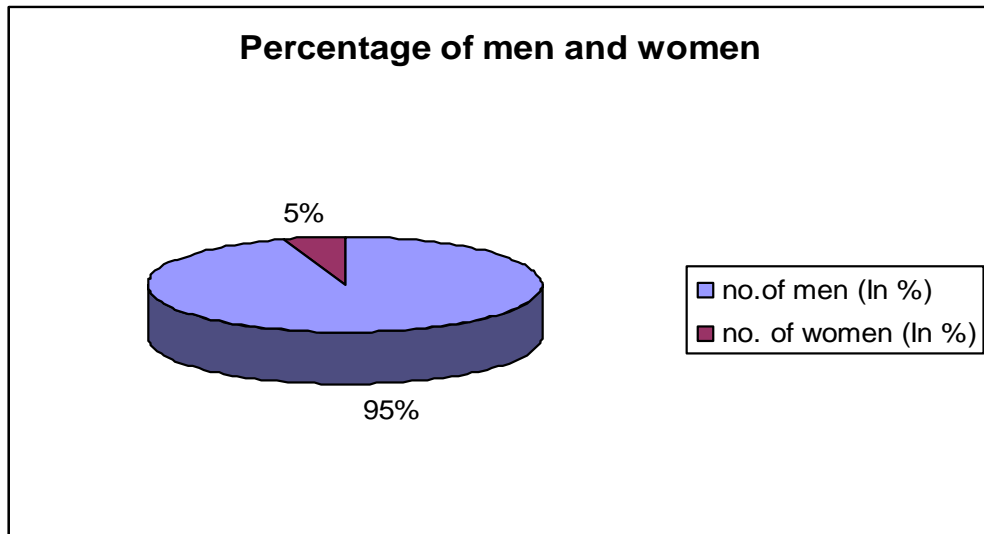


Figure :4

4.1.5 Mother Tongue:

Table 6, shows distribution of mother tongue of employees, it was found Nepali (80%) to be the principal mother tongue, , Newari, Magar, Bote, , are 1%, 15% and 4% and respectively whereas no Maithali employees.

Table :6

Distribution of employees according to mother tongue

Cast	No.of employees
Nepali	85
Newari	5
Magar	22
Bote	4

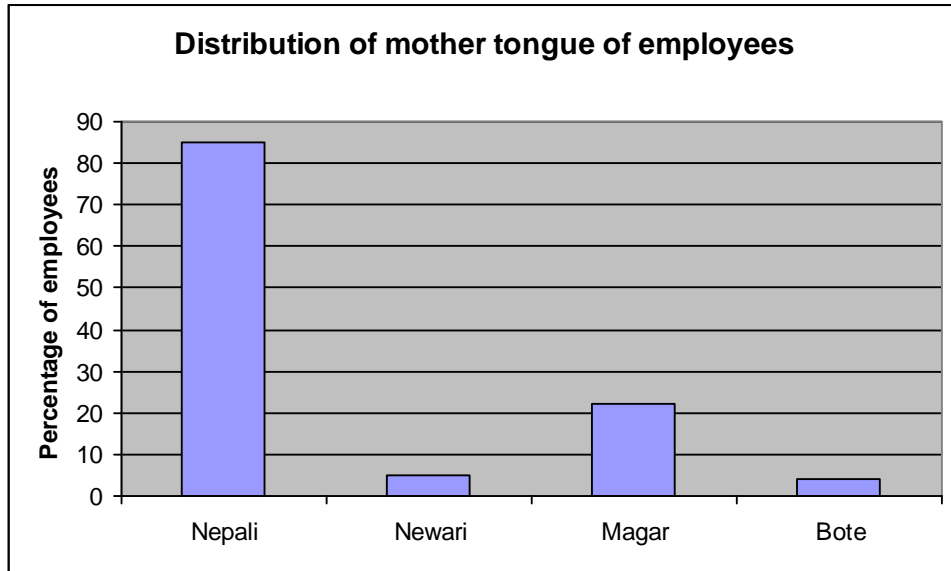


Figure :5

4.2 Productivity and Factors Affecting Productivity of Labour:

The main source of economic development is increase in productivity, whether it is agriculture, industry or the others sectors. Two major factors attributed to productivity of a firm or industry.

- A) The organization's technology.
- B) The job performance of its employers and employees.

The employees' performance depends on their ability and motivation. The workers ability will primarily be determined by their skill which in turn, depends on education, training and technical know-how. The industrial relations climate is also a significant factor that improves productivity.

4.2.1 Education

Table 7, shows the education background of the workers of NEA, Pvt, Ltd. It is believed that education equalizes opportunity and generates human skill of the labour force.

Statistics from survey reveals that 92 % found to be "bachelor level". Remaining 8% of employees are having their qualifications in master degree level.

Table :7

No.of employees according to education

Qualification	Numbers	In percentage
Upto bachelor	107	92%
Masters	9	8%

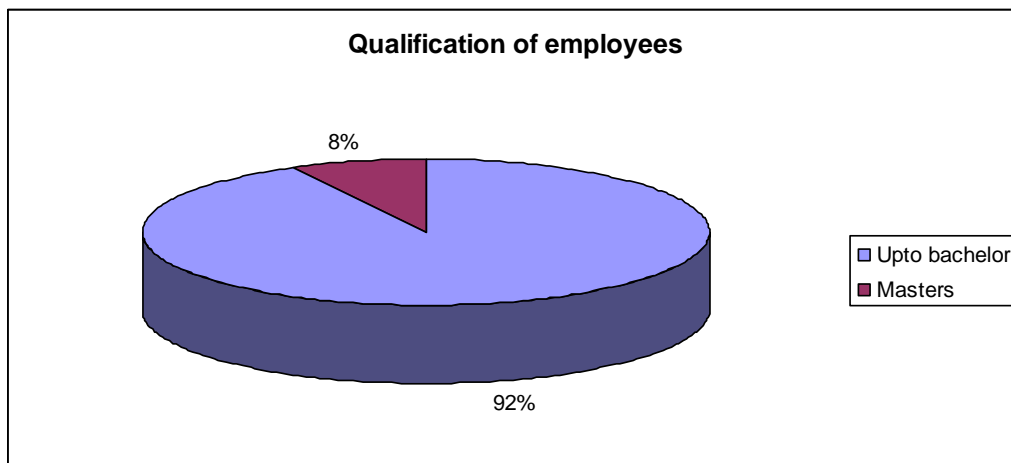


Figure :6

4.2.2 Method and duration of skill attainment:

The method and duration of attaining the skills was found that both the training and by working over a period of time helps to attain skill. Since the number of training and other facilities for skill improvement is less. But in average it was found that ten employees are trained per year among them 5 employees are from the assistant level and other 5 from officer level.

4.2.3 Skill Evaluation: It is found that work is taken base for evaluation purpose and skill evaluation is on recommendation by management through workers performance found to be 100%. Although the method of work evaluation does exist, it has built-in feature of arbitration based on personal recommendation of seniors in the management.

Table :8

Methods of skill evaluation in NEA (P) Ltd.

