

**A Dissertation Report
On**

**MITIGATING FLASH STRIKE BY CONTRACT LABOURS
FOR OIL'S PRODUCTIVITY AND PROFITABILITY**

By

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**A DISSERTATION REPORT SUBMITTED IN PARTIAL FULFILLMENT OF THE
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DECLARATION

I, Sri Rajib Sarmah , a student of MBA(Oil & Gas), studying in Indian School Of Petroleum and Energy under University of Petroleum & Energy Studies, Dehradun hereby declare that this project is genuine and original of work of study prepared by me. It is based on the data and information collected by me. To the best of my knowledge and belief, the matter presented in this report has not been copied from any other report submitted to the University of Petroleum & Energy Studies, Dehradun to get the award of MBA – Oil & Gas or any other courses offered by University of Petroleum & Energy Studies, Dehradun.



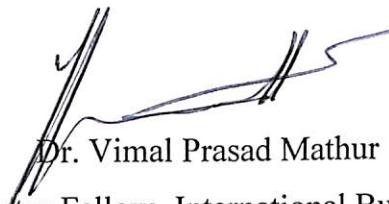
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APPENDIX-III

CERTIFICATE

This is to certify that the dissertation report on “Mitigating Flash Strike by contract labours for OIL’S productivity and profitability”, submitted to University of Petroleum and Energy Studies, Dehradun, by RAJIB SARMAH, in partial fulfillment of requirement of the award of degree of Masters of Business Administration (Oil and Gas Management), is a bonafide work carried out by him under my supervision and guidance. To the best of my knowledge this particular work has not been submitted anywhere else for any other Degree. He has made an earnest and dedicated effort to accomplish this dissertation work.

I wish him all the best for his future endeavors.



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ABSTRACT

The story of Oil India Limited (OIL) symbolizes and traces the development and growth of India's petroleum industry. From the first commercial Discovery of crude oil in the far east of India at *Digboi* (Assam) to becoming a fully integrated upstream petroleum company, OIL has traversed a great distance. In this process it has crossed many milestones.

OIL hires a sizeable number of temporary labours from its area of operation for its day to day activities. Engaging temporary labour is also in accordance to OIL's CSR policy. As conflict is an ever present process in human relations OIL is also not an exception. Time and again these labours create problems by indulging flash strikes which affects OIL's productivity and profitability.

After the research work carried out on this subject, our findings can be summarised as below.

1. OIL's existing CSR policy lacks the effectiveness and need to be reviewed and to be more strategy oriented for avoiding such problems.
2. Difference of wages between temporary and permanent employees of OIL is a major factor and OIL may explore incentive based payment structure for the temporary labours.
3. The temporary labours are not under OIL's administrative control and OIL's has to find out alternate system for direct control over them.

OIL currently owns and operates 13 drilling rigs and 14 work-over rigs, besides charter hiring drilling rigs based on operational requirement. Over 1,000 wells covering over 3.5 million metres, varying in depth from 1,000 – 5,000 metres, have been drilled in various surface and sub-surface environments, including high underground pressures and temperature conditions.

To minimise land acquisition time, OIL has resorted to cluster well drilling to develop its oil and gas fields, which has resulted in protection of green belts surrounding OIL's operational areas.

In the E&P sector, in India, OIL has signed Production Sharing Contracts (PSCs) with private companies like Essar Oil, Hindustan Oil Exploration Company (HOEC), Geo Global Resources (GGR), Geo-Enpro Petroleum, Hindustan Mittal Energy Ltd (HMEL), Geo-Petrol International Inc., Shiv Vani, Assam Company India Ltd (ACIL) and Reliance Industries (RIL). Besides bidding on its own, OIL has joined ONGC, GAIL, BPRL, HPCL, NTPC, BGEPIL, APGIC, GSPCL and IOC in acquiring exploration blocks offered under New Exploration Licensing Policy (NELP) of the Government of India.

Acquisition of overseas exploration blocks and oil & gas properties is a strategic focus area of OIL. To facilitate this strategy, the Government of India extended the mechanism of Empowered Committee of Secretaries (ECS) for quick clearance of overseas proposals of OIL in consortium with IOC and other PSUs in December 2005. OIL is actively pursuing opportunities to acquire producing E&P assets, exploration acreages, etc. in Africa, Middle East, South East Asia, South America, CIS countries and Russia, and is willing to associate with reputed companies to jointly fulfil this objective. In India, OIL welcomes joint venture opportunities in gas-based industries including the power sector and trunk pipeline ventures. OIL provided E&P consultancy for the first time since its inception to M/s Morris Petroleum, incorporated in Nigeria, towards evaluation and submission of bids for development of marginal fields offered by the Government of Nigeria through the Nigerian Petroleum Company.

CSR activities by OIL

Business has a responsibility beyond its basic responsibility to its shareholders; a responsibility to a broader constituency that includes its key stakeholders: including employees, suppliers, customers, government, NGOs, environmental groups, special interest groups- the people of the communities in which it operates.” It is the social responsibility of

CHAPTER 1

1.1 INTRODUCTION

Oil India Limited is an Indian Public sector undertaking organization which deals with exploration, development and production of crude oil and natural gas, transportation of crude oil and production of liquefied petroleum gas.

Oil India Limited started its footprints in upstream petroleum company from the discovery of crude oil in the far east of India at Digboi, Assam in 1889 to its present status. On February 18, 1959, Oil India Private Limited was incorporated to expand and develop the newly discovered oil fields of Naharkatiya and Moran in the Indian North East. In 1961, it became a joint venture company between the Indian Government and Burmah Oil Company Limited, UK.

In 1981, OIL became a wholly-owned Government of India enterprise. Today, OIL is a premier Indian National Oil Company engaged in the business of exploration, development and production of crude oil and natural gas, transportation of crude oil and production of LPG. OIL also provides various E&P related services and holds 26% equity in Numaligarh Refinery Limited.

The Authorized share capital of the Company is Rs. 2000 Crores. The Issued, Subscribed and Paid share capital of the company is Rs. 601.14 Crores. At present, The Government of India, the Promoter of the Company is holding 67.64% of the total Issued & Paid-up Capital of the Company. The balance 32.36% of the Equity capital is held by Public and others including Bodies Corporate, Mutual Funds, Banks, FIIs and Resident Individuals etc.

1.2 OVERVIEW

Exploration, Production & Transportation Strategy

OIL has over 1 lakh sq km of PEL/ML areas for its exploration and production activities, most of it in the Indian North East, which accounts for its entire crude oil production and majority of gas production. Additionally, OIL's exploration activities are spread over onshore areas of Rajasthan, Ganga Valley and Mahanadi. OIL also has participating interest in NELP exploration blocks in Mahanadi Offshore, Mumbai Deepwater, Krishna Godavari Deepwater, etc. as well as various overseas projects in Libya, Gabon, USA, Nigeria and Sudan.

business that encompasses the economic, legal, ethical, and discretionary expectations that the society has of organizations at a given point in time. As such, keeping in perspective the larger good of the society, Oil India Limited since inception has engaged itself directly with local communities, identifying their basic needs, and integrating their needs with business goals and strategic intent. Fulfilling its duty of providing care to the society, Oil India Limited has embarked upon massive programs of educational, health, sports, cultural and infrastructural development endeavours; an attempt to invest technology with a human face. Therefore the Company is in a constant process of improving the ongoing CSR activities as well as innovating newer ways for ushering in a better society.

Strengthening the rural development network in its operational areas catering to more than 1400 villages in Assam & Arunachal Pradesh alone, OIL has been continuously striving towards the all-round development of the communities amongst whom it operates. The CSR initiatives taken up at Oil India Limited are governed by need assessment studies and baseline surveys of the targeted areas. As such all CSR activities are need based and realistic. At regular intervals OIL conducts formative researches & social audits of the ongoing activities so as to ensure their proper implementation & to find out scope of improvements if any.

1.3 BACKGROUND OF THE STUDY

During exploration process, drilling fluid (mud) plays a vital role in drilling operations. Proper mud maintenance facilitates smoothen well operations and prevents complications and down hole problems. Over the years, drilling fluid has gone through quantum changes through incorporation of high performance additives to face more complex challenges related to hydrocarbon extraction. For proper maintenance of such fluid systems, OIL has adopted some result oriented strategies in recent times. For example, OIL has procured high tech lab facilities with state-of-the art drilling fluid testing equipment which are being used now a day in all of OIL drilling wells. Further, the recent induction of qualified work persons in company's pay scale has helped in this direction. Such initiatives have shown very good results in the performance of the drilling fluid with lesser down hole problems of drilling wells.

Addition to this, OIL has adopted a CSR initiative for employment of local people residing near its drilling locations. At least 12 to 16 people (Four labours in every shift 8 hours shift) are being engaged as labours from the immediate vicinity of the drilling wells for addition of

chemicals to the mud system. These labours are supplied by a contractor purely on temporary basis (area wise) & the contract has been awarded to the contractor for a period of one or two years.

Since oil industries are labour intensive by nature, conflicts are inevitable part of organizational life as goals of different stakeholders are often incompatible. In addition it is evident that conflict is an ever present process in human relations. Oil India Ltd. is an organisation that is not excluded from such conflict situations as long as the human element is part of its resources.

In Oil India also, after deployment of casual unskilled labours as a part of strategic CSR policy, conflict of casual labours with authority is being observed from time to time. The unskilled local labours often create problems by involving in various activities like absenteeism, stoppage of work, alcoholism etc. As the cost of hydrocarbon exploration is very expensive process, such unwanted stoppage leads to huge loss to OIL.

This study seeks to explain further and identify the effect and problem of such industrial conflict of OIL. This study will deepen our understanding and help us to explore more facts in terms of responding to such problem and to leverage economic advantage by choosing right and effective means of managing such conflicts.

1.4 OBJECTIVE OF THE STUDY

The broad objective of this study is to find out the way to mitigate flash strike by temporary labours engaged in OIL's drilling locations that is affecting productivity and profitability of OIL.

While the specific objective includes,

- To examine the factor those are responsible for flash strike by temporary labours engaged in OIL.
- To investigate effect of these strike on Oil's productivity.
- To recommend the ways of resolving this problem by OIL.

1.5 RESEARCH HYPOTHESES

This research work is based on the following hypotheses

Hypothesis 1: Strike affects OIL's productivity and profitability

Hypothesis 2: There is significant relationship between OIL's CSR policy and flash strike by temporary labours.

Hypothesis 3: Prevention of flash strike by temporary labours is difficult due to absence of OIL's direct administrative control over them.

1.6 THE RESEARCH PROBLEM

For smooth running of an organisation it is very important that the employer and the workers give their best in employment matter. The employer should provide safe and good working tools and conditions, pay due wages for the workers. On the other hand workers must be loyal and faithful, obey reasonable instructions and be ready to do the job for which he/she is employed. When both parties play their roles perfectly, their relationship will be very cordial but when one party fails to do so, there will be crisis in the work environment.

