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CHAPTER : V

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: : LABOUR PROBLEMS IN SMALL SCALE INDUSTRIES
IN SATARA DISTRICT.

- (A) CLASSIFICATION OF SMALL UNITS SELECTED FOR STUDY
- (B) LABOUR PROBLEMS AND CONDITIONS PREVAILING IN
THE SMALL UNITS IN SATARA DISTRICT.
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IN SATARA DISTRICT.

CHAPTER - V

LABOUR PROBLEMS IN SMALL SCALE INDUSTRIES IN SATARA DISTRICT

In Chapter Four, the theory of a well planned labour management is discussed. In this chapter, an attempt is made to analyse and interpret the data relating to various aspects of labour problems in Small Scale Industries in Satara district. The necessary data on various aspects of labour problems was collected from selected 61 small industries in the district. The chapter is divided in three sections. Section A deals with classification of selected small units according to capital investment, Status employment, number of persons employed, category of workers and type of industries selected for study. Section B deals with analysis and interpretation of data relating to labour problems and conditions in the selected small units in the district. Section C, deals with the labour problems faced by the Small Scale entrepreneurs in the district.

(A) CLASSIFICATION OF SMALL INDUSTRIAL UNITS SELECTED FOR STUDY :-

1) ACCORDING TO CAPITAL INVESTMENT :-

The small scale industries included in the study are classified into three categories according to their capital investment viz. 1) tiny units employing capital upto Rs. 2 lakhs; 2) units employing capital above Rs. 2 lakhs but below Rs. 10 lakhs, and 3) units employing capital above Rs. 10 lakhs but below Rs. 25 lakhs

TABLE NO.8

Classification of Small Scale Industries
according to Capital Investment

Sr.No.	Capital Investment	No.of small scale industries
1.	Upto Rs. 2 lakhs	35
2.	Above Rs. 2 lakhs, but below Rs. 10 lakhs	21
3.	Above Rs. 10 lakhs, but below Rs. 25 lakhs	05
Total :-		61

The tiny units employing capital upto Rs. 2 lakhs formed 57.5 per cent, medium size units employing capital above Rs. 2 lakhs but below Rs. 10 lakhs formed 33 per cent and larger units employing capital above 10 lakhs but below 25 lakhs formed 9.5 per cent of the total number of small scale industries included in the study. The percentage of tiny units is more because majority of small scale units in Satara district are started either by individual entrepreneurs or two or three partners having limited financial resources.

2) ACCORDING TO STATUS :-

TABLE NO.9

Classification of Small Scale Industries
according to Status

Sr.No.	Status	No.of small scale industries
1.	Sole proprietorship	31
2.	Joint Family	04
3.	Partnership	20
4.	Co.operative	02
5.	Private Ltd.Company	04
6.	Public Ltd.Company	--
Total :-		61

More than 83 per cent units are owned, managed and run by individuals or partners. As a result, size of majority of industries is also small. Many of the individual entrepreneurs have contributed very little capital of their own but by taking loans from banks they have switched on their operations. Many of them are now well established.

3) ACCORDING TO EMPLOYMENT :-

The number of persons employed in small scale industries is presented, as the present whole study centres around their problems.

TABLE NO.10-

Employment Statistics regarding
Small Scale Industries under
Study

Sr.No.	Strength of Employment	No. of small scale industries
1.	Industries employing more than 5 but less than 9 workers	30
2.	Industries employing more than 10 but less than 49 workers	25
3.	Industries employing more than 50 but less than 99 workers	02
4.	Industries employing more than 100 workers.	04
	Total :-	61

About 50 per cent of small scale industries employ less than 9 workers, 41 per cent employ less 49 workers about 3 per cent less than 100 workers and about 6 per cent employ more than 100 workers. As the size of the employment increases the number of industries decreases. There were only 2 industries employing nearly

100 workers and 4 industries employing more than 100 workers. It is due to the fact that majority of small units have very little capital investment and they run their businesses in small scale. The statistic regarding the number of persons employed in different types of small scale industries was as follows :