Evaluation of skills:	
Work evaluation	By work evaluation
Taking exam	X
Recommendation of management	100%
Others	X

4.2.4 Duration and type of training:

Though training is an indispensable component of better productivity, the survey of NEA, Pvt., Ltd. showed that type of training received is both service based and skill based which is not so clear and the range of training may be 3 days to 1 year depending upon the requirement. Table 9 is given below.

Table :9

Duration and type of training received

Type of training	Duration
Service based	3 days to 1 year depending upon the requirement
Skill based	8 days to 15 days

4.2.5 Benefits from training:

Various categories of benefit including increase in salary and promotion are the benefits of the training. Training helps in developing skills and productivity. Training is given to at least ten employees per year but the promotion any increase in salary after training is rarely found in this organisation.

4.2.6 Ways to increase further skill:

Increasing in salary is identified as a means of providing opportunity for enhancing skill .48 person got opportunity for training out of 116 and 8 persons got chance for skill enhancement through amendment of laws among 116 employees.

Table :10

Ways to increase further skill of employees

opportunity of training	48
increment in salary	8

Further skill of employees

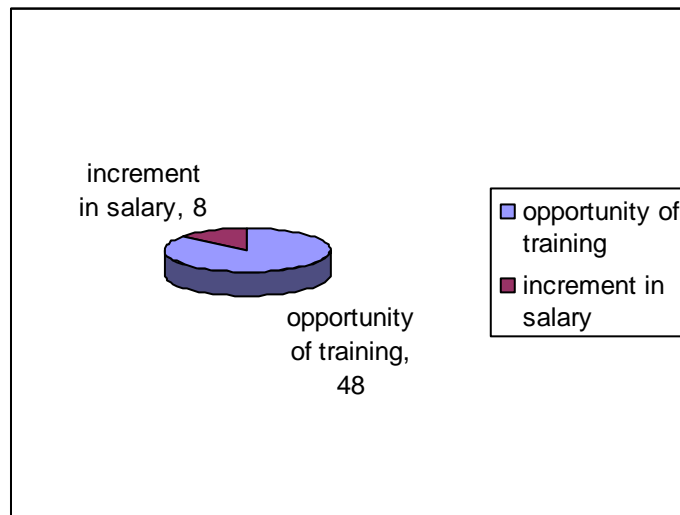


Figure :7

Summing up:

The organization's technology is an important factor that affects in productivity. So, technology of NEA should be developed to increase its productivity.

The job performance of employees is another factors that effect productivity it depends upon their ability and motivation. The employees ability will be determined by their skills, which depends on education, training and technical know-how. The industrial relation climate and labour administration is also a significant factor that improves productivity.

4.3 Wages and Minimum Wages:

It is universally accepted that minimum wage must provide not merely for bare sustain but for the preservation of the efficiency of workers. This means that minimum wage must also provide for some measures of basic education, medical requirements and other

essential amenities. The living wage also should enable workers to provide themselves and their family not merely the bare necessities of food, clothing and shelter, but a measure of insurance against the more inevitable misfortunes including old age.

The status of human development in Nepal is far below other SAARC countries. This is indicative of low productivity in both agriculture and manufacturing sectors. The prevailing min. wage rate in Colorado USA is \$5/hr whereas in Nepal it is Rs. **5 per hour**.

4.3.1 Minimum Wage:

Wages increased by 695 (from 1995 to 1998), 498 (from 1998 to 2000) and only 74 (from 2000 to 2004/2005) for unskilled workers. Similarly, 562 (from 1995 to 1998), 703 (from 1998 to 2000) and only 79 (from 2000 to 2004/2005) for semi-skilled labours and for skilled 841 (from 1995 to 1998), 596 (from 1998 to 2000) and 90 (from 2000 to 2004/2005) for skilled workers similarly, 1000 (from 1995 to 1998), 673 (from 1998 to 2000) and 107 (from 2000 to 2004/2005) for high skilled workers. And the dearness allowance increased is Rs 50 (from 1995 to 1998), there was no increase in since 1998 to 2003 and in 2004 it was increased by Rs. 360.

Table :11

Category fiscal year	unskilled		semi skilled		skilled		highly skilled	
	wages	dearness allow	wages	dearness allow	wages	dearness allow	wages	dearness allow
058/059	2052	860	3244	860	3697	860	4375	860
059/060	2052	860	3244	860	3697	860	4375	860
060/061	2052	860	3244	860	3697	860	4375	860
061/062	2052	860	3244	860	3697	860	4375	860
062/063	3128	1100	3325	1100	3789	1100	4484	1100
063/064	3566	1100	3774	1100	4244	1100	5023	1100
064/065	3851	1100	4076	1100	4584	1100	5425	1100
065/066	5851	1100	6076	1100	6584	1100	7425	1100

4.3.2 Salary scale:

During the survey at NEA, Pvt. Ltd it is revealed that permanent monthly salary scale from assistant level to manager level. Employees are categorized in different levels and employees' salary varies according to their levels and position they held. If the employees don't get promotion for working over more than three years of time period then they are categorized as atrikta according to their levels.

Table :12

Salary scale according to the levels

Level	Salary scale	
1	7360	Assistant Level
2	7740	Assistant Level
3	8310	Assistant Level
4	8700	Assistant Level
atirikta 4	9900	Assistant Level
5	10560	Assistant Level
atirikta 5	11630	Assistant Level
atirikta 6	13990	Mangerial Level
atirikta 7	14900	Mangerial Level
atirikta 8	15810	Mangerial Level
atirikta 9	17265	Mangerial Level
atirikta 10	18720	Mangerial Level
atirikta 11	21480	Mangerial Level
atirikta 12	24240	Mangerial Level

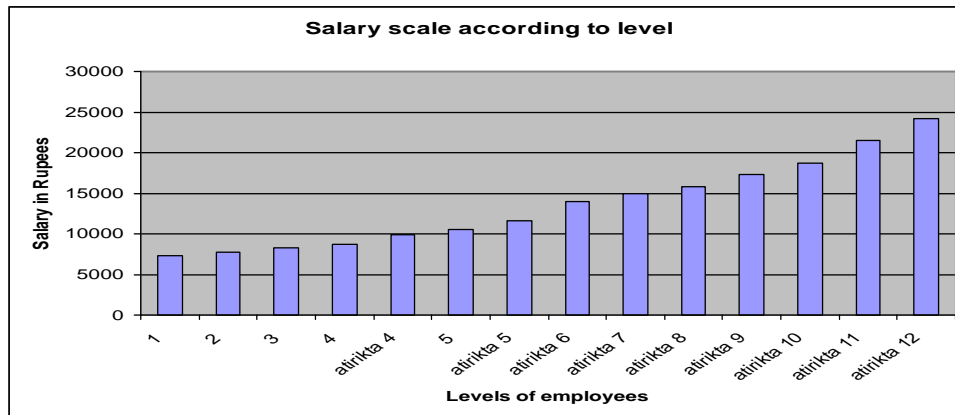


Figure :8

4.3.3 Benefits:

There are different heads that are provided for the employees. Employees those who are permanent gets dress allowances for officer level Rs 49500.00 and employees of assistant level receives dress allowances of Rs 535000. Similarly, house rent received by officer levels is Rs 178200 and the employee of assistant level receives Rs.1260000 per year. Dashain allowances is received equal to one month salary for the employees. Medical allowance is equal to one month salary per year for permanent staffs only. Employees who works in holidays and overtime the wage rate is double than the standard wage rate.