In present scenario it is a challenge for Oil India Limited to find out the various factors which are fuelling such type of strikes by temporary unskilled labours and to make a framework to avoid such situations for sustaining in the ever competitive hydrocarbon exploration business. It is not unusual to learn that a particular section of the casual workers called out its members on a strike due to failure on the part of the management of an organisation to fulfil its obligation either by non payment of salary or non provision of working tools. It is vital for all organizations to stay profitable and productive. The coherent of the study is to find out the factors that are triggering such flash strikes by temporary unskilled local labours affecting the company's productivity and profitability. This work will provide a comprehensive literature for understanding the topic and further reference.

1.7 SCOPE AND LIMITATIONS OF THE STUDY

This research encountered a limitation in regards to availability of information. Thus due to the institutions working ethics, we could not get access to vital information since it was treated as confidential. Inadequate time also became a limitation. The scope of the study is to find out the root causes of flash strike by temporary labours, its impact on OIL's productivity and profitability and to explore probable remedial measures. This study is chosen because of familiarity with the problems as they are related with the assigned jobs of the undersigned in OIL.

CHAPTER 2

2.1 LITERATURE SURVEY

According to Shalu Nigam¹, In India, Precariats are often termed as 'contract workers' because they work in precarious conditions where insecurity and unpredictability prevail. These workers are hired on contractual basis. Increasing focus on factors like higher output or productivity, cost effectiveness, flexibility in human resource deployment, focus on core competencies, etc., deployed by the corporations constitute advantages for business, but it also leading to the growth of precarious living conditions for many. Expedited by technology, the neoliberal regime is adding on to the vulnerability of precariats.

Conflict by nature is a constant phenomenon in any human organization. It is so ubiquitous in social life that it has been isolated by some as the basic unit for understanding social existence. As described by Edwards, Hammed & Ayantunji,² 2003, the endemic nature of conflict in human grouping has been traced to the pursuit of divergent interests, goals and aspirations by individuals and/or groups in defined social and physical environment. Thus, conflict remains the most permanent feature that makes humanity convinced that growth and development are predicated on conflicts. Though conflict is generally perceived as something devastating, abnormal, dysfunctional and detestable, yet it could be a precursor of positive change if constructively handled.

Conflict has been subjected to diverse definitions by various scholars based on the context and their understanding of the concept. Fisher et al (2004)³ defined conflict as a relationship between two or more parties (individuals or groups) who have or think they have incompatible goals. It therefore implies that conflict is a continuous interaction that span through lifetime of man and not just a one-off relationship. Also, one of the most quoted traditional definitions of conflict by Coser (1956)⁴ describes it as struggle over values and claims to scarce status, power and resources in which the aims of the opponents are to neutralize, injure, or eliminate their rivals. This description of conflict explains the reasons why workers are often ready to ground all economic or productive activities via strike in a bid to get their demands met. In confirmation with Coser's definition of conflict, Constantino et. al.⁵ (1995) described conflict as the process of expressing dissatisfaction, disagreement or unmet expectations with any organizational interchange. Otite (2001)⁶ conceptualized conflict

as a way of settling problems originating from opposing interests and from the continuity of society.

Ajala (2003) & Akanji (2005)⁷ briefly summarize the discussion on conflict when they said conflict is the mechanism which keeps society going. Industrial conflicts, on the other hand are viewed as the clash of interest and resulting disputes of varying intensity between individuals, groups and organizations in the industrial relations system. Fajana (2000)⁸ sees industrial conflict as the inability of these parties either between employers and employees or within their groups to reach agreement connected with the object of employer-employees interaction, whether or not this inability results in strikes or lockout or other forms of protestation.

Another definition that seems to be the most acceptable sociological definition of industrial conflict is that of Kornhauser, Dublin and Ross (1954)⁹, which viewed conflict as the total range of behaviour and attitudes that express opposition and divergent orientations between individual owners and managers on the one hand, and working people and their organizations on the other. Related to the above definition is that of Onyeonoru (2005)¹⁰ who holistically defined industrial conflict as all expressions of dissatisfaction within the employment relationship especially those pertaining to the employment contract and effort bargaining. He expatiated further that it includes formal expressions of conflict, organized along the lines of trade unions and employers associations as well as the informal conflict that lack systematic organizations such as covert grievances that may be expressed in the form of industrial sabotage, absenteeism, or lateness. Smyth (1977)¹¹ defined it as "the inability of two conflicting bodies to reach agreement on any issue connected with object of industrial interaction, whether or not, this conflict results into a strike, lock-out or other forms of protestation.

Hinds support the analysis of Otobo (2000)¹² who said that the fact that there is no sign of overt conflict in a given period does not mean other forms of industrial conflicts are not occurring. Dahrandorf (1959)¹³ said that "conflict of interest is inevitable between employer and employee because an authority relationship in the aim of the two parties will at least lead to conflicts". Dahrandorf holds the view that there will always be conflicts between those in authority and those without authority, that is, the governing and the governed, because of divergent views on the basic employment relationship, which seems to make some degree of conflict inevitable at the work place. He observed that while the government wants to impose

on the governed, the governed want to have a say in the imposition upon them. It is the absence of having a say that usually brew conflict. Yesufu (1984)¹⁴ said, "Conflict is a normal and inevitable part of everyday life. As it is destructive, so also, it is beneficial depending on the situation, circumstance and the issue at stake. Usually conflict result in wasteful use of human and material resources leading to low productivity, retrenchment, dismissal, and alienation. Conflict can manifest itself in the form of unrest, work stoppage (strikes), sabotage, absenteeism, work to rule, lockout, and so on. The most common of the manifestation of conflict is strike. This implies that conflict as a phenomenon can manifest in diverse ways such as strike, absenteeism sabotage, labour turnover, pilfering, and restriction of output, lockout and a host of others.

Ubeku (1983)¹⁵ opined that most conflicts are caused by motivational factors. He stated that „an employee who feels aggrieved against a manager, a supervisor or against the company as a whole is unhappy employee and an unhappy employee cannot work effectively. The employee becomes very low; satisfaction at work in terms of all the circumstances that surround the job is the key to high morale. It does not matter how well paid and interesting a job may be unless the individual performing the job feels that he is being fairly treated his morale will be adversely affected. Folarin (1988)¹⁶ stated that individuals, group and organization or institution are naturally not in the state of harmony or equilibrium and that conflict is a natural and inevitable occurrence in human condition. He stated further that conflict is not invariably synonymous with a breakdown in communication but rather, it is a different type of communication, which may in fact be the ideal mode of expressing ideas. The most liable treatment is often conflict management rather than conflict resolution. He also pointed out that not all conflict is detrimental to the individual, group or organization. He stated that it is generally recognized that there can be no change without conflict and without change there can be no progress or development whether personal, social or scientific. Conclusively, conflict is defined within the context of work relationship as inevitable disagreements between and within any or all of the actors in the work place. The views of various writers on the concept of conflict and industrial conflicts have established that conflict is inevitable and that it is not inherently dysfunctional rather its outcome depends on how it is handled or responded to by the parties involved. Whether conflict is seen as central or ancillary to the employment relationship, however, depends upon ones conceptualization or larger view of the origins, function and structure of this relationship.

According to Patterson “Strikes constitute militant and organised protest against existing industrial relations. They are symptoms of industrial unrest in the same way that boils symptoms of disordered system”. Depending on the purpose, Mamoria et. al.¹⁷ have classified strikes into two types: primary strikes and secondary strikes. Primary strikes are generally aimed against the employers with whom the dispute exists. They may include the form of a stay-away strike, stay-in, sit-down, pen-down or tools- down, go-slow and work-to-rule, token or protest strike, cat-call strike, picketing or boycott. Secondary strikes are also called the ‘sympathy strikes’. In this form of strike, the pressure is applied not against the employer with whom the workmen have a dispute, but against the third person who has good trade relations with the employer.

In a paper Industrial disputes: Definition, forms and Types, Smriti Chand¹⁸ introduces the concepts of picketing and boycott. Picketing is a method designed to request workers to withdraw cooperation to the employer. In picketing, workers through display signs, banners and play-cards drew the attention of the public that there is a dispute between workers and employer. Boycott, on the other hand, aims at disrupting the normal functioning of the organisation. The striking workers appeal to others for voluntary withdrawal of co-operation with the employer.

In a case study, Sontosh N Gambhire, Ajit Singh, K. Patil & Anurag Sinha¹⁹ explained the topic Labour Unrest in India citing the example of clash between the Labour and Management of Honda Motors and Scooters India in Gurgaon has again brought back the bogey of strikes of socialist era. A labour unrest is a social phenomenon of enormous complexity and it is very difficult to give any complete explanation of this phenomenon. It is a matter of controversy whether the predominant factors underlying labour unrest are economic or non-economic. The possible reasons can be classified into four major heads. These are Monetary, Political, Legal & Job Specific. Indian labour laws are among the most rigid in the world. Therefore structural reforms in labour laws must ensure the welfare of workers. Reforming labour laws will boost industry and create more jobs. Besides Government, it is the responsibility of the employer to develop some well specified procedure that must not create undue unrest among workers and whenever they need more manpower ,they should a give preference to the workers it is retrenching at present. They should also introduce some Unemployment Insurance schemes made by the contribution of employees and employer.

As per the study by Ekit Florence²⁰ on Motivation and employees performance in organization, it was recommended that government involvement should take part in recommending adjustment in the labour laws & there should be a greater balance between employees' needs and organizational needs.

In a paper written by Rahul Kishore, Himanshu Taranekar & R. Pooja,²¹ a serious issue of labour unrest and its consequences have been discussed. It has been written on the proposition that labour strikes are there with the aim of full employment and labour welfare, but their demands are context dependent and sometimes not valid as well. The causes have always been the same, since the inception of the first trade union, only difference being the factors may vary in their intensity as per the situation. The major issues as per the current industrial scenario are contractual labour, labour in the unorganized sector, the social security and welfare measures. The consequences have definitely varied, with unions becoming more and more powerful due to the political influence and increased worker awareness. The intrusion of outside parties and negotiators only reinforces the fact that workers of the individual firms are at a disadvantage when it comes to dealing with the management. They stated that solution to the problem does not lie in the introduction of new laws or more and more amendments, but in fact, in reducing the number of laws and the benefits can be reaped only if the end consumers that are the management and the labour understand the implications of the laws.

In the topic Absenteeism causes, effects & control at control KSB Pumps Ltd by Poornima Poojari,²² an effective attendance record-keeping system, consultation and open communication by the management can create a healthy productive work environment in the company. This would reduce grievances and give greater employee satisfaction. Only when the positive approach is unsuccessful does the company need to use the remedial approach to deal with habitual abusers or with excessive absentee cases. In all cases the company's actions must be fair and reasonable and consistently applied. While tackling workplace absenteeism by direct action may alleviate the problem in the short- term, addressing the cause of the problem will provide long-term benefits.

In a paper 'Employee Strike', it has been stated that advance planning is key to managing a strike. Another key to successful strike management, say labour experts, is for management to maintain a professional stance throughout. Many labour disputes disintegrate into intensely negative clashes, with effects that are felt long after the strike itself has been settled.

