

CHAPTER SEVEN

Labour

C H A P T E R - V I I - L A B O U R

7.1 INTRODUCTION:

Labour is an important factor of production. Today it forms an important section of the community because of (i) cultural and social changes, (ii) changes in Government and labour relations, (iii) the changing role of employees and (iv) management attitude. The role of labour in the field of production cannot be over-estimated.

7.2 RECRUITMENT OF LABOUR:

Recruitment is the first step in industrial employment. There are various methods of recruitment such as direct methods, indirect methods, private employment agencies, public employment agencies, friends and relatives etc. Generally unskilled labour force in most of the factories is recruited directly. The efficient and regular workers are generally promoted to higher ranks or sometimes, skilled workers are recruited through direct selection. The supervisory and office staff is recruited through advertisement.

In private sector, the procedures are not institutionalised in character. In order of preference, the methods are :

- 1) Advertisements
- 2) Employment exchanges,
- 3) Relatives and friends,
- 4) Casual callers and
- 5) Employee recommendations (1)

7.3 SELECTION PROCEDURE:

The selection procedure which the organisation adopts is mostly tailor - made to meet its particular needs. The following is a

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- (1) Mamoria C.B., 'Personnel Management' Himalaya Publishing House, Bombay , 1986, PP.160.

popular procedure, though it may be modified to suit individual situation -

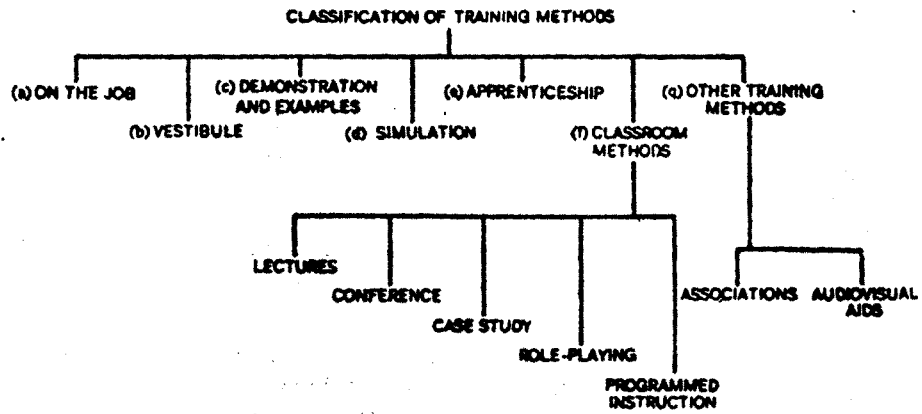
- 1) Preliminary interview or screening.
- 2) Application blank - fact finder which helps management to learn about the applicant's background and life -history,
- 3) A well conducted interview,
- 4) A physical examination,
- 5) Physiological testing,
- 6) A reference check,
- 7) Final selection.

7.4 EMPLOYEE TRAINING:

Employee training is essential 1) to increase productivity 2) to improve quality 3) to improve organization of climate 4) to improve health and safety 5) to prevent obsolescence and 6) for personal growth.

Training is a practical and vital necessity so that the employees can learn the advanced techniques which result into improved productivity. It is possible to avoid wastages because trained employees make a better use of materials and equipments.

There are various methods of training the employees. They suitable method should be used for particular type of employee. However, On - the - Job training is most widely used in the factories. For training in crafts, trades and in technical areas, apprenticeship training is the oldest and most commonly used method.



Classification of Training Methods
Chart No.7.1

7.5 PERFORMANCE APPRAISAL:

It is a process of evaluating an employee's performance, on a job in terms of its requirements. The management can judge or estimate the value, excellence and qualities of the employee.

Performance appraisal is essential to back up salary increases, demotion or terminations. It is also essential to suggest required changes in the employee behaviour, skills and job knowledge.

There are various methods of performance appraisal. Some of them are Man - to - Man comparison, Linear, Rating Scale, Check lists etc.