4.3.4 Provident fund and loans:

Provident facilities are provided to permanent employees in general but loan and advance facilities are provided to other employees also but he should have been very loyal, dutiful towards management. All employees enjoy the benefits depending upon the financial condition of NEA, Pvt. Ltd.

4.3.5 Other sources of income:

When surveyed with the employees, it was found that other sources of income is either too low or no at all except some mentioned about very minimal income from agricultural. Some of them have small shops and restaurants which is run by their family members.

4.3.6 Different types of allowances in NEA:

There are different types of allowances given to employees of NEA like toughness of work, medical allowances, uniform allowances, expensive allowances, house rent allowances. These allowances are given according to the different levels hold by the employees of the organization.

Table :13

Different types of allowances

Allowances		
Particulars	Technical	Administration
Allow. According to toughness of work	30% of salary	15% of salary
Earning Performance Revenue	60% of salary	35%-40% of salary
Medical Allow.	Amount equal to 1 month salary per year (For permanent staffs only)	
Uniform Allow.	Rs.5500 (for officer level)	Rs.5000(for Asst. level)
Expensive allow	Rs 1200 per month for permanent and Myadi	
House Rent Allow	0	
Level 1	716	
Level 2	809	
Level 3	1250	
Level 4	1250	
Level 5	1650	
Level 6	1650	officer level
Level 7	1650	officer level
Level 8	1650	officer level
Level 9	1650	officer level
Level 10	1650	officer level
Level 11	1650	officer level

4.3.7 Wage rate according to post held :

In NEA, wage rate are categorized according to their nature of job. Different persons have different wage rate according to their categories like plumber, porter, mason, helper, plumber, carpenter etc.

They are as listed.

Table :14

Salary according to post

S.no	Rank	Wage rate(old)	Wage rate (new)	Level
1	Peon and watchman	206	230	
2	Painter,porter, Mason	235	270	1
3	M.helper, Elec. Helper	280.77	297.69	2
4	driver, mechanics	301.53	319.61	3
5	Senior foreman,mechnic helper office Asst.	318.46	337.69	4
6	Supervisor, Comp. ooperator	376	386.12	5
7	Plumber, carpenter	376	410	
8	Mason,porter,seasonal worker	235	270	

4.4 Employment, Labour Market Situations and Industrial Relations:

Although open unemployment is estimated to be 5%, underemployment is as high as 50%.In addition to poverty and inflation, underemployment is, therefore serious problems facing Nepal. Since agriculture is the main source of livelihood for an overwhelming proportion of Nepal's population, this puts a severe constraint on the ability to generate employment and income. (source: Rizwanul 1985)

One prominent why the problem of underemployment is acute in Nepal is that there exists a reason large degree of self-employment which is predominant form of employment in the country.

4.4.1 Number of employees at officer level and assistant level.

According to the survey, altogether the total number of employees in assistant level and officer level is 116 among them total number of officer level is 9. Similarly the total number of assistant level is 107. Employees of assistant level and officer level is further divided into administration and technical department.

Table :15

No.of employees at officer level

S.no	Particulars	Approved	Working	Proposed
1	Officer (technical)	16	7	10
2	Officer (Admin)	4	2	3
3	Total officer employees	20	9	13

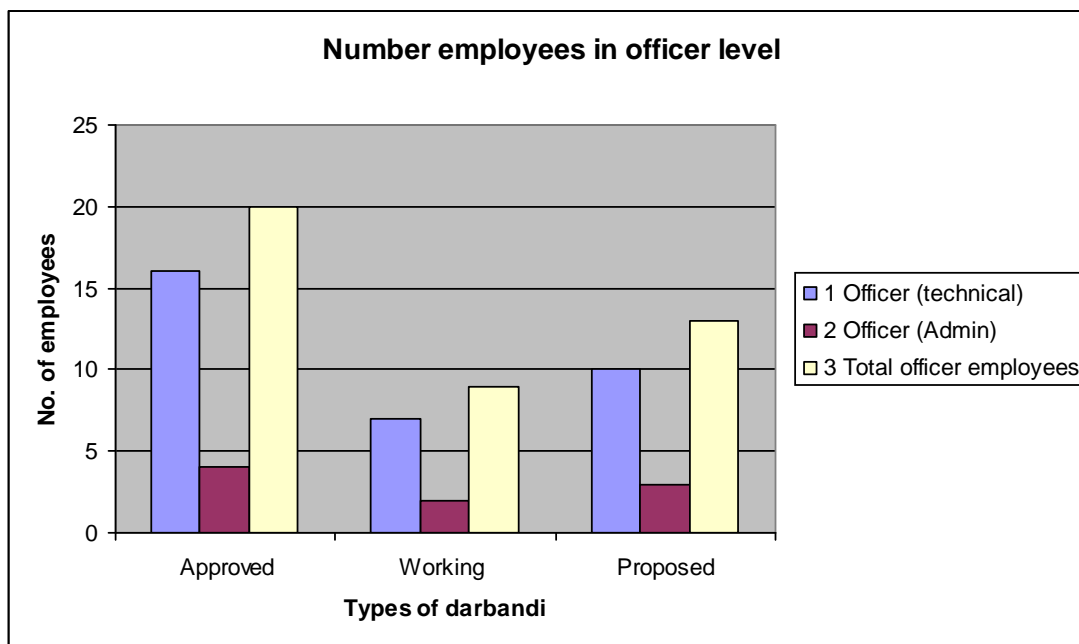


Figure :9

Table :16

No. of employees working at assistant level

S.no	Particulars	Approved	Working	Proposed
	Asst. level (technical)	87	87	111
1	Asst level (admin)	23	20	25
2	Total Asst. level employee	110	107	136
3	Total officer level and Asst. level employee	130	116	149

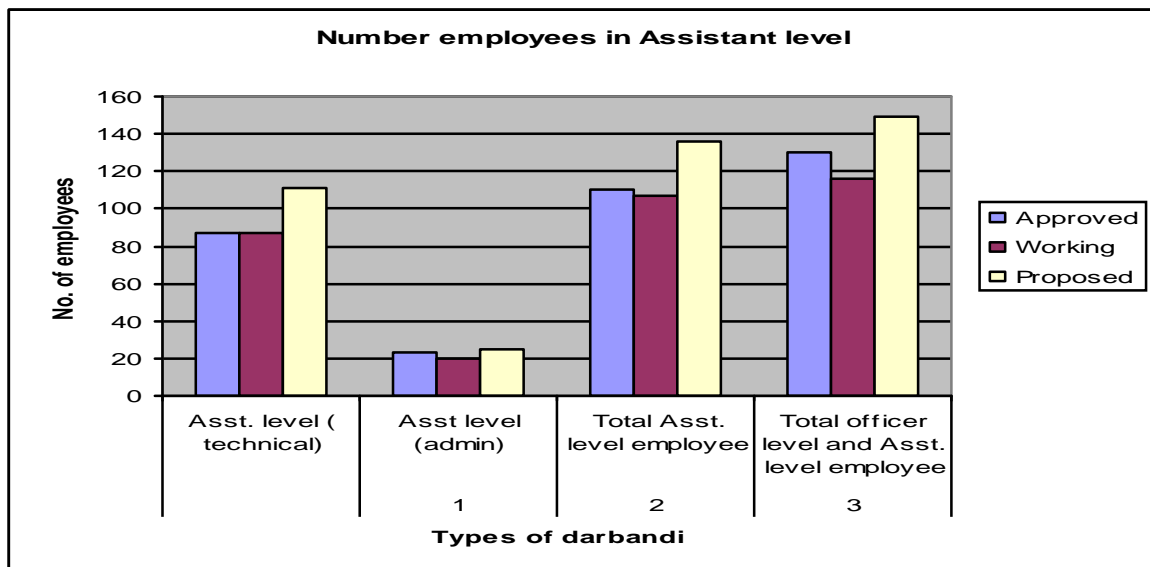


Figure :10

4.4.2 Previous work:

Previous work done by employees prior to joining this job in NEA Pvt., Ltd. Employee's previous work were diverse. Household, agriculture, business etc were some important professions. Of the total, 55% were related with household works, 25% workers came from agriculture and the remaining 20% are from business sector.