4) ACCORDING TO NUMBER OF PERSONS EMPLOYED :-

TABLE NO.-11

Classification according to number of Persons Employed

Sr.No.	Type of industry	No.of workers
1.	Fundries, Engineering Works, Electro-Plators etc.	584
2.	Saw Mills, Steel and Wooden Furniture	65
3.	Textile and Art Silk Mills	72
4.	Plastic and Rubber Products	33
5.	Cement Pipes and Tiles	386
6.	Cold drinks and Ice Factories	12
7.	Chemical and Dyes	23
8.	Printing Prèsses and Paper Industries	14
9.	Shoe and Leather Industries	08
10.	Others	34
Total Employment :-		1241

As in Satara district the number of Industries, foundries and Engineering Work shops is very large, 28 industries of this type are selected for this study which employ 584 workers. The number of workers is not very large in these industries

because they are capital intensive industries. On the other hand only 6 cement pipes and tiles industries employ 386 workers, which means they are more labour intensive. Except these two big groups, the other types of industries can not be said to be more capital intensive or labour intensive. All the industries employ necessary man-power according to their strict requirements. No excessive employment or under-employment was observed in any unit under study.

5) ACCORDING TO CATEGORY OF WORKERS :-

Three categories of workers were observed-- Skilled, Semi-skilled and un-skilled. Foundries and engineering works require more skilled and un-skilled workers. The other industries were more labour intensive and require more un-skilled workers.

TABLE NO.12.

Table showing Category of Workers

Sr.No. Type of Industry	Category of workers			
	Skilled	Semi-skilled	Un-skilled	Admini-staff
1. Foundries, Engi. works etc.	139	63	313	69
2. Steel and wooden furn. etc.	6	10	43	6
3. Textile & Art silk mills	10	16	41	5
4. Plastic and Rubber products	5	6	18	4
5. Cement pipes and tiles	8	47	285	46
6. Cold drinks & Ice factories	--	--	10	2
7. Chemical and dyes	7	--	22	4
8. Printing presses, paper Industries etc.	5	--	7	2
9. Shoes and Leather Industries	--	7	--	1
10. Others	--	--	31	3
Total :-	180	149	770	142

More than 62% workers employed in small scale industries under study are unskilled, nearly 15% skilled and 14% semiskilled. The remaining 9% is supervisory/Administrative staff.

It was observed that in many units no difference was made between skilled and un-skilled workers; while in some units semi-skilled workers were treated as un-skilled. This unfair practice was followed by these units to avoid payments according to minimum wage.

6) INDUSTRYWISE CLASSIFICATION :-

Industry-wise classification presents wide variety of small-scale industries selected for this study. It also indicates extent of coverage in each type of small scale industry.

TABLE NO.13

Industry-wise Classification Based on
Actual Survey of Small-scale Industries.

Sr.No.	Type of Industry	No.of small scale Industries
1.	Foundries, Engineering Workshops Electro Plators etc.	28
2.	Saw Mills, Steel and Wooden Furniture	6
3.	Textile and Art Silk Mills	5
4.	Plastic and Rubber Products	4
5.	Cement Pipes and Tiles	6
6.	Cold Drinks and Ice Factories	2
7.	Chemicals and Dyes	4
8.	Printing Presses and Paper Industries	2
9.	Shoes and Leather Industries	1
10.	Others	3
Total :-		61

61 Small scale industries in Satara district were selected for this study. There is wide variation in the extent

of coverage with maximum 28 units from foundries, Engineering Work Shops and Electro Plators and minimum of one or two units from shoes and Leather Industries, Printing presses and Paper Industries and Cold Drinks and Ice Factories. In Satara district there is a large number of foundries, engineering workshops etc. as a result maximum units are selected from this area; then some new ventures are coming up in the field of plastic and rubber products, steel and wooden furniture, cement pipes and tiles and chemicals and dyes. Some cold drinks and ice factories as well as shoes and leather industries also find their roots in the district. Attempt is made to give due representation to each type of small scale industry existing in the district. It is also worth stating that as compared to conventional lines of manufacture in the district such as textiles, wooden furniture, oil mills etc. a larger weightage has been given to modern industrial groups as foundries, engineering works, chemicals dyes and plastic products which have developed recently.

B) LABOUR PROBLEMS AND CONDITIONS PREVAILING IN THE SMALL UNITS IN SATARA DISTRICT :-

In this section an attempt is made to analyse and interpret the data relating to various aspects of labour problems in small scale industries in Satara district. The data relate to the selected small scale industries under study.