As discussed in the paper Labour Relation: Business must bring forward strike mitigation strategies, Recharad Gane (2013)²³ stated that a steady rise in the number of strikes being held as a form of protest has left many public sector organisations exposed to the threat of walk-outs and, at worst, complete operational shut down. The challenge becomes even more complex and unpredictable when one business is affected by a labour dispute affecting another business in its supply chain. In such circumstances, the risks involved can be extremely difficult to mitigate. Broadly categorised they can include anything from delays, disruptions, and forecast inaccuracies and system breakdowns to procurement failures, inventory problems and capacity issues.

In the paper ‘Tips for preventing a worker strike’ by Tracey Schelmetic,²⁴ it has been identified few silly points which are very true in day to day life for creating a potential for prevention of flash strikes by labours. United Auto Workers president Bob King told that it's in a company's best interest to discard the traditional rigid differentiation between management and labour. In every organization, there should be few trained mediators who can serve an organization well by negotiating with the labours. Because an arrogant attitude on the part of company management that stimulates hatred. Also workers who see their employers are doing everything possible to keep them safe and healthy feel more valued than workers who see evidence that they are on the losing side of a cost-benefit analysis. If there is a need to cut costs, this is never the place to do it. The most effective approach to preventing strikes is to ensure that workers feel like they have a voice in the workplace. If there is a problem, they want to be heard and know there is a process in place to resolve it.

Table: 1: List of papers/articles studied.

Sl. No.	Topic	Name of Author	Year	Inference
1	Turning the tide of labour unrest in India	Sontosh N Gambhire, Ajit Singh, K. Patil, Anurag Sinha	2005	Indian labour laws are among the most rigid in the world. Therefore structural reforms in labour laws must ensure the welfare of workers. Reforming labour laws will boost industry and create more jobs. Besides Government, it is the responsibility of the employer to develop some well specified procedure that must not create

				undue unrest among workers and whenever they need more manpower.
2	Absenteeism causes, effects & control at control KSB Pumps Ltd	Poornima Poojari	2006	Effective attendance record-keeping system, consultation and open communication by the management can create a healthy productive work environment in the company. This would reduce grievances and give greater employee satisfaction.
3	Motivation and employees performance in organization- A case study Bishop Stuart university	Ekit Florence	2012	Government involvement should take part in recommending adjustment in the labour laws & there should be a greater balance between employees' needs and organizational needs.
4	Precariats In India: Globalisation and changing employment	Shalu Nigam	2014	Precariats are often termed as 'contract workers'. These workers are hired on contractual basis. But it is leading to the growth of precarious living conditions for many. Expedited by technology, the neoliberal regime is adding on to the vulnerability of precariat.
5	Organised and unorganised Labours	Rahul Kishore, Himanshu Taranekar, R.Pooja	-	The major issues as per the current industrial scenario are contractual labour, labour in the unorganized sector, social security and welfare measures. The consequences have definitely varied. The intrusion of outside parties and negotiators only reinforces the fact that workers of the individual firms are at a disadvantage when it comes to dealing with the management.

6	Tips for preventing a worker strike	Tracey Schelmetic	2013	Identified few tools for creating a potential for prevention of flash strikes by labours: removing the barriers, applying empathy, humble attitude, employee education, keeping in mind of employee safety etc.
7	Labour Relation: Business must bring forward strike mitigation strategies	Rechard Gane	2013	When considering strike mitigation strategies, businesses should take preventative steps: Improving transparency, communication skill improvement, avoiding pending jobs, risk analysis etc.
8	Employee strike	Unknown	-	Advance planning is key to managing a strike. Another key to successful strike management is to maintain a professional attitude throughout.
9	Industrial disputes: Definition, forms and Types	Smriti Chand	-	This project introduces the concepts of picketing and boycott. Generally, industrial disputes are considered as 'dysfunctional' and 'unhealthy'. These are manifested in the forms of strikes and lock-outs, loss of production and property, sufferings to workers and consumers and so on.
10	The root of labour unrest: An address to employees and managers	Sidney Webb	1920	The labour unrest is mainly due to certain factors viz. absence of liberty, equality & fraternity, bad manners of employers, inequality of status, poor civilization in the industry etc.

CHAPTER 3

3.1 INTRODUCING RESEARCH

Research comprises defining and redefining problems, formulating hypothesis of suggested solution; collecting, organizing and evaluating data; making deductions and reaching conclusions to determine whether they fit the formulating hypothesis

3.2 RESEARCH METHODOLOGY

The system of collecting data for research projects is known as research methodology. The data may be collected for either theoretical or practical research for example management research may be strategically conceptualized along with operational planning methods and change management.

A literature study was done to comprehend the context of multidisciplinary fields involved and to provide a clear theoretical framework as the basis of which the desired relationship between various factors of competitiveness can be established.

3.3 DATA SOURCES

Primary source is questionnaire to different stakeholders of OIL. The secondary data source includes literature survey.

3.4 SAMPLE SIZE

Sample size of the research was 120.

3.5 METHODOLOGY OF STUDY ADOPTED

The methodology to be used will be exploratory. Questionnaire will be prepared targeting the focus group. The focus group here will be the Labours and rig personnel.

- a) Sources of data :
 - i) Primary data: Questionnaire
 - ii) Secondary data : Literature survey
- b) Sampling technique: Stratified random sampling will be followed as the population pattern is homogeneous.
Size of Population is about 150 and size of sampling is 109 (Applying YAMANE FORMULA)

3.6 RESEARCH QUESTIONS

A questionnaire was prepared based on the following factors.

1. Literacy of the labours
2. Awareness towards the operations carried out at drilling well
3. Training of the labours before employment
4. Competency for chemical handling
5. Punctuality & behavior of the labours
6. Quantity & quality of jobs
7. Frequency of absenteeism of these people
8. Flash strikes by local labours
9. Driving force of the strike

The research work is based on the following questions.

1. Labour unrest affect organization and productivity
2. Insufficient wages cause flash strike
3. Irregular payment of wages cause flash strike
4. Minimal wages compared to hard labour
5. Unsafe working condition in OIL mines
6. Growing social unrest triggers flash strike
7. Growing unemployment catalyses flash strike
8. Ignorant about impact of such strike on National growth
9. OIL fails to imbibe belongingness/loyalty in the minds of stakeholders
10. Lack of administrative control over the labourer as they are supplied by contractors
11. A section of OIL internal stakeholders encourages such strikes for their vested interest.
12. Non availability of proper procedure for selection of temporary labourer
13. OIL labour Union can play vital role to avert such strikes.
14. Lack of strategic CSR policies towards stakeholders of immediate vicinity of the drilling locations.
15. It is a type of pressure tactics to draw more benefits from OIL

3.7 INTERVIEW PROCEDURES

A number of persons were interviewed across all stakeholders pertaining to our research problem. The stakeholders are the temporary labours engaged in different well sites,

contractors, villagers, union office bearers and OIL's internal stakeholders. Face to face interviews were carried out wherever possible. Also telephonic and feedback through by e-mails were incorporated in our research.

3.8 DATA ANALYSIS PROCEDURES:

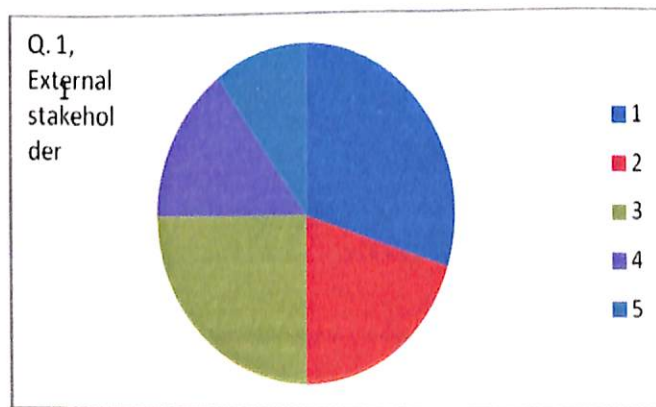
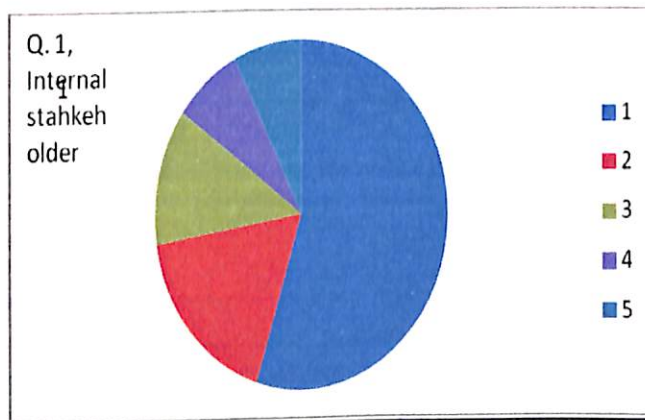
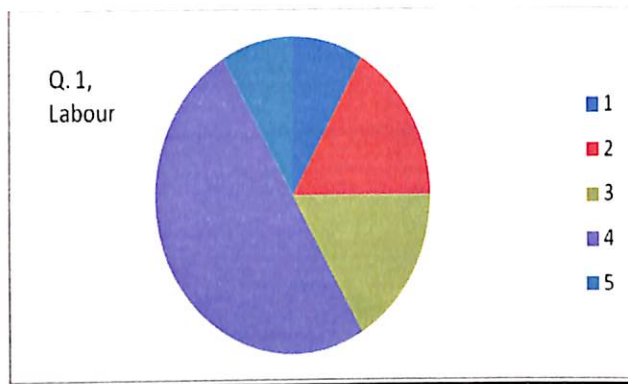
The primary data obtained were analyzed with the help of pi-diagram