Table 17

Previous work of employees

Household	agriculture	business
55%	25%	20%

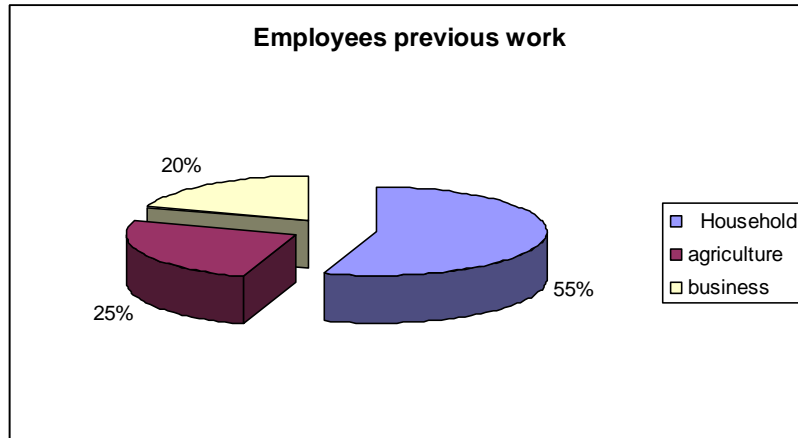


Figure :11

4.4.3 Position:

Out of 116 employees, 22 employees are in administrative level, among them 2 of them are from officer level and 20 of them are from assistant level. Similarly, 94 employees are there in technical department among them, 7 employees are in officer level and the remaining 85 are in the assistant level.

Table :18

Position level of employees

	Administration	Technical
Officer level	2	7
Assistant level	20	85

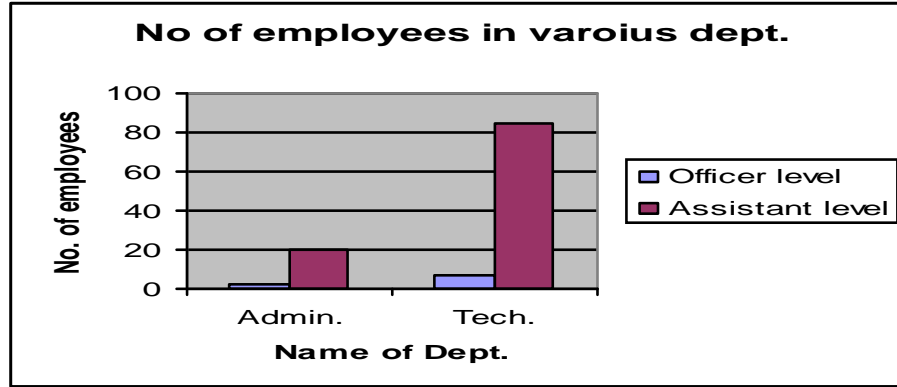


Figure :12

4.4.4 Levels of the employees:

In every organization there are different levels of staffs. In Kali Gandaki, employees are categorized in eleven level, from level 1 to level 11. Table given below shows the levels of technical department which includes managers and assistants.

Service : Technical (Manager and assistants)

Table :19

Different levels of staffs

S.no.	Rank	Level	Group	Sub-group
1	Director	11		
2	Manager	10	Technician	
3	Sub Manager	9	Electrical	Electrical
4	Sub Manager	9	Mechanical	
5	Asst. Manager	8	Mechanical	
6	Asst. Manager	8	Civil	Civil
7	Asst. Manger	8	Electrical	Electrical
8	Engineer	7	Electrical	Electrical
9	Engineer	7	Electrical	Electronics
10	Engineer	7	Mechanical	
11	Engineer	7	Civil	Civil
12	Asst.Engineer	6	Electrical	Electrical
13	Asst.Engineer	6	Mechanical	
14	Asst Engineer	6	Civil	Civil
				Managerial
1	Supervisor	5	Electrical	Electrical
2	Supervisor	5	Civil	Civil
3	Supervisor	5	Mechanical	

4	Senior Head Elec. Operator	5	Misc	S Cha
5	Foreman	4	Electrical	Electrical
6	Foreman	4	Civil	Civil
7	Foreman	4	Mechanical	
8	Foreman Driver	4	Misc	S Cha
9	Head Electonical operatot	4	Misc	S Cha
10	Senior Welder	4		Mechanical
11	Gotakhor	3	Misc	Diving
12	Electrician	3	Electrical	Electrical
13	Junior technician	3	Mechanical	
14	Leth Operator	3	Mechanical	
15	Junior Technician	3	Civil	Civil
16	Plumber	3	Misc	Plumbing
17	Driver	3	Misc	S Cha
18	Welder	3	Mechanical	
19	Carpenter	3	Misc	Carpenter
20	Mason	3	Misc	Mason
21	Helper	2	Electrical	Electrical
22	Helper	2	Mechanical	Mechanical
23	Helper	2	Civil	Civil
24	Gotakhor Helper	2	Misc	Diving
25	Junior Helper	1	Electrical	Electrical

4.4.5 Types of Appointment:

.There are three types of appointment system in NEA, Mirmi. It was found that majority of them are temporary workers whereas daily wages and permanent as well as others are also in the category of types of appointment.

4.4.6 Promotion:

NEA Pvt. Ltd was observed that there is provision for getting promotion which means extrinsic and intrinsic rewards for employees. There is both first promotion and second promotion but chances of promotion are up to certain level only which may not be motivating for some employees. On interview with workers reveals that chances for promotion are very bleak this creates frustration at that level.

Table :20

Types of promotion received and chances of promotion

Got promotion	No. of promotion	Chances
Yes	First promotion	Yes
No	Second promotions	No

4.4.7 Promotion system in NEA :

Basically there are three systems for the promotion. 50% are based on free competition which is applicable from whole Nepal. 25% is based on file processing on internal basis and remaining 25% is based on internal competition among the existing internal staffs.