1) RECRUITMENT OF WORKERS :-

Recruitment is one of the most significant step in the employment of industrial labour. In fact, it is the first step in the employment of labour. The ultimate success or failure of employment depends on the methods of

recruitment. Proper recruitment is a source for the increase of production and efficiency.

But the data collected from various types of small scale industries in Satara district, reveal that the method of recruitment followed by majority of small scale industries is quite defective. The most popular method was direct recruitment.

TABLE NO.14

Recruitment Methods in Small Scale Industries
In Satara District.

Sr. No.	Method of Recruitment	No. of Industries
1.	Direct Recruitment	38
2.	Employment Exchanges	08
3.	Other Sources e.g. Advertisement, I.T.I. etc.	--
4.	Direct Recruitment and other sources	15
Total		<u>61</u>

More than 63 percent units recruit their workers through direct recruitment method, almost 25 percent follow direct recruitment and other methods like advertisement, I.T.I. etc. and only 12 per cent units recruit their workers through employment exchanges. There is no any sort of centralised organisation for the purpose of recruitment of workers. As a result, each small unit depends upon its own efforts and methods. Some units advertise their posts of technicians and

clerical staff in local news papers. Posts of minor technicians are also notified to the Employment Exchange, but the persons sent by the latter are generally found not fit and suitable for the jobs. It is observed by the researcher that some small units in Satara city and Satara Industrial Area notify their requirements of workers through Satara City Library and ask the applicant to see the manager/owner personally. In number of tiny units it is observed that father, brothers, sisters and relatives are employed as workers who have no skill or experience of handling jobs. Some of the owners who are in need of skilled workers go directly to Industrial Training Institute and bring some trainees who are later on given suitable training in the units to fit the job requirements. Some units satisfy their clerical staff requirements by employing fresh graduates from the nearby colleges. Number of small units keep a list of casual workers and whenever need arises, they are called. In case of any difficulty in getting sufficient supply, the existing permanent workers are asked to bring their relatives, friends or some other loyal persons. In some industries like engineering workshops, printing, agricultural equipments, wooden furniture etc, the mistries and small technicians employed belonged to the families of old workers in trade. In short, the recruitment practices followed by small scale industries Satara district are quite unsatisfactory. No scientific selection and recruitment policy is followed by any small unit. As a result it affects badly the production and efficiency in many units. But no body cares.

B) TRAINING :-

Training serves an important means for the development of effective work habits and methods of work and thereby improves job performance, reduces waste and accidents, prepares individuals for modified jobs, avoids unnecessary turnover, improves the quality of work and so on . It does not only mean increased remuneration to workers but it gives broader outlook to them, increases their efficiency and they became more loyal to their jobs. In large enterprises in our country, workers are trained within industry or outside the industry.

Many small scale industries require skilled workers having knowledge of modern manufacturing techniques, marketing techniques, technical drawings, designs and workshop specifications, costing, sales and accounting. But it is surprising to state that in almost all the small industries under study, none has any sort of training programme for the workers. ACTually there is shortage of skilled workers in many units. But no unit so far tried to develop any comprehensive training programme. In the same way there is no any type of centralised scheme in the district for the training of workers in small scale industries. Industrial Training Institutes at Karad and Satara, Engineering and Polytechnic College at Karad, Government School of Industry-cum-Technical High-school at Satara and Training- cum-Production Centre, Karanje, Satara were the main agencies so for imparting technical education to the needed people. Some of these agencies satisfy the needs of technical personnel needed by small units in the

district. Commerce colleges in the district satisfy to some extent clerical staff requirements of the units. But no special efforts are made by small units to send their own workers for any training programmes conducted by any technical institutes or management institutes or colleges. There are some workers in small units in the district, who for their own interest, attend some management courses in commerce colleges. Some small units train their workers on the jobs, but no special efforts are made to prepare a training programme which will satisfy the future needs of skilled workers. It was also clear from the personal interview with small scale entrepreneurs that no small scale unit under study, takes advantage of training facilities provided by the government agencies. Many of them are not knowing that our Government has provided some training facilities to small units-- by establishing training agencies like Central Industrial Training Institute, Hyderabad, Small Industries Service Institutes etc. It is always in the good interest of industry that it should anticipate its future man-power requirements and train and develop necessary personnel to meet the needs of tomorrow. But in small industries it is observed that nobody cares for tomorrow, atleast in respect of man-power requirements.