CHAPTER 4

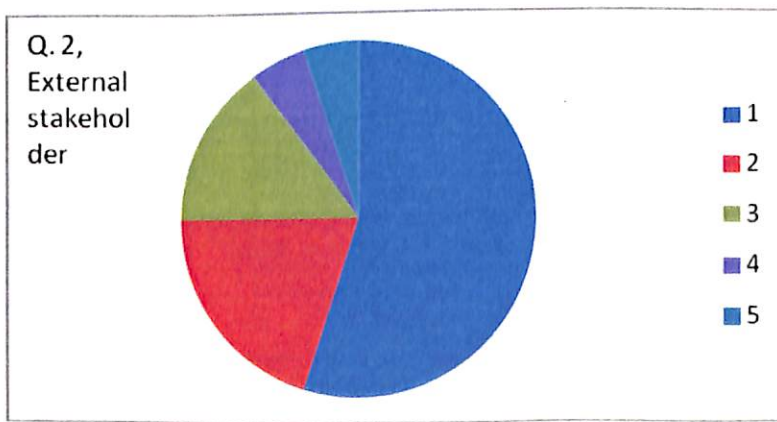
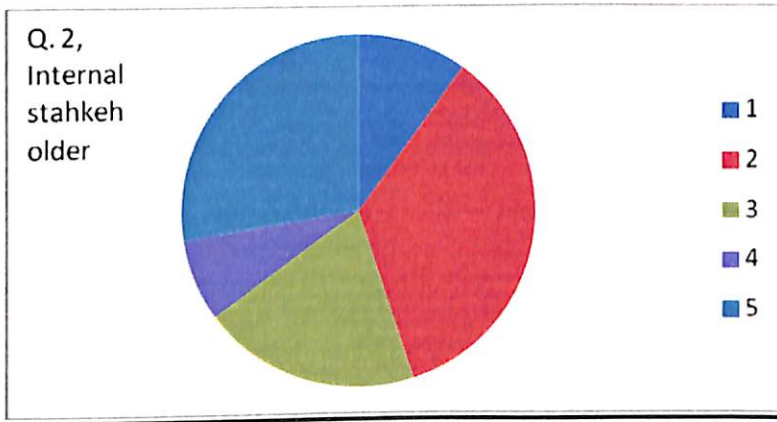
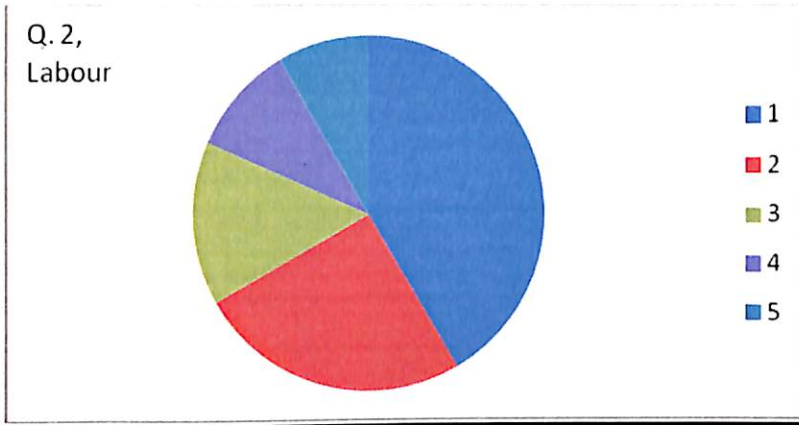
4.1 ANALYSIS OF DATA

Question No. 1: Labour unrest affect organization and productivity

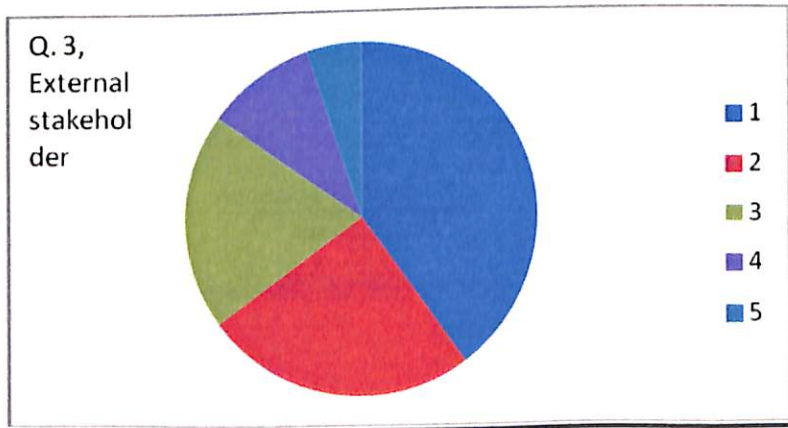
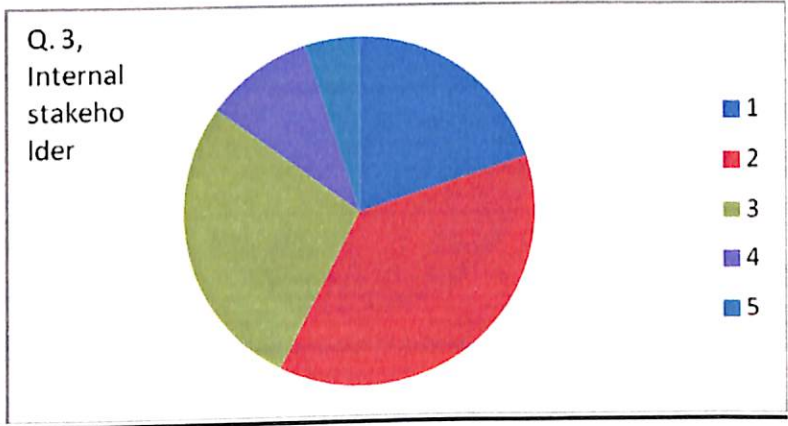
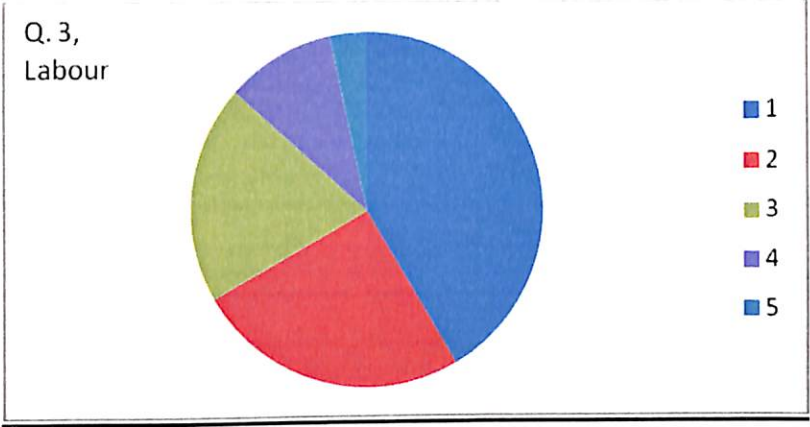
Where 1 describes “strongly agree”, 2 describes “agree”, 3 represents “neutral”, 4 represents “disagree” and 5 represents “strongly disagree”.



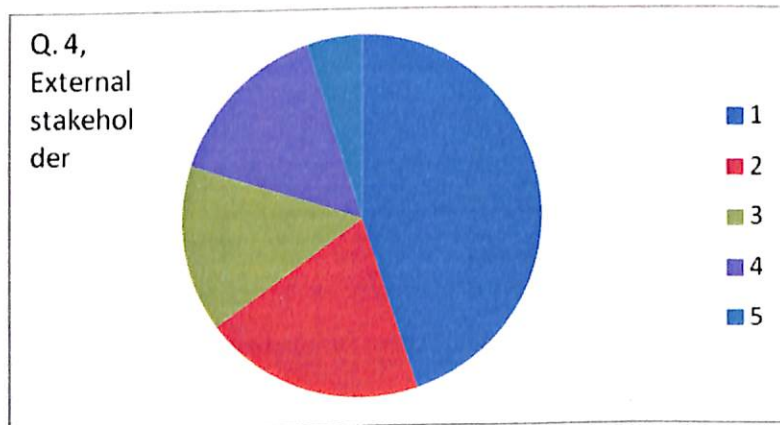
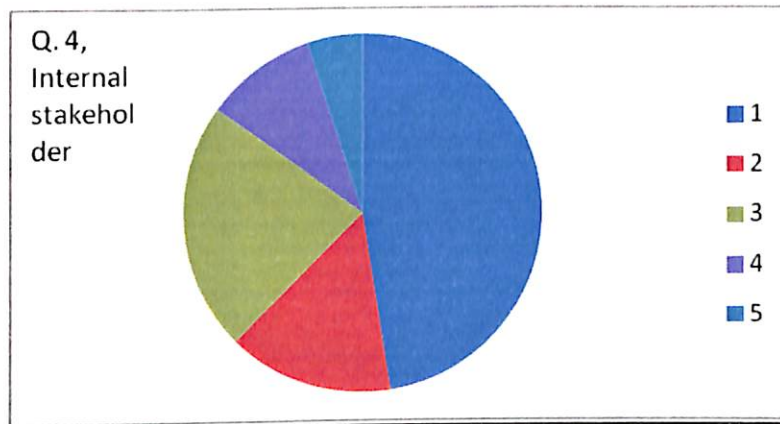
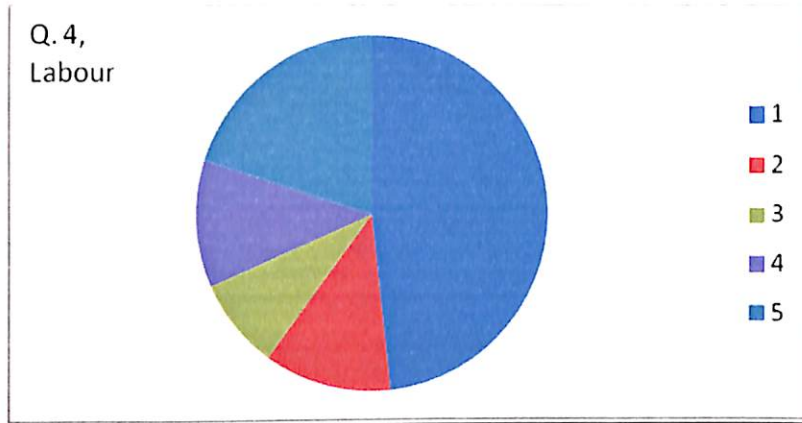
Question No .2: Insufficient wages cause flash strike



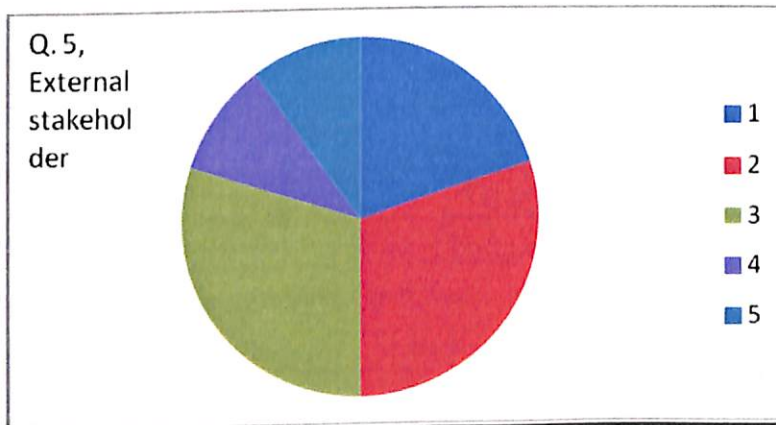
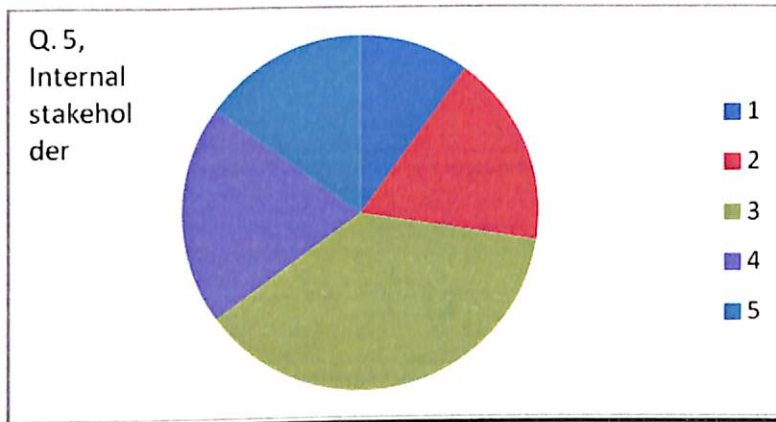
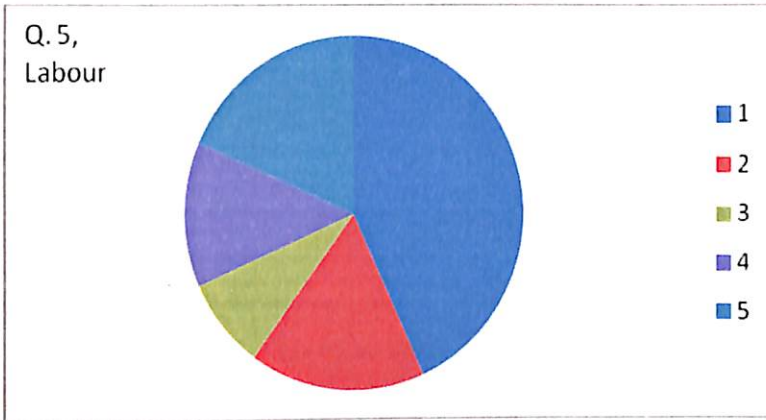
Question No .3: Irregular payment of wages cause flash strike