7.6 WAGE AND SALARY ADMINISTRATION :

It refers to the establishment and implementation of sound policies and practices of employee compensation.

The wage policies of different organisations vary from unit to unit. But following factors influence wage and salary administration.

- i) The ability to pay.
- ii) Supply and demand of labour,
- iii) The prevailing market rate,
- iv) The cost of living,
- v) Productivity,
- vi) A trade union's bargaining power,
- vii) Job requirements.

TYPE OF WAGES:

Time wage, Piece wage and Balance Method are the three most common methods of fixing wages.

- i) Time wages methods is said to be adopted when workers are paid according to the work done during a certain period of time. The production of the worker is not taken into consideration in fixing the wages, he is paid at a settled rate as soon as the time contracted for is spent.
- ii) Under the piece wage Method, workers are paid according to the amount of work done or the number of units completed.
- iii) Under the Balance Method, the worker's earnings are calculated at the piece rate and a time wage is decided.

WAGE INCENTIVES :

Wage incentives is a system of payments under which the amount payable to a person is linked with his output.

Incentives may be monetary or non-monetary Monetary incentives include besides wages, allowances profits, bonus, overtime, earnings, On the other hand, non-monetary incentives include job security training schemes, sympathetic attitude of the supervisor, welfare, schemes, recreational and social facilities.

Incentives in general are important motivators. It has been proved that wage incentives have resulted in gains in productivity.

Of course incentive schemes result in increased output the scheme also generate tensions among different parts of an organisation.

7.7. EMPLOYEE MORALE :

Morale generally refers to a feeling of enthusiasm, zeal, hope, confidence in individuals that they will be able to cope with the tasks assigned to them.

Employee morale is a very complex phenomenon and is influenced by following factors :-

- i) The attitudes of the executive and managers towards their subordinates;
- ii) Working conditions, including pay, hours of work, safety rules.
- iii) Effective leadership.
- iv) The size of organisation.

High morale results in high qualitative and quantitative production, elimination of waste and higher efficiency. Good morale pays off in rupees and goodwill and low morale generates an attitude of apathy, non-involvement and non-cooperation.

7.8. INDUSTRIAL RELATIONS :(3)

Industrial relations are multi-dimensional in nature. Two sets of conditions influence them viz. institutional factors and economic factors and economic factors. State policy, labour legislation, labourer' and employees' organization motivation etc. factors constitute the institutional forces. While economic system, technology, nature and composition of the labour force constitute economic factors. The primary objectives of maintaining good industrial relations are -

- i) To safeguard the interests of labour and of management by securing mutual understanding.
- ii) To avoid industrial conflict in order to achieve a speedy industrial progress.
- iii) To raise productivity to a higher level,
- iv) To eliminate strikes, lockouts etc.

(3) Bhagoliwal T.N. Economics of Labour and Social Welfare, Sahitya Bhavan, 1972, Sec.2 PP. 2-9

7.9. GRIEVANCES:

The problem of industrial peace is common to almost all industrial firms. and each and every firm tries different methods to solve this problem. But industrial disputes still arise and will continue to arise in future also Grievances are present at some time or other.

International Labour Organisation defines grievance as a complaint of one or more workers in respect of wages, allowances conditions of work and interpretation of service stipulations, covering such areas as overtime, leave, transfer, promotion, seniority, job assignment and termination of service.

Industrial employment (standing orders) Act, 1946, Factories Act of 1946, and the Code of Discipline accepted at the Indian Labour conference in 1957, are the main attempts with which to overcome the problem of grievances in India.

Existing labour legislation does not provide a well - defined and adequate procedure for handling grievances. But, it is essential to work a grievance procedure by mutual agreement in order to maintain peaceful relations between the employer and employees.