C) CONDITIONS OF WORK :-

Man is always affected by his environments. His work, efficiency, psychology and health move and develop according to environmental settings. Hence with reference to industrial labour the role of working conditions is of great importance. It is a well recognised fact that healthy and

inspiring atmosphere leads the worker for more work, while slum and unhealthy atmosphere decreases his working capacity. Considering this importance of working conditions, Factories Act, of 1948 has made specific provisions for regulating the working conditions of labour in different factories.

But inspite of the great importance of working conditions and legislative provisions made by the Factories Act, it was observed that the overall working conditions of the workers engaged in Small Scale industries under study were not satisfactory. The units employing more than 10 workers and using power and the units employing more than 20 workers and where power is not used are required to register themselves under the Factory Act, 1948. These units have to comply the provisions with regard to working hours, wages, health and safety of workers, social and labour welfare etc. However, it was observed during our survey that many small scale industrialists do not register under the Factory Act, but get registered under Shop Act, in order to avoid the statutory obligations under the former Act. Even the main provisions under the Factory Act relating to health and safety, labour welfare, hours of work, overtime payments, rest intervals weekly off, paid holidays, occupational diseases etc were found quite inadequate in many small units. In some units no adequate provisions were made for cleanliness, disposal of wastes and effluents, ventilation and temperature, dust and fume, artificial humidification, overcrowding, lighting and drinking water. This is the case with majority of small units in Satara and Karad cities, then not ^{to} talk of small units operating in rural areas. Majority of the units overlook the safty measures

provided in the Act. Even electric installation was not satisfactory in many units. No proper precautions were taken of dangerous machines. Labour welfare facilities were most inadequate in many units. In some small units even the drinking water facilities were not properly provided. We, during our survey work, observed that in some units, during rest intervals, workers were sitting under a tree and taking their lunch. There was only one tap which provided them drinking water. The administrative/office staff is even deprived of the provisions as they do not come under the purview of the Act. In majority of the units overtime and bonus are not paid to workers. Most of the small scale industrialists rarely do what they are compelled to do by law. They are generally indifferent towards the improvement of working conditions and content themselves by making a few provisions made under law. As a result of this attitude, provisions made in regard to protection of machinery, health and safety etc are some times disregarded. However there are certain progressive small scale industrialists who have taken extra care for safety and welfare of the workers. But they are very few in number.

D) HEALTH AND SAFETY :-

The health and safety of the workers is of immense importance not only for themselves but also in relation to the general industrial progress of the country. Therefore, the Government of India has introduced various legislative measures pertaining to the curative and preventive aspects of industrial health and safety, Workers Compensation Act, 1923, Employees State Insurance Act, 1948, Factories Act, 1948 etc have provided

elaborate measures for the health and safety of the workers. Under Workmen Compensation Act, 1923, certain occupational diseases have been deemed to be injuries by accident for purposes of payment of compensation. Factories Act, 1948 provides necessary measures for the Safety of the workers. These provisions relate to proper ventilation, lighting, exhaust of offensive fumes and gases, provision of proper uniform, gas, masks, eye protection glasses, first aid box, boots, etc and periodical check up of the workers employed in the industrial undertaking.

It was observed during the Survey work that as majority of the small scale units under study were not registered under Factory Act, they avoid compliance of these regulations. Even in chemical and dyes industries where more safety devices are required, the provision was inadequate. No provision was made for exhaust of fumes and gases. In majority of the units some most essential safety measures like gum boots, gas masks etc were provided. But no satisfactory health and safety measures were observed in any unit. The nature of the jobs in the small units is not much complicated and dangerous. As a result not much adverse effect was noticed on the health of the workers. But it is true that due to the inadequate measures for the health and safety, the efficiency of the workers is badly affected.

E) FIRE AND ACCIDENTS :-

Accidents may occur in industrial establishment due to many causes e.g. natural calamities like earthquakes, flood fire etc, negligence on the part of workers, complexities of modern techniques of production etc. But as nature of work in the small scale units is not very much

complex, very few cases of minor accidents were noticed during our survey work.

TABLE NO.15

Table showing Major and minor Accidents
and Compensation paid to Workers.