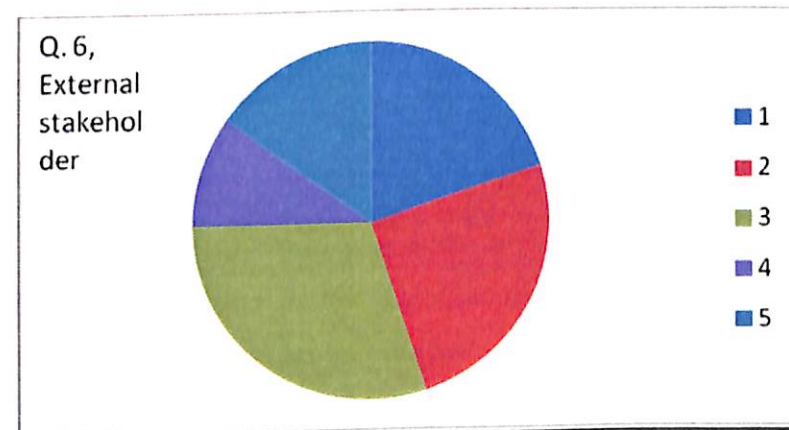
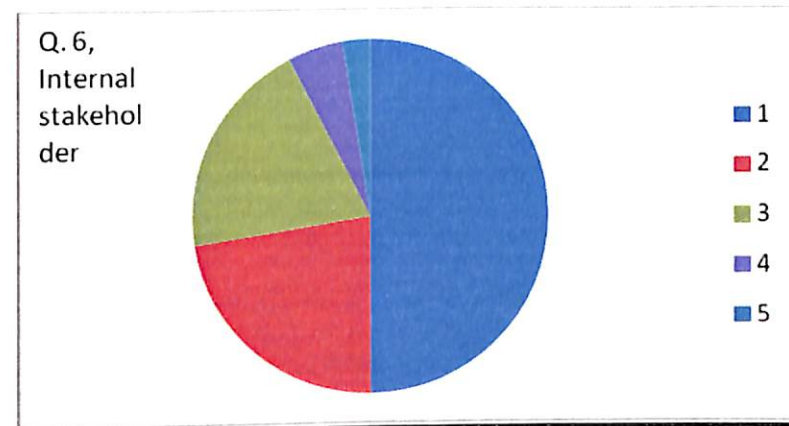
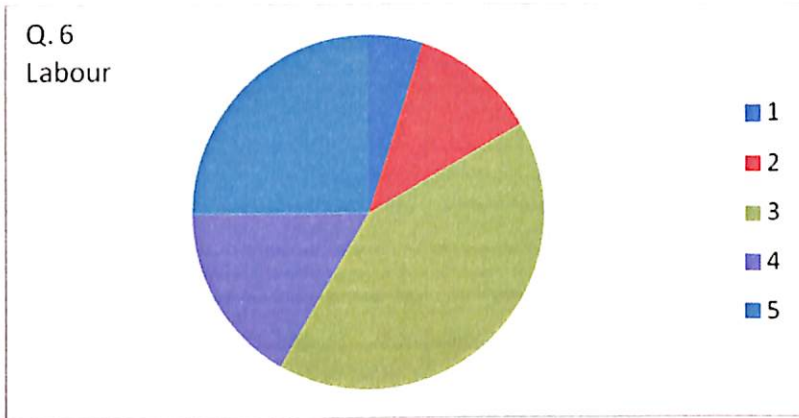
Question No 4: Minimal wages compared to hard labour



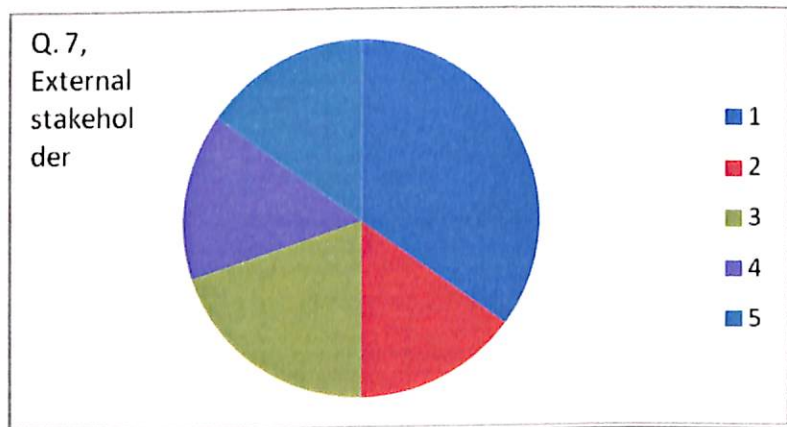
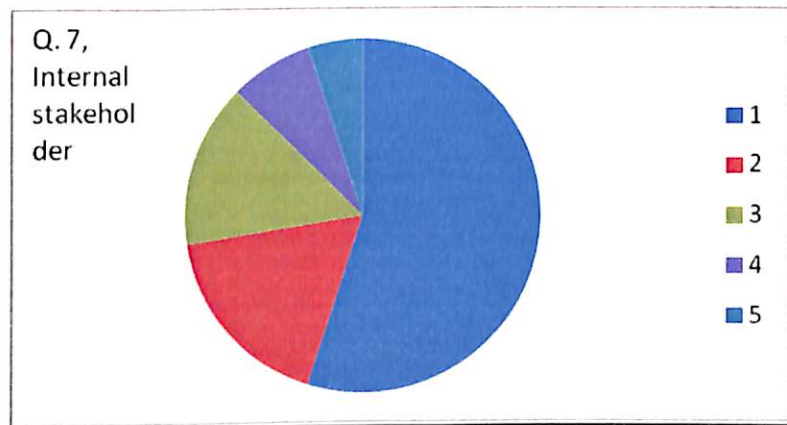
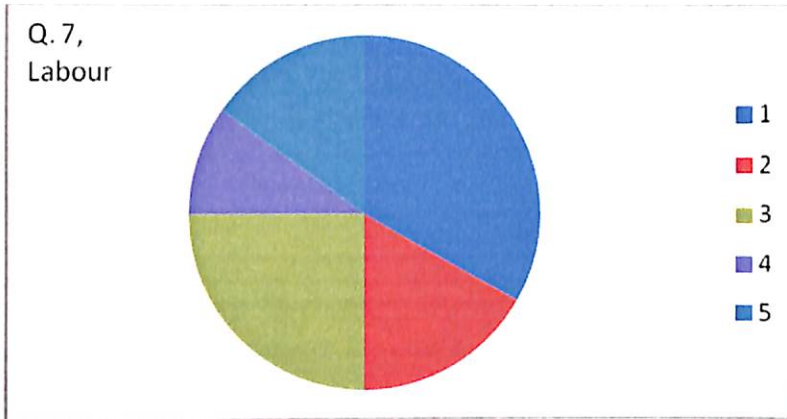
Question No 5: Unsafe working condition in OIL mines



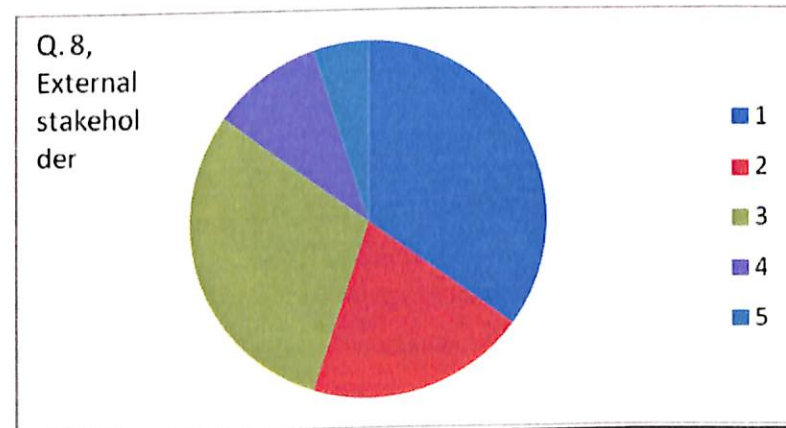
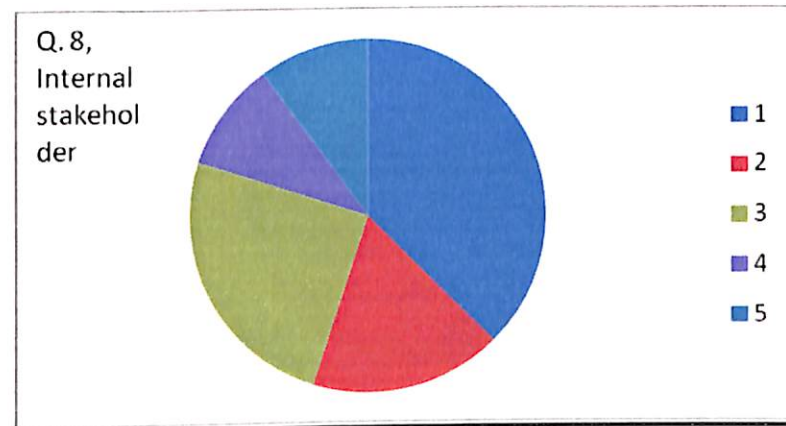
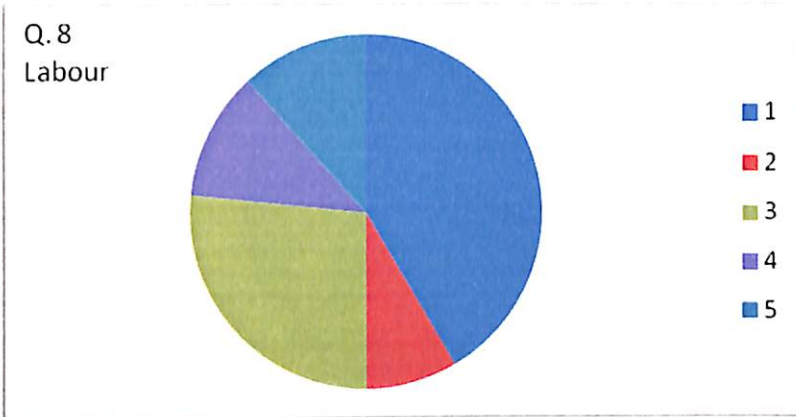
Question No 6: Growing social unrest triggers flash strike