7.10 INDUSTRIAL DISPUTES AND MACHINERY TO SOLVE (4)

Industrial disputes may take form of strikes, go - slow tactics, bandhs, lockout etc. followings are the causes of industrial disputes :-

(A) Non - in Industrial Factors :

(4) Mamoria C.B. op.cit. PP.770

- i) An industrial matter relating to employment, work, wages, hours of work, privileges etc.
- ii) Workers may demand higher wages to improve the standard of living and may declare a strike if refused.
- iii) Rising unemployment which may have stemmed from automation or rationalisation.
- iv) More awareness of labourers of their rights.
- v) Failure of Trade Unions.

(B) MANAGEMENT'S ATTITUDE TO LABOUR:

Unsympathetic Management attitude, reluctance to recognise a trade union, avoidance to settle a grievance by discussions are the other factors resulting into industrial disputes.

(C) INADEQUACY OF GOVERNMENT:

The Government machinery is inadequate for resolving the industrial disputes.

MACHINERY TO SOLVE INDUSTRIAL DISPUTES: (5)

Government has evolved a machinery to solve industrial disputes which includes Industrial Disputes Act of 1947. It provided setting up of Conciliation boards, Courts of inquiry, Industrial tribunals, National tribunals, Labour courts, Arbitration and adjudication machinery.

Apart from it, Code of Discipline, Voluntary Arbitration, Grievance Redressal Procedure, Workers' participation in Industry, Works Committee are also the organs of the machinery to solve the industrial disputes

(5) Goyal R.C., "An Introduction to Industrial Employment, Discipline and Disputes in India, ' Sultan Chand and Co. Delhi, 1970.

7.11 TRADE UNIONS:

Trade unions have been an important part and parcel of the modern industrial relations.

- The functions of TUs are i) militant and/or protective and 2) fraternal or positive (6)

When collective bargaining fails, TUs resort to militant action such as strikes in order to obtain better working and employment conditions for the members.

The fraternal functions include provisions of such benefits as sickness and accident payments.

Presently there are five major trade union in India, namely INTUC, AITUC, HMS, UTUC, and CITU.

The trade union movement in India suffers from various defects which are as follows :

- (a) A general lack of education.
- b) Segregation of workers by race, religion language and caste.
- c) Migratory nature.
- d) Poverty and low levels of wages,
- e) Internal rivalry among trade unions,
- f) Inability of TU to undertake welfare activities.
- g) Hostile attitude of employers.
- h) Outside or external leadership.

Consequently, Trade Unionism in India has been weakened and the situation cannot improve unless the Trade unions keep

aside their internal rivalries strengthen their financial position, improve bargaining power develop internal leadership and undertake welfare activities.

7.12. THE ASPECT OF LABOUR IN THE FOUNDRIES UNDER SURVEY.

(I) RECRUITMENT OF LABOUR:

The units A and B follow the following methods of recruiting labour.

1) Indirect Methods :

These two units give advertisements in the local news papers when they want to recruit skilled labourers and the office staff. Sometime they have also accepted recommendation from friends and relatives. These units also approach the Employment Exchanges. whenever any need for recruitment arises.

For recruiting unskilled and casual workers, these units depend on employee's recommendations.

II In case of foundry D, it entirely depends on the source of recommendations from friends and relatives of the employees. The office work and administrative work is done by the partners themselves.

Foundry D has recruited four unskilled workers who were recommended by the relatives.

III. In case of Foundry E, it has adopted the following methods of recruitment:

- 1) Advertisements in the local papers for office staff and skilled workers.
- 2) Employment exchange
- 3) Employee's recommendations for unskilled workers.

IV. Foundry F had adopted the methods of advertising, Employment exchange and employee's recommendations for recruiting the labours.

V) Foundry C had relied mainly on friend and relatives and their recommendations.

In short, the following methods have been adopted by almost all foundry units.

Advertisement

Employment Exchange office,

Employee's recommendations.

SELECTION PROCEDURE:

(I) Foundries A, B and E follow selection procedure for employing skilled labour and office staff. A preliminary interview is taken of the eligible candidates.

A certain tests - such as typing test for a post of typist, or preparing a small programme for a post of computer operator are taken.

A reference check is done about the past experience, conduct and behaviour.