Sr. No.	Type of Industry	Major Accident	Minor Accident	Compensation paid Rs.
1.	Foundries Engl.works	--	1	1800
2.	Steel & Wooden furni- ture works	--	1	800
3.	Cement products	--	1	1200
4.	Chemical & Dyes	--	1	2500
			4	5300

There were no major accidents for the last four or five years, but only four minor accidents have occurred for which workers were paid some compensation. No case of death or permanent disablement was noticed. As necessary precaution was taken by majority of the units against the risk of fire, the accident due this cause had not occurred. Whatever the minor accidents that occurred were due to either negligence on the part of the workers to handle particular machinery without permission or due to the complicated nature of the jobs.

F) SOCIAL SECURITY AND LABOUR WELFARE :-

The importance and value of social security and welfare activities can not be overemphasized. These activities

directly or indirectly increase the productive efficiency of the workers and infuse in them a new spirit of self-realisation and consciousness. Though the Government has promulgated a number of legislations with a view to promote welfare of industrial labour, a few other legislations are there to render them social and economic justice as enshrined in our constitution. These legislations direct the employer to provide better wages, undertake welfare and social security measures and implement safety measures in industry.

Many small scale industries have not still been brought under the purview of the Minimum Wages Act with the result that the workers are left at the mercy of the employers who exploit the situation to their advantage. Added to this, many unfair labour practices have been in vogue. The general tendency among employers is not to do anything more than what they are obliged under law. The most disappointing feature is that in many units located in semi-urban or rural areas, the employers neither care to follow the provisions under law nor they are compelled to do so. Since the factories having less than 20 workers or working without power are exempt from the application of the Employees State Insurance Scheme, many of the small industry workers forego valuable benefits like medical care, cash benefits against sickness, disablement, maternity and death of the worker. Similarly social security benefits such^{as} provident fund, insurance, gratuity, pension are also denied to a large number of workers in small industries. The coverage of certain laws for industrial unit depends on the number of workers over and above a stipulated level. The small industrialists, to defeat

the provisions of the Act have manipulated the organisations in such a way to show a lesser number of workers than those stated in the Act. In many cases, there are no fixed number of working hours. The premises are ill-ventilated and the workers are forced to work in suffocating premises. In majority of the cases they do not have any permanency benefits such as paid leave, lay-off compensation, and provident fund. Besides the delayed payments are very common.

If the industrialist wants to implement at least some of the welfare measures he has to follow an elaborate procedure of maintenance of accounts. As per the Act, if the casual worker works continuously for 240 days he should be made permanent and is eligible to get all the benefits. But in the small industry, the worker will be terminated from the job for a day or two to avoid the permanency benefits. As the number of workers is so small, even if the workers are unionised, the union want is hardly own. The small industry worker, therefore, remains a man of small means in spite of the unionisation. For this state of affairs, entrepreneurs alone need not be blamed. High labour turnover among the unskilled workers particularly during sowing and harvesting seasons made the entrepreneur hesitant in implementing the welfare measures even if he is interested. And among the skilled workers, the turnover is more due to severe competition among the small units themselves, to have experienced personnel for their units by offering them higher wages. This can be noticed more from the technical units.

Among the sampled units, social security and welfare measures like provident fund, employees state Insurance gratuity, free canteen, free education, family pension and

housing were in force depending upon the type and size of the industry.

TABLE NO.16

Distribution of Small Units Based On
Social Security and Welfare Measures Undertaken

Sr. No.	Type of Social Security and Welfare Measure	No. of units
1.	Provident Fund	16
2.	Employees State Insurance	20
3.	Family Pension	1
4.	Gratuity	4
5.	Free canteen	20
6.	Free Education	1
7.	Housing	1

As per the above table, 16 units have been providing PF benefits to the workers. And it is also observed that 20 units were providing medical facilities. Only one unit has scheme of family pension and gratuity by 4 units. Free canteen in the sense mostly they provide twice a day tea or coffee for the workers. One of the entrepreneurs has said that he is also providing free education to his employees' children. Another entrepreneur who has medium scale industry said that he is providing housing facilities to his few employees.

In addition to this some small industries pay bonus to their workers.

TABLE NO.17

Payment of Bonus to Workers By
Small Scale Industries

Sr. No.	Form of Bonus Payment	No. of Industries
1.	As per Bonus Act	16
2.	In other forms like gifts etc.	23
3.	Not in any form	22
Total :-		61

16 units which have more than 20 workers on their pay rolls were forced to pay bonus as per the Bonus Act. 23 units were paying bonus voluntarily in the form of gifts, free clothing etc. Remaining 22 units pay no bonus to their workers in any form.