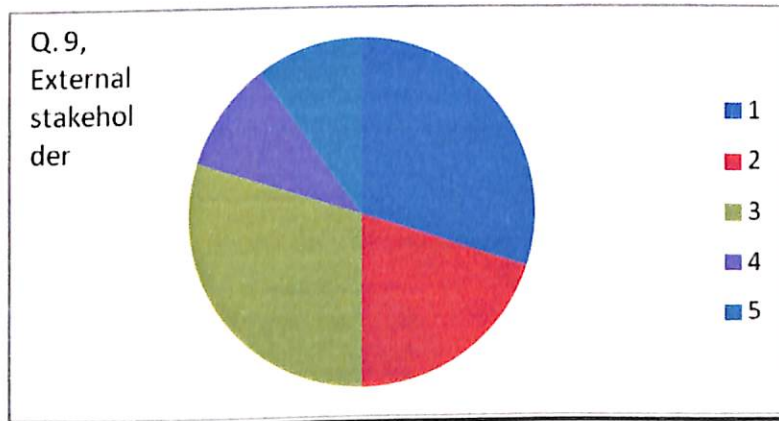
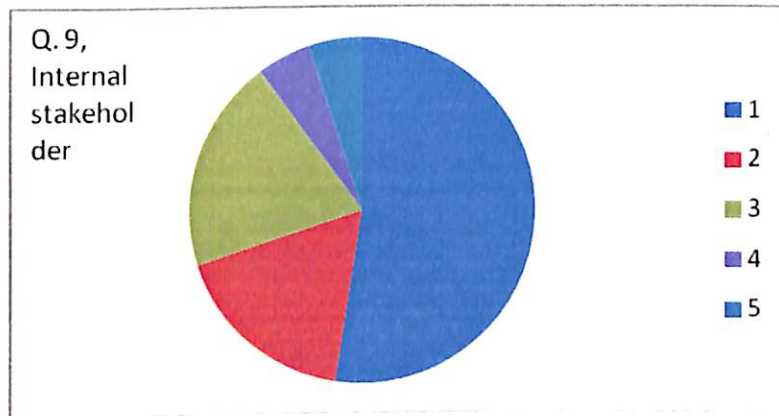
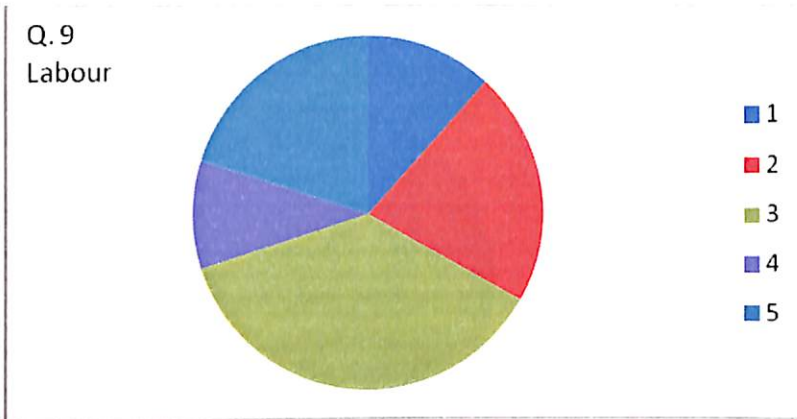
Question No 7: Growing unemployment catalyses flash strike



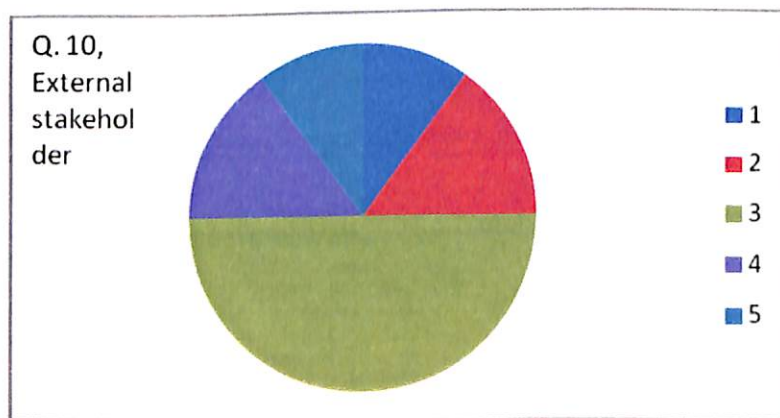
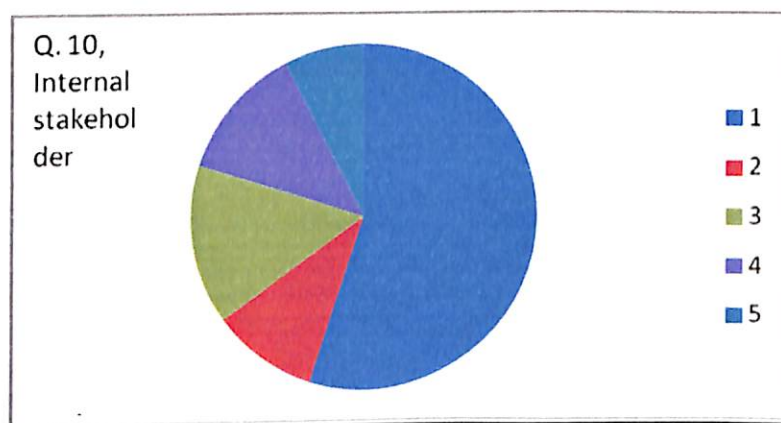
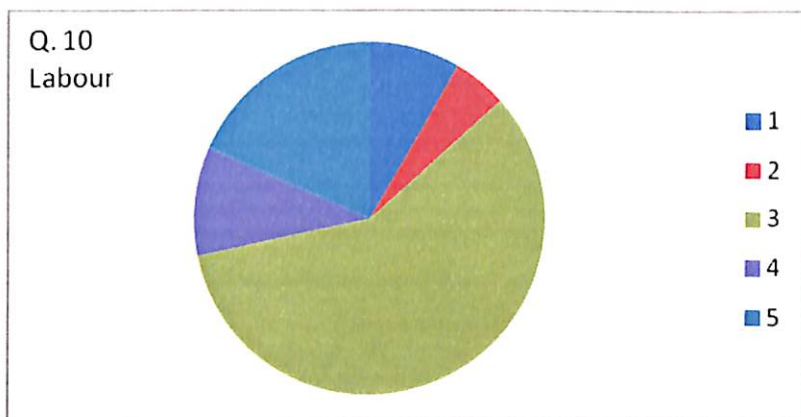
Question No 8: Ignorant about impact of such strike on National growth



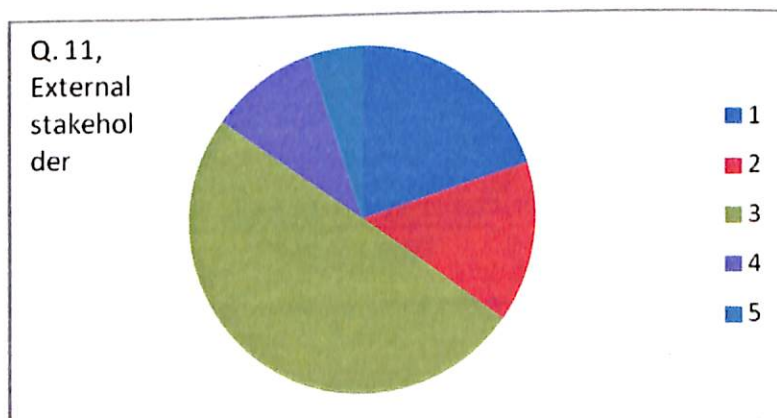
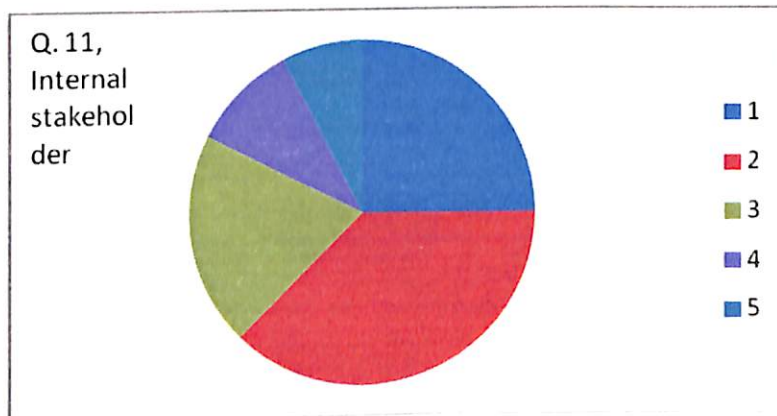
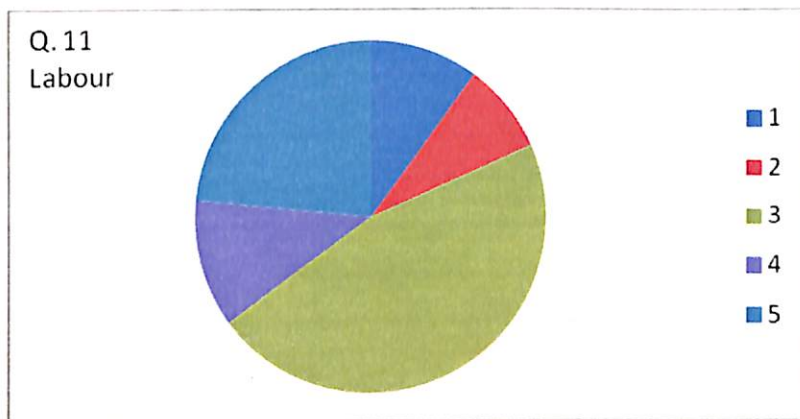
Question No 9: OIL fails to imbibe belongingness/loyalty in the minds of stakeholders