Table: 21

Promotion system

Promotion system in NEA		Percentage
Internal competition	50% free competition all Nepal	50
	25% based on file processing	25
	25% based on internal competition	25
Nominee for file badhuwaa	Asst level 4 yrs	
	Adhikrit 5 years	

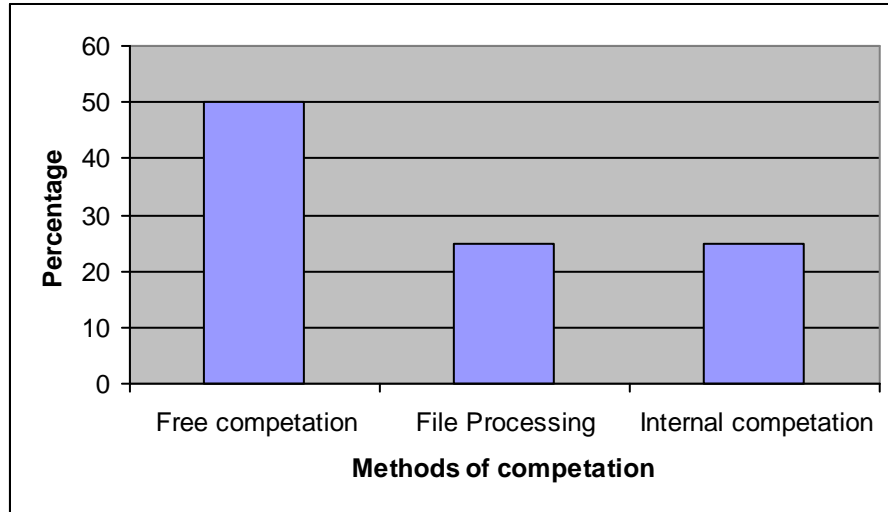


Figure :13

4.4.8 Getting Jobs:

A majority of workers got job at their own effort. There is no opportunity to provide job on party leadership and effort of the union. Employees got job on the basis of qualification and experience they possess. There may be partiality when recommended by friends and biasness in selection. Few employees didn't like to pass any comments on such issue.

4.4.9 New Jobs:

On survey report, it was found that confidence of finding new jobs was positive but others half mentioned that they find it difficult to get new jobs because no opening of new industries, old age and do not see job opportunity as well.

4.5 Trade Union and its Activities:

In democratic society, the presence and importance of trade union is highly valued. It can play a vital role in providing job security and enabling collective bargaining for workers. After the dawn of multiparty democracy in Nepal, the concept of trade union

has been much popularized. Majority of industries/factories have one or another form of trade unions.

4.5.1 Trade Union:

In industries or in any other big organization trade union are established by the workers or the employees so that they can state their problems in front of management. Trade union gives a great effort to achieve the employees rights and demands. Without the help of trade union it would be difficult for the worker to fulfill their rights and demands. They are the power of the employees. There are four unions in Kali Gandaki Project.

Table :22

Trade union in NEA and name of the participatory union

Employee Union
Employee Association
Nepal National Employee Organisation
Karmachari Parishad

4.5.2 Belief in Trade Union:

It was found that they prefer to go for union, management, and labour office. Most of the employees have faith in union so they often visit and report to trade union about work-related problems. Likewise, labour office and management body is the next alternative.

Table :23

Place of visit when employees have a problem

Union	management	labour office
60%	20%	20%

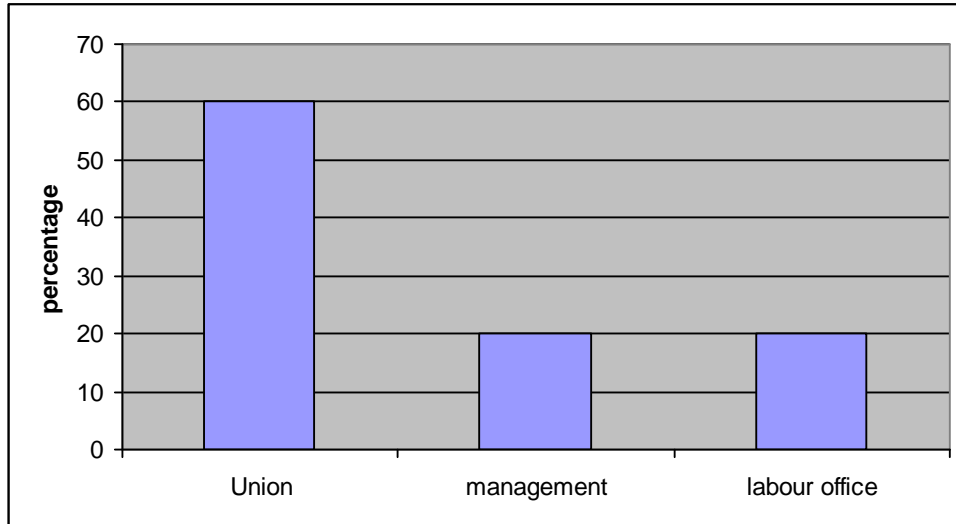


Figure :14

4.5.3 Perception of workers towards Trade Union:

The workers were asked, "Do you really feel the need of strong union?" In response to this question, they have their own perception. Most of the workers felt the need of unions where as some felt no need of unions. Those who felt the need of unions and no need of unions were asked to point out the reasons. The responses received from them are as follows.

4.5.4 Reasons for the need of the unions:

Table :24

Reasons
Unions improves their terms and conditions of the employment.
Union provides protection against management and discrimination.
Union improves the workers strong.
Union helps the members in expressing their grievances to management.
Union provides security protect members from out side pressures.
Unions satisfy members in various psychological and social needs and protect them from economic insecurities.

4.5.5 Reasons for no need of union:

Table :25

Trade unions are political oriented rather than labour oriented.
Trade union create group in company and divide the work force.
Trade unions leaders are guided by political parties and try to create their own image.
Trade union forces the management to fulfill even unreasonable demands for their own name and fame.
Trade unions can not solve unemployment situation of the nation.

4.5.6 Complaint:

On survey report, it was found that confidence of finding new jobs was positive but others half mentioned that they find it difficult to get new jobs because no opening of new industries, old age and do not see job opportunity as well. Complain with management.

Reasons for complaint are as follows:

No salary increase, no work evaluation, no minimum facilities, not made permanent, no improvement in working environment, no timely payment, negligence of management, owner takes them as slaves, labours fired when voice is raised, no facilities as foreign workers, no job guarantee.

4.5.7 Female Participation:

It is revealed that female participation is positive though the number is very low because of their interest, no qualification and participation in Union in trade union activities is equally low due to discrimination against them.

4.5.8 Trade Union Efforts:

It is reported that trade unions raise voice for the betterment of employees in various aspects. Out of the various issues, the most important effort made by trade union was to raise voice for overall benefits for employees and other one is to make permanent employee who are temporary, those who have fulfilled the criteria of being permanent . Another important issue raised by trade unions was about the provision of health facilities and treatment. and the labour Act applications. Generally work done by te trade unions are work done by trade unions are provision for equal wage, provision for provident fund, make permanent, application for Labour Act raised voice for benefit, facilities of health treatment, dashain allowance, snacks allowances, delivery holidays etc .

Table :26, shows the efforts made by the trade union.

Table :26

Efforts made by trade union for the sake of employees:

Make permanent
Application for Labour Act raised voice for benefit
Facilities of health treatment
Snacks allowances

4.5.9 Strike:

After the interview it was found that there has not been any strike in NEA Pvt. Ltd till now. It has friendly relation in this part of organization. Generally it is believed that general strikes takes place however in context to NEA Pvt. Ltd. If strike done, regarding their problems then it is done from the central level but not by the employees of the Mirmi. They don't stop the work because it is service oriented organization. They keep demand for the allowances like snacks allowance, providing health facilities to workers.