And then final appointment is made.

In cases of foundries C and D there is no such selection procedure. The posts are filled as per the recommendations of friends or employees.

In case of foundry F also just an examination of necessary certificates of semi-skilled workers, is considered to be an adequate selection procedure.

EMPLOYEE TRAINING :

I) Foundries A and B give 'On - Job' training and Apprenticeship to the workers.

Foundry B had sent its manager to the seminars and workshops on foundries.

Foundry A has also given facilities to the computer - operator to attend coaching classes.

But mostly these two units give more emphasis on On-Job training.

II) Foundry D has no definite system of employee training.

III) Foundry E has an extensive system of employee training. It applies following methods.-

- 1) On-Job training,
- 2) Sending deserving workers to refresher's courses.
- 3) Conducting lectures of experts.
- 4) Sending the candidates to attend seminars.
- 5) Display of audio-visual aids such as video-cassettes.
- 6) Sending top cadre to foreign countries for specialised training.

IV) Foundry F gives basically On-Job training to its workers.

The senior-most partner has visited foreign countries in order to learn more about foundry-business. The partners have also attended various business seminars.

PERFORMANCE APPRAISAL:

Only foundry E has a definite procedure of performance appraisal which is linked with production-bonus.

WAGE AND SALARY ADMINISTRATION AND WAGES INCENTIVES:

All units observe Minimum Wage Act. The wages are generally paid according to the following table. There are some negligible differences.

Table No. 7.1TABLE OF WAGE PAYMENTS.

Type of work	Wages
1) Coolie	Rs. 22.50 per day.
2) Semi skilled	Rs. 27.75 per day
3) Skilled	Rs. 35-00 per day.
4) Highly skilled	Rs.40-00 per day.
5) Foundry Supervisor	Rs.1500/- per month
6) Chowkidar	Rs. 600/-per month
7) Manager	Rs. 4000/- per month

Apart from this, some foundry units like A, B and E pay other perks as car allowances, medical allowances etc. All foundries pay Diwali-Bonus to the workers in range of 8.33% to 15% of total annual salaries.

Foundry E pays Production-Bonus. Foundries A, B, E, and F gives some non-monetary incentives such as recreational and social facilities.

EMPLOYEE MORALE:

The employee morale is positive in the units A, B and E. The workers are proud of their job and they work with enthusiasm.

The morale of workers of foundry C, D, F is naturally not very high because foundry C is a sick unit Foundry D is in a floundering stage and foundry F has retrenched its workers.

ABSENTEEISM:

Some of the workers in all foundry-units have a tendency not to report for two-three days after the pay day. Managements of all foundries are trying to bring this problem under control.

LABOUR TURNOVER :

The percentage of labour turnover in all foundries is negligible. The labour is settled in and around Sangli.

GRIEVANCES:

All these units are free from grievances and are maintaining good industrial relations. The units have not suffered either from strikes or lock-outs. Of course, some minor grievances arise from time to time such due to unsympathetic attitude of job supervision or assigning a particular job. But in all cases, the workers have experienced that the management is sympathetic to their grievances.

The units A, B, D are so small that workers can directly contact the partners and resolve their problems.

The units E and F are larger in size, but still, no problem of serious unrest has been experienced by the management.

TRADE UNIONS:

The workers of units of A, B and D are not members of any trade union. The workers (60%) of Foundry E are members of only one Trade Union. The workers of foundry F are members of two different Trade unions.

But it can be said that there are no strikes or lock-outs or go-slow practices in the recent past.

Table No. 7.2
The Types of workers Employed in the Foundries

Code No.	Manager	Supervisor	Office Staff	Skilled	Semi-Skilled	Unskilled	Total
A	--	1	2	2	4	2	11
B	1	--	1	2	4	2	10
C	1	--	1	1	2	3	8
D	1	--	--	---	3	--	4
E	9	18	18	90	150	75	360
F	1	3	2	10	14	10	40
	13	22	24	105	177	92	433