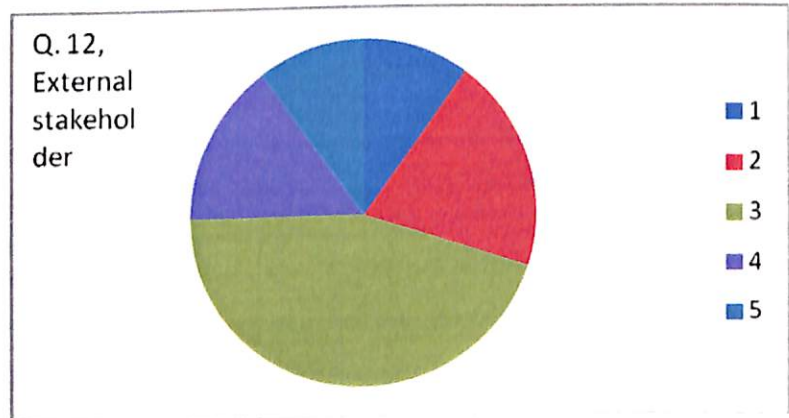
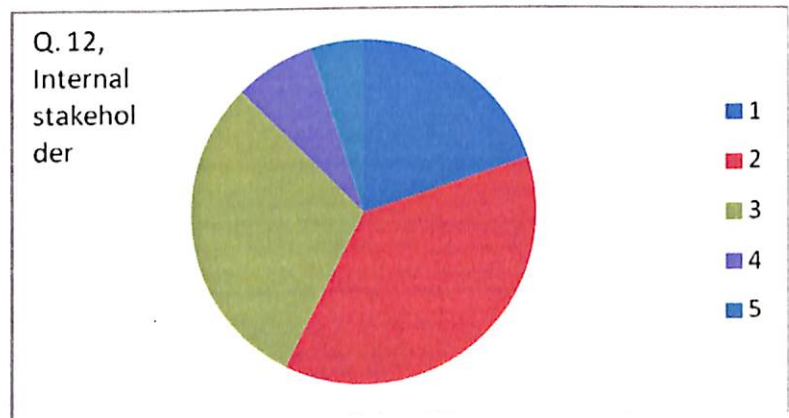
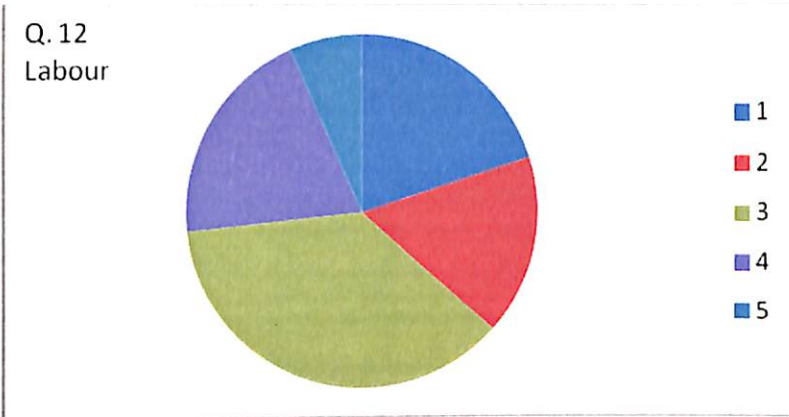
Question No 10: Lack of administrative control over the labours as they are supplied by contractors



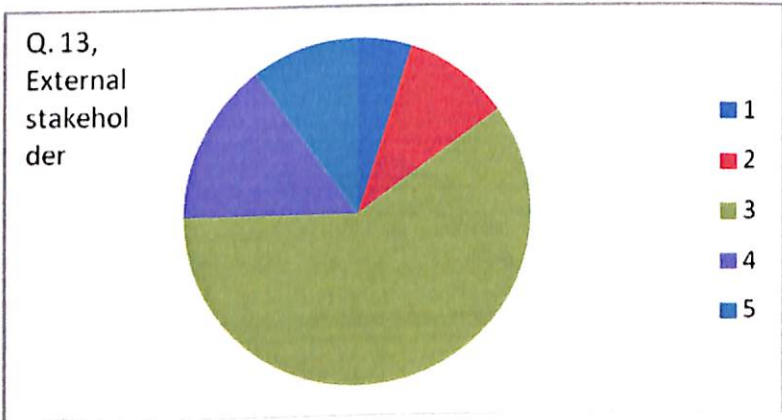
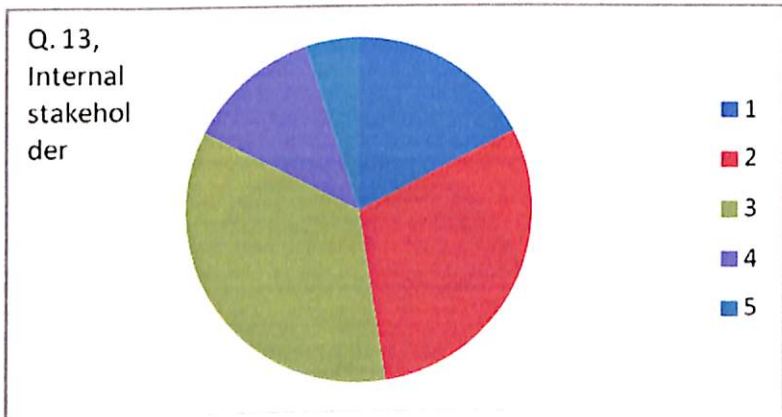
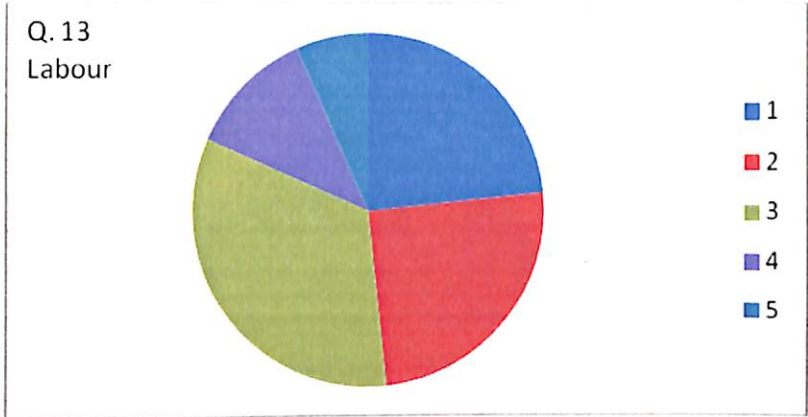
Question No 11: A section of OIL internal stakeholders encourages such strikes for their vested interest.



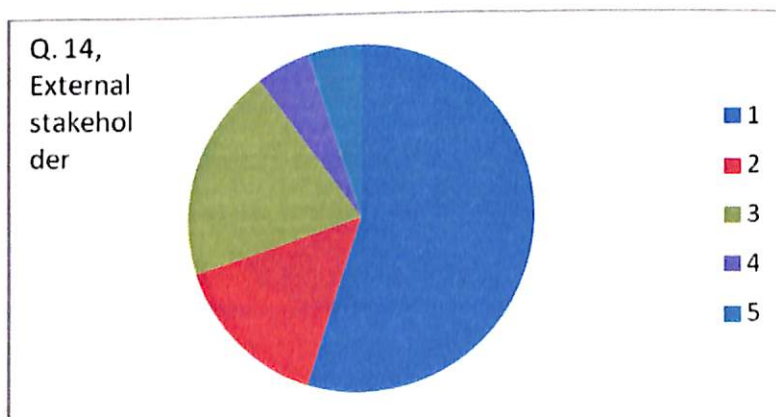
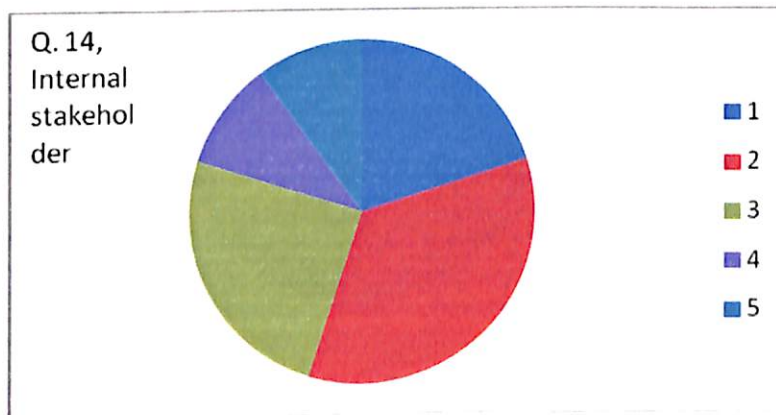
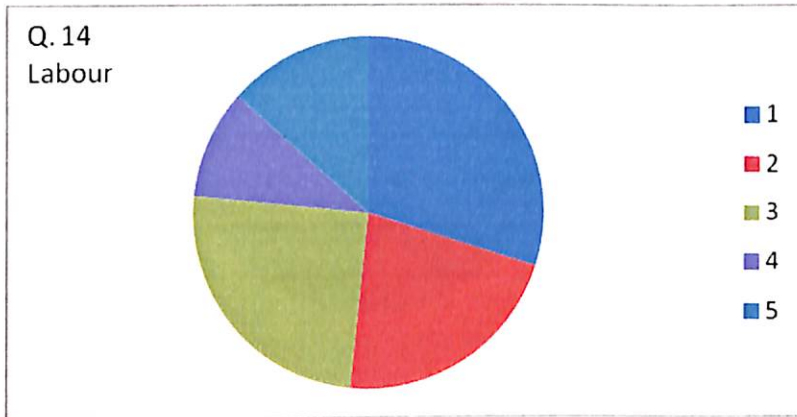
Question No 12: Non availability of proper procedure for selection of temporary labours