Table :27

Demands kept in front of management

Snack allowance
To make temporary employees permanent
To provide health facilities

Usually above mentioned demands are kept in front of the management in other places of NEA. They have provided above facilities according to their rules and regulations. Among them only two demands are kept in front of management in Kali Gandaki project. They have demanded for snack allowance and the other one is for the insurance of the employees.

Recently, there aroused a big problem between management and the worker about the security guard. First, they used to employ the guards from the Mirmi area or we can say local people but now they hired the security guard from the other firm who provides the security guard through out Nepal. This was the current and the big issue in the Kali Gandaki.

4.5.10 Strike Resolution:

Here in NEA Pvt. Ltd there had not been any strike. Some conflicts took places. There are two ways to fulfill the demands of the employees. First one is the full fillment and the second one is the partial fulfillment. According to the survey, partial fulfillment is done on the demand made by the employees.

4.5.11 Job Termination:

It was found that the termination of employees has been taken place but very rarely and the reason for job termination is only due to negligence in work from the side of employees. Inactive participation in work and due to the conflict with the owner is also another reason for job termination but these type of behaviors is not found.

4.5.12 Rejoining of termination employee:

It was found that the rejoining of any employee after termination is not at all. There is not any provision, once an employee is sacked off. Pressures from unions, mistake realization and request for rejoining is not considered .

4.5.13 Relation between management and employees:

Every organisation face this situation. There is no organisation which is untouched by grievances, minor conflicts etc. It is revealed that the relation between Unions/Workers and Employers is satisfactory. Even there are grievances, minor conflicts, etc., relation seems healthy. It found that the 50% of worker that the relation

between worker and the owner is good, other 50% of worker said that relation is satisfactory. Finally management level stated that 80% good and 20% satisfactory.

Relation between management and employees

Table :28

	Good	Satisfactory
Management	80%	20%
Worker	50%	50%

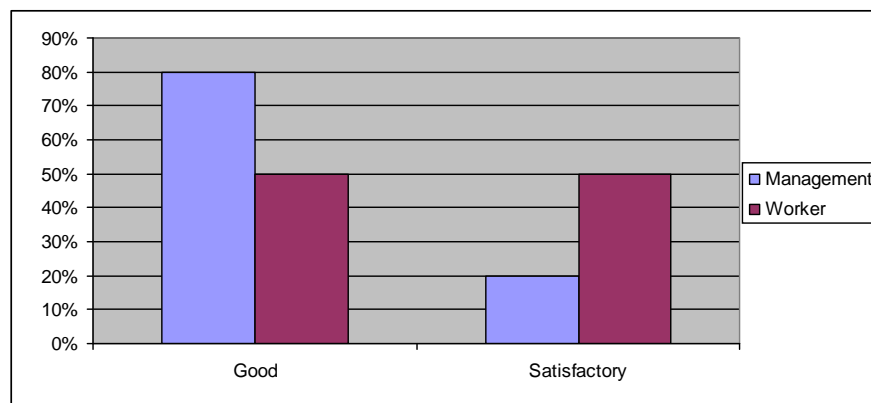


Figure :15

4.5.14 Facilities:

On close observation and interview it was found that almost all facilities are included like first aid treatment, school for children (gives allowances) accident compensation, insurance policy is provided, drinking water and though there is not the facility of pension but the workers are proceed with gratuity and other schemes are available. Hence workers seems most satisfied by this facilities made available to them.

Table :29

Facilities provided to the workers

First aid treatment
School for children
Accident compensation

Insurance
Insurance
Drinking water
Pension gratuity/grant scheme

4.5.15 Health:

It is reported that there arises health problems In spite of that, there are provisions for precautionary measures and steps are taken by all of them, the unions, owners and workers themselves. According to the laboures, we find that there are variations in initiation taken by owners, unions and workers.

Table :30

Health problem of the workers and initiation taken by unions and owners

Worker	Unions	Owners
60	25	15

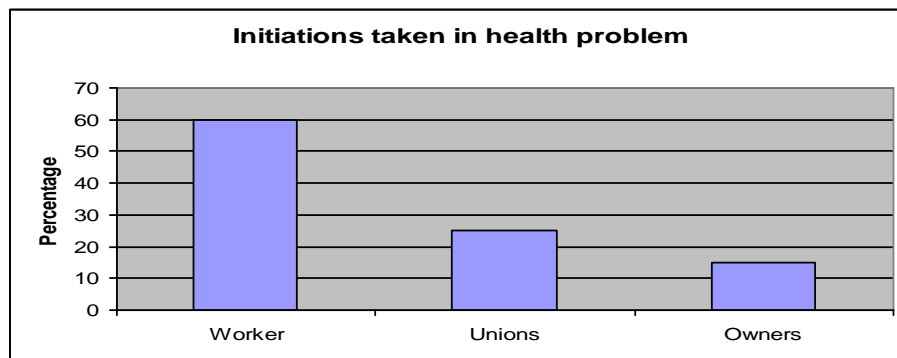


Figure :16

4.5.16 Working Environment:

It is revealed on interview and observation that from management perspective, the working environment is very healthy and the good aspects like friendly environment, solved unemployment problems, timely payment of salary etc. But on asking with the

employees there are shortcoming also, like there is no proper job evaluation and besides that there is no job guarantee which makes the employee moral low and hence affect the performance level too.

Table :31

Workers opinion on good and bad aspect of NEA (P) Ltd.

Good aspect:

Friendly environment
Solved unemployment problems
Good salary
Experience gain
Comparatively better
Management has started looking after
Timely payment of salary

Bad aspects:

No evaluation of work
No job guarantee
Low wage
Weak management

4.5.17 Night Duty:

The night duty is needed in NEA in both the damn side and as well as the power house side for the security purpose. High security is needed in this area but there is not any compulsory do night duty in NEA for the security. The reason for doing night duty is that the worker need more wage. Some worker works in the request of management. 70% of the worker works to earn more wage and 30% works on the request of the management.

Table :32

Reasons to work at night

Earn more wage(%)	On the request of management (%)
70	30

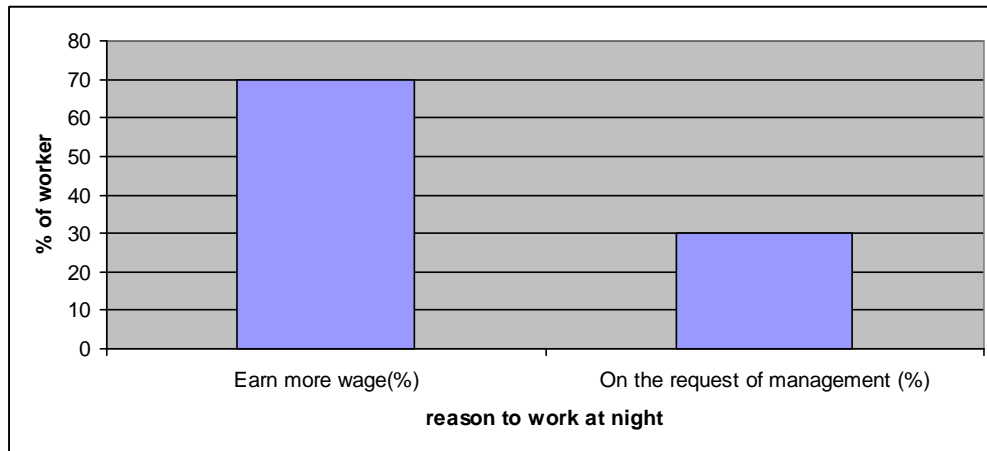


Figure :17

4.5.18 Distribution of Security employees:

There are more than 28 employees in NEA, who works for security purpose in Kali Gandaki hydro power electricity project. The working hour of night duty employees is 8 hours. More than 6 employees work in power house and more than 6 employees work in damn side at night. It means that the working ratio of guard is 50/50 in the both damn and power house side.