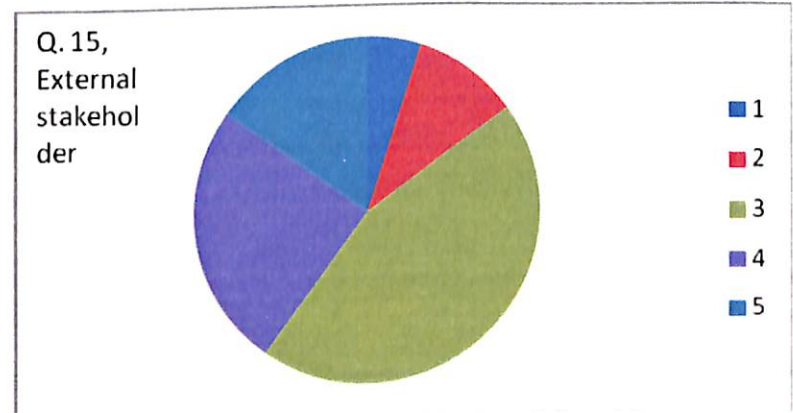
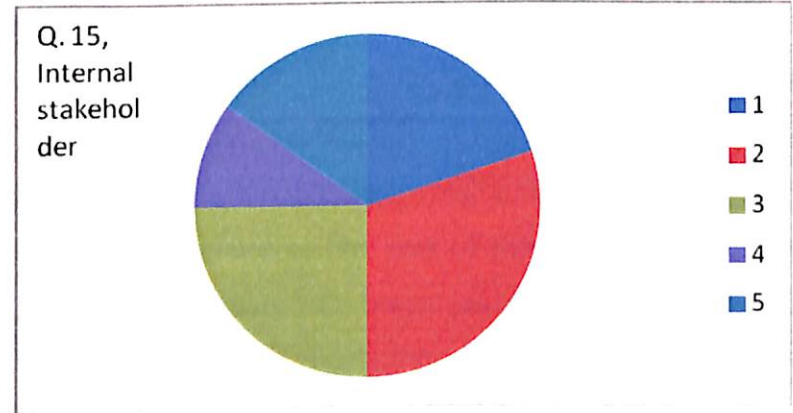
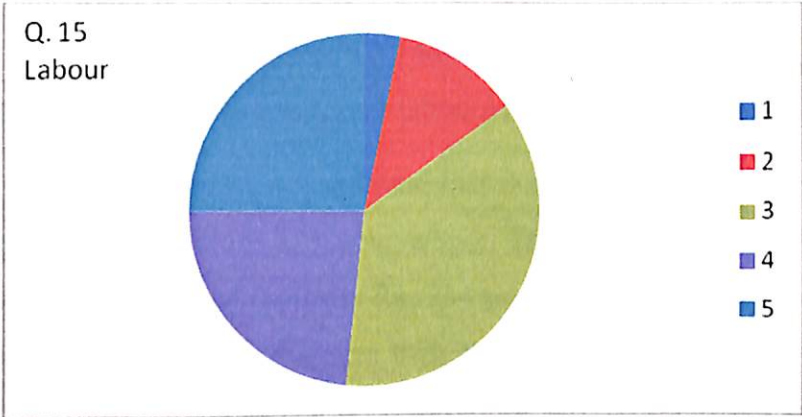
Question No 13: OIL labour Union can play vital role to avert such strikes.



Question No 14: Lack of strategic CSR policies towards stakeholders of immediate vicinity of the drilling locations.



Question No 15: It is a type of pressure tactics to draw more benefits from OIL.



CHAPTER 5

5.1 INTERPRETATION OF RESULTS

From the survey conducted through secondary sources, the following findings have emerged regarding mitigating flash strike by temporary labours engaged in OIL's drilling locations.

Based on the objective of the study, it was found that the payment to these temporary labours is governed by rules and regulations of labour wages. The minimum wages being paid to the temporary labours is very nominal (approx. Rs. 234 per day) whereas a permanent employee of OIL gets at least four times more wages than those labours for same type of works. In addition to wages, permanent employees are eligible for different benefits under government social security schemes. This creates disparity between the temporary labours and permanent workers of OIL engaged in drilling locations. It may be noted that OIL cannot pay more payment to those unskilled temporary labours as they are supplied by contractors on definite terms and conditions of the contract. In this part of India, OIL is the de facto government for the common people as almost all the developmental activities are financed by OIL. As there are hardly any employment avenues in this part of the world other than OIL, people have much expectation from OIL. However OIL cannot satisfy all people as the functioning of OIL is restricted by government rules and regulations. Moreover OIL also fails to communicate the labours about their pay and wages to be received from OIL as per government norms. As the labours are not aware of the fact that OIL cannot pay wages of its own rate, they resort to flash strike to pressurise OIL for fulfilment of various demands including hike in their wages.

Finding from this study also reveals that some of OIL's internal stakeholders are also responsible for initiation of such flash strike by these labours. The internal sources pass on some vital information to the outsiders to set off flash strike which fulfils the vested interest of the internal stakeholders.

Also these labours have the tendency of coming late and early leaving from the workplace. Frequent absenteeism is a perennial problem of these labours. However, in several cases it has been observed that these labours demand wages for their absent days. If they are not given wages for the days of their absence, they indulge in flash strike. Sometimes the labours demand job even after completion of the works for which they were engaged. At times they also demand for their inclusion under OIL's pay rolls.

From the result obtained from the analysis we discovered that such flash strike effect OIL's productivity negatively. Even a few hours flash strike may cost OIL to lost revenue in millions of rupees. Normally to run a rig OIL incurs approximately two million rupees per day. In some cases halting of operations may lead to a condition of no return where OIL may loss a well for good.

The study reveals that OIL has no direct administrative control over these contractual labours as they are supplied by contractors.

Findings of the study also revealed that such type of confrontation, demonstration or flash strike are detrimental not only for the labours and OIL, but also to the society at large.

CHAPTER 6

6.1 CONCLUSION AND SCOPE FOR FUTURE WORK

From the analysis of questionnaire and face to face interview with different stakeholders, it can be concluded that,

- OIL's existing CSR policy needs retrospection and to be more strategy oriented to mitigate such strikes.
- OIL must explore incentive based work culture among the temporary labours.
- OIL to find out alternate pool based manpower system for direct control over these temporary labours.

Scope of the study in the project is not limited here and there is lots of scope for future study. Detailed feasibility study of socio economic, administrative and logistics etc. will be helpful in eradicating the ever increasing menace of flash strike by temporary labours.

6.2 RECOMMENDATIONS

1. To establish an effective communication with the external stakeholders, OIL must explore for a better mechanism than the existing one.
2. OIL's permanent employees should be trained on soft skills regarding dealing with external stakeholders to prevent leakage of OIL's internal matters.
3. To explore for alternate pool of skilled/semi-skilled labours to be engaged in the drilling wells under administrative control of OIL.
4. To explore of some financial incentive for the performers among the local unskilled casual labours.

6.3 BENEFITS OF RECOMMENDATIONS

For recommendation 1: As per the existing CSR policy of OIL, company spends 2% of three years average profit as per guidelines of Government of India. Communication of OIL's CSR policies to the stakeholders needs to be improved. The absence of proactive strategic CSR policies, OIL fail to get desired result though it spends sizeable sum of money towards

implementation of CSR policies. The policy of engaging temporary labours from the vicinity of drilling wells is also a part of OIL's CSR initiative. However the temporary labours are not aware of this policy of OIL and they presume that getting such temporary job is their right. With increasing demand from nearby people, OIL must explore proactive strategic CSR policies in which company must act on the need based CSR instead of regular CSR policy.

Implementation of such policies will develop belongingness and loyalty of the stakeholders towards OIL that can minimise conflicts between OIL and other stakeholders including temporary labours.

For recommendation 2:

Any information in E&P business is confidential in nature. For drilling wells, some of the operations like cementing, casing running in, production testing of the well etc. are very crucial. Interruption of any kind to such operations may be detrimental to the health of the drilling well. If the trouble makers get access to such type of information, they may try for sabotage to gain undue advantage from OIL. Hence people should be trained for soft skills to handle such situations.

For recommendation 3: The temporary unskilled labours being engaged are for addition of chemicals to the mud system used in drilling wells. With ever advancement of mud system it requires skilled or semi-skilled labours for such works. Also such type of works involves major safety concerns. Existing system does not allow OIL to improve skill of the temporary labours within the short duration of operation. By making a pool of skilled manpower will not only pay dividend on the operational front but also will help to get rid of the local trouble makers. Also as they will be under OIL's direct administrative control they have to perform to fulfil OIL's requirement.

For recommendation 4:

To explore of some financial incentive for the performers among the local unskilled casual labours.

As these labours are from economically weaker section of the society, financial incentive could be a motivating tool for better performance during their temporary engagement. OIL can think of some financial reward for the performers for better motivation. This type of financial reward will not only motivate the person concern but will also encourage others to

deliver better performance. This will play a long way in discouraging from indulging flash strike against OIL.

6.4 CHALLENGES IN IMPLEMENTATION OF RECOMMENDATIONS

For recommendation 1: The E&P business involves in complex socio-economic, geo-political environment. To carry out detailed survey regarding the need of the people prior implementation of the strategic CSR policies of OIL is highly challenging as the requirement of the people is enormous and they have high expectation from OIL. Engagement of experienced consultant for this purpose can be one solution not only for this task but also for eradication of conflict between OIL and other external stakeholders.

For recommendation 2: Loyalty and belongingness is not cannot be developed by mere training. It needs continuous motivation and it may take very long time to get desired result.

For recommendation 3: Any change of an existing system is always difficult. People will definitely resist for such change. OIL must be very careful prior to switch over from the existing system so that the interest of all stakeholders remains intact.

For recommendation 4: As such incentive system is not permissible under present wages system, mandatory approval and amendment from the management should be in place so that the system of incentive could be implemented.

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Enclosures:

Sample questionnaire:

Questionnaire

“Mitigating Flash Strike by contract labours for OIL’S productivity and profitability”,”

1. Labour unrest affects organization and productivity
 - a) Strongly agree
 - b) Agree
 - c) Neutral
 - d) Disagree
 - e) Strongly disagree
2. Insufficient wages cause flash strike
 - a) Strongly agree
 - b) Agree
 - c) Neutral
 - d) Disagree
 - e) Strongly disagree
3. Irregular payment of wages cause flash strike
 - a) Strongly agree
 - b) Agree
 - c) Neutral
 - d) Disagree
 - e) Strongly disagree
4. Minimal wages compared to hard labour
 - a) Strongly agree
 - b) Agree
 - c) Neutral
 - d) Disagree
 - e) Strongly disagree
5. Unsafe working condition in OIL mines
 - a) Strongly agree
 - b) Agree
 - c) Neutral
 - d) Disagree
 - e) Strongly disagree
6. Growing social unrest triggers flash strike
 - a) Strongly agree
 - b) Agree
 - c) Neutral
 - d) Disagree

- e) Strongly disagree
7. Growing unemployment catalyses flash strike
- a) Strongly agree.
 - b) Agree
 - c) Neutral
 - d) Disagree
 - e) Strongly disagree
8. Ignorant about impact of such strike on National growth
- a) Strongly agree
 - b) Agree
 - c) Neutral
 - d) Disagree
 - e) Strongly disagree
9. OIL fails to imbibe belongingness/loyalty in the minds of stakeholders
- a) Strongly agree
 - b) Agree
 - c) Neutral
 - d) Disagree
 - e) Strongly disagree
10. Lack of administrative control over the labours as they are supplied by contractors
- a) Strongly agree
 - b) Agree
 - c) Neutral
 - d) Disagree
 - e) Strongly disagree
11. A section of OIL internal stakeholders encourages such strikes for their vested interest.
- a) Strongly agree
 - b) Agree
 - c) Neutral
 - d) Disagree
 - e) Strongly disagree
12. Non availability of proper procedure for selection of temporary labourer
- a) Strongly agree
 - b) Agree
 - c) Neutral
 - d) Disagree
 - e) Strongly disagree
13. OIL labour Union can play vital role to avert such strikes.
- a) Strongly agree
 - b) Agree
 - c) Neutral
 - d) Disagree
 - e) Strongly disagree

14. Lack of strategic CSR policies towards stakeholders of immediate vicinity of the drilling locations.

- a) Strongly agree
- b) Agree
- c) Neutral
- d) Disagree
- e) Strongly disagree

15. It is a type of pressure tactics to draw more benefits from OIL

- a) Strongly agree
- b) Agree
- c) Neutral
- d) Disagree
- e) Strongly disagree