Distribution of Security employees

Table :33

No. of men in damn side	No of men in power house side
6	6

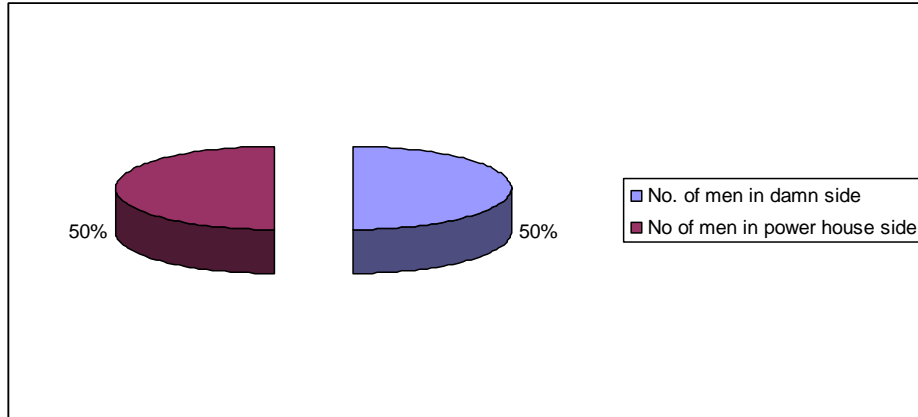


Figure :18

4.5.19 Overtime:

In any organization, we find the pressure of work load is common these days. Especially, in banks and financial institutions we find more pressure and work load to the employees. In NEA also there is pressure of work but it is not compulsory to the employees to work overtime in this project.

4.5.20 Dissatisfaction:

Employees showed dissatisfaction with work and working condition. Different workers had shown different response towards their job. Some are dissatisfied with job and the reason was that, there is no job guarantee for the employees. There is also little frustration over the matter of no proper work evaluation. The degree of distress due to low wage rate is higher than the other.

Table :34

Workers dissatisfaction and reasons:

Reasons	In percentage
No job guarantee	25
work evaluation	15
low wage	60
Total	100

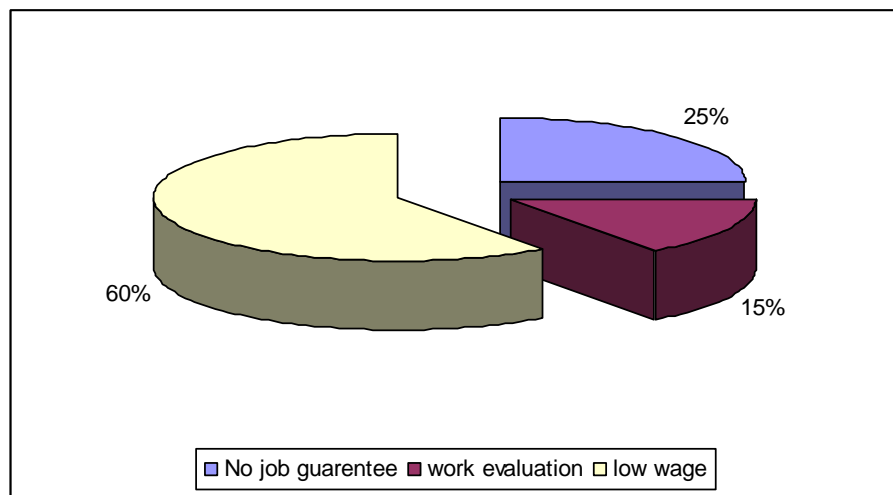


Figure :19

CHAPTER V

CONSLUSION AND RECOMENDATION

5.1 Conclusion and Major Findings:

The study seems to be successful in meeting the stated objectives designed for the study. The study was made on the basis of primary and secondary data. The primary data included the important data of the Kali Gandaki hydro project and the questionnaires (in written form) that was distributed to the staffs to get the correct information about this project. The questions included in the questionnaire have been attached at the end of the project work document.

Trade unions, as one of the social partners of development can play a significant role in improving productivity, wages, employment, and overall status of industrial relations in Nepal.

So the NEA Pvt. Ltd. would also have faced the some of the consequences being part of external environment. The NEA Pvt. Ltd has no shortcoming in relevance to employee's grievances, political unrest, continual bands, and issues over labour problem.

The socio-cultural status of workers reflects that the male labour force has overwhelming domination over female workers. As the survey at NEA Pvt. Ltd. shows that large numbers of workers were found to have been followers of Hindu religion. A majority of workers speak Nepali as their mother tongue and there were mostly married and barely supported by their mother.

Productivity is ultimately attributed to increase in the level of knowledge and skill of workers who primarily depend on education, training and technical know-how. The existence of moderately 3.94% illiterate and affected much extent on productivity.

Though there is method and duration of training for enhancing the skill of workers but it not specified. Although the younger generation is totally deprived of quality education. The government's inability to provide opportunity to workers for skill development is under stable, for resources are extremely limited but the role of the private sector is also dwindling that is not congenial towards improving the status of workers.

And the trends in minimums wages is also very low, it shows the status of human development in NEA Pvt. Ltd. is below that of other SAARC countries. The difference in the level of economic development is attributed to the quality of the labour force which, among others, also depends on differences in wage rates.

One of the significant factors affecting productivity is the inadequate incentive provided to the workers that include wages, perks and other benefits and facilities. The yearly bonus, housing facility are not available at NEA Pvt. Ltd, due to that workers seems to be dissatisfied.

Even the minimum wages for different levels of manpower varied between 4375 for highly skilled and 3052 for unskilled as per 2004, which is comparatively discrimination between these level. The wages increment is also very low there. However, market wages are considerably higher than the prevailing minimum wages in Nepal which are extremely insufficient to maintain family of four. The wage increment is very less, it is seen that only Rs 74 has increased over 4/5 years for skilled and Rs 107 increased for high skilled workers, it is very pitiable to see such a condition of workers. There is provision for provident fund and advance loan facilities, but it seems to be inflexible.

There are no other sources of income for workers except little contribution from agriculture, shops and small restaurants. The employment opportunities are as low as in

other sector, as per data available; there are 116 workers in NEA Pvt. Ltd. There are chances of promotion for employees who are qualified and talented. And the method of getting job is at own effort and through examination as well as friends. Hence the workers are not convinced with the right way to approach.

Trade union plays a great role to support workers. Most of the problems are placed at the unions first. Workers have complain over various issues which are not fulfilled by Management, hence create tense climate sometimes within NEA Pvt. Ltd.

There is no proper evaluation of work and no job guarantee for worker which always creates dissatisfaction and grievances among workers with management body. The labour management relation though seems sound but internally it is disturbed to some extent.

The relation with owners and workers has got a mixed result, shows good symbol. The truth is, workers have demands to be fulfilled and management is not able to fulfill all demands, hence there remains cold war between these two parties.

During the five years of enactment of Labour Act 1992 and Trade Union Act 1992, considerable changes in the attitude of employers towards workers have been observed, but this is limited to the high level and has not trickled down towards the enterprise level.

The first chapter of the thesis is introductory which consists of background of the study, introduction of KGA hydro electric project, significance of the study.

The second chapter deals with the theoretical framework and review of some important literature as well as the related books of the experts.

The third chapter includes research design, data gathering, data processing procedures, tools and techniques employed in presentation and analysis of data.

The fourth chapter deals with the presentation of related data of Kali Gandaki hydro electric department. Data are shown to make easier understanding and proper techniques are used for the analysis of the data.

The fifth chapter deals with the findings of the study are summarized and presented as conclusion and proper recommendation are mentioned on the basis of the study.

5.2 The followings are the some of the recommendations

The above analysis has attempted to yield some insights into IRS of Nepal Hydro and Electric Pvt. Ltd. Kali Gandaki. It has touched some problems for which specific solutions have yet to be worked out. The present situation thus calls for serious rethinking of some of our accepted tenets in labour management relations.

Industrial harmony cannot be attained by purely legislative or judicial measures. In this case, government should provide a broad framework of industrial relation policies congruent with national goals but the operational relations between management and labour have to be developed and maintained by the parties concerned. Thus the desired role of the government in the present context is to encourage and promote cooperation and collective bargaining between workers and employers and minimize its own intervention.

1. The education plays vital role in nature of modern business. So educating and making aware of everything concerned with the working environment and working condition to workers in NEA Pvt. Ltd is prime necessary. Education will help in removing

many misunderstanding which usually arises because of the fact, that workers do not understand its financial and commercial side of business.

2. It is recommended to management level regarding training methods and duration be specifically mentioned and effective training techniques should be established. Determining training needs would be beneficial. The methods like trainee survey, observation and experimental training group etc can be adopted etc.
3. Method of skill evaluation is totally based on the work only; the management may use reaction criteria, learning criteria etc.
4. The NEA Pvt. Ltd. and trade unions must work to explore strategies and provide further opportunities for education and training to develop skill and impart technical know-how to workers by formulating short, medium and long-term package programs comprising education, training and incentives compatible with the spirit of globalization that would be instrument in raising productivity. This requires an increase in social expenditures on education, health, drinking water and sanitation. One specific and appropriate proposal in this regard would be to augment the ability of workers through new available technologies.
5. Since the source of other income of employees is less it is recommended to increase in salary of workers as per requirement, inflation etc.
6. To promote labour management cooperation and to stabilize the labour management relationship, we expect the role of labour management consultation mechanism to increase in future.

7. Workers participation mechanism in its full-fledged stage should be administered in a democratic way. Representatives of both sides will have opportunity to discuss production and welfare matters freely and with equal power. Therefore, relationship between management and workers should be established.
8. Workers, management and government etc. in charge if the labour management relationship should be equipped with good sense, favorable attitudes and techniques for cooperation.
9. Nepalese management may try to experiment with the "Quality of work life" or "work place democracy" approach of American management. It ensures human growth and dignity of work with an assumption that the secondary pay offs or results will follow.
10. It is necessary to regulate industrial relation practices under the Nepalese conditions only. The integrated approach would succeed in Nepal and even in NEA, Pvt. Ltd to establish a cordial industrial relation scene in years to come.
11. The female participation should be increased in management level as well as in the technical areas also.
12. To reduce negligence in work and termination of employees, it is necessary to set standard selection criteria and finding out why they neglect in work whether it is due to dissatisfaction in work, low wage, domination in working place, poor physical working condition. A team can be formed to heal the problem and many such problems can be identified and solved systematically.

13. Even if there is provision of labour welfare officer in NEA Pvt. Ltd, there exists no labour welfare officer. Hence concern authority should take necessary step for implement of this provision.

14. It is recommended to the management of NEA Pvt. Ltd that there should be job guarantee for workers due to which there won't be always tense climate as it seems and grievance of workers should also be reduced as far as possible.

15. In any organization there arise the problems regarding wages, in NEA also there are some grievances regarding wage rate. So in this case these case it should be handled carefully so that to satisfy the need of the workers.

16. Some workers give higher priorities to their parties rather than their work. They provoke other workers and create unpleasant working environment in the organization. This type of situation should be minimized by distinguishing the difference between the right and wrong.

17. Some workers are insecure about the job. They are facing the problem of job guarantee. Job guarantee should be provided for old age people or they should be provided fund for their old age when they can't do anything due to their age factor.

18. There is no any highly skilled technician in NEA, Mirmi. If any problem occurs in technical department they have to call the technician from abroad. This shows the lack of

skill and technical knowledge. We recommend that employees should be given training for solving such problems so as to minimize cost as well as time.

19. Employees are given training in Mirmi and some training are given central level of NEA. Employees are not sent to foreign countries for further studies. For the better knowledge, employees should be sent to foreign countries so that they can be more capable and enhance their skill level. This help the not only the employee but also to the other staffs of NEA as to run the hydropower smoothly and increase its productivity.

20. Even though there are many labour laws, Labour Acts, unions which favours about the rights and the authority of the workers it is not applicable context to Nepal. There are other methods like grievance handling, arbitration, conciliation, for settling disputes which is important to solve difficult situations.

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APPENDIX

Questionnaires for Management:

Given below answers and data will be kept strictly secret, and its use will be only for this thesis purpose.

1. What is the cause of internal dispute?

Demands for worker Union and mgmt. misunderstanding

2. Is bonus paid to workers? Yes No

3. Are worker trained before work? Yes No

4. What is the source of appointing workers?

Examination Management Reference

5. Have ever problem arises due to high absenteeism?

Yes No

6. Have ever problem arise due to lack of commitment among the workers?

Yes No

7. Labour laws are implemented or not?

Yes No

8. What is the actual position of trade unions?

9. What are the total working hours for the workers?

10. How are the relation of unions/ workers with others?

Good Fair Bad

11. Were employees terminated ever?

Yes No

12. What are the common demands in strike?

13. What is the retirement age of the permanent worker?

14. Is there welfare provisions?

[Public holidays, resting room]

Yes

No

15. What is total number of employees working at present?

Questionnaires for the workers:

1. How did you get job in the NEA?

2. How long you been working here?

3. Were you promoted? What are chances of getting promotion?

4. Are you satisfied with the working environment?

5. Is there compulsion to work overtime?

6. Are there employment and security services available for the employees?

7. How is the relation between unions/ workers with others?

8. Is there transportation facilities for the worker?

9. What are good and bad aspects of management?

10. Why do you work at night?

11. Are you satisfied with the job?

12. Is there any source of income other than this job?

13. Is there support of trade unions for you?

14. How often you complain?

Yes

No

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