Though there are many welfare measures, only a few small-scale industries are putting them in practice. An attempt here is made to discuss the relevance of size of investment in implimenting the social security and labour welfare schemes.

TABLE NO.18

Social Security and Labour welfare Measures
based on Size of Industry

Size of Investment(Rs)	PF	ESI	Family pension	Gratuity	Free Canteen	Free Edn.	Housing
Upto Rs.200000	-	-	-	-	15	-	-
Above 2 lakhs but below 10 lakhs	11	15	-	-	5	1	-
Above Rs.10 lakhs but below 25 lakhs	5	5	1	4	-	-	1
Total	16	20	1	4	20	1	1

In investment size of below Rs. 2 lakhs except free canteen facilities (tea or coffee) not a single unit was ~~pro~~ providing any other welfare measures to its workers. Even in the investment size of 2 lakhs to 10 lakhs very few units are providing social security and welfare measures. But in the case of Rs. 10 to 25 lakhs almost all the units are financing welfare activities. In the higher investment group social security and labour welfare activities are given more importance and all the units are providing these activities.

G) WAGES :-

In most of the small scale industries selected for the study, wages are based on daily wage payable at the end of week or month.

TABLE NO.19

Basis of Payment of Payment Wages
In Small Scale Industries.

Sr. No.	Basis of Payment	No. of Industries.
1	Time	56
2.	Piece-rate	2
3.	Time and Pice-rate	3
Total :-		61

56 small scale units paid wages to their workers on the basis of time, 2 units on the basis of piece-rate and 3 units follow both the basis. In leather industries and brick-making industries wages were paid on the basis of piece-rate. In units where job work was extensively carried on, the wages were paid to the workers on the basis of

time and piece rate.

It was observed during the survey work that the wages paid to same class^{of} workers for the same jobs were different in different units.

TABLE NO.20

Wages Structure in
Small Scale Industries

Sr. No.	Class of workers	Wage Rate per day (Rs)	No. of Industries
1.	Unskilled	a) 8 to 15	52
		b) 16 to 20	7
2.	Semi-skilled	a) 15 to 20	10
		b) 21 to 25	3
3.	Skilled	a) 18 to 25	28
		b) 26 to 30	5

In majority of the small units the rate of wages paid to unskilled workers was minimum 8 and maximum 15. It was observed that there were very few industries paying wages to unskilled workers at the rate of more than 15 Rs.. Those 7 units which paid more than Rs. 15 per day were forced to pay these wages according to Minimum Wages Act. In case of Semi-skilled workers the rate per-day was above Rs. 15 but less than 25 and for skilled workers above Rs. 18 but less than Rs. 30 depending on qualification and experience of the workers.

Thus there is no uniform system of wage payment in small-scale industries in Satara district. Workers are paid according to their qualification, experience and supply. It was observed that in some foundries and engineering units skilled workers were paid at the rate of Rs. 30 per day but in other

similar units the same workers were ^{paid} 18 to 20 Rs per day. The wages in specialised industries like chemical, dyes, plastic & goods etc are generally higher than in other industries.

Under the Minimum Wages Act of 1948, provisions for statutory "minimum wages" have been made. The Committee on fair wages recommended 'the fair and living wage' and the Indian Labour Conference resolved to introduce, "The Meed Based Minimum Wage". But it was observed during Survey Work that many small scale units under study were not coming under the purview of Minimum Wages Act. As a result, for the payment of wages, the workers are left at the mercy of the employers who can exploit the situation to their advantage. In many units the benefits of dearness allowance, bonus, overtime, night shift allowance are still denied to the workers. What is most disappointing is that in many small scale units located in semi-urban and rural areas, the employers neither care to follow the provisions under law regarding payment of wages or nor they are compelled to do so. In many units working hours for which wages are paid are not fixed. Many workers do not get permanency benefits like annual increments, paid leave etc. Besides, delayed payments are very common in many small units.

H) INCENTIVE SCHEMES AND PRODUCTIVITY :-

It is widely recognised that a well designed and properly installed incentive scheme has a number of advantages for both industry and workers. That such a scheme could make a substantial contribution towards increasing productivity of an enterprise and improving purchasing power of the employees was, infact, carefully brought out in the Report of the NPC Productivity Team which visited West Germany, United

States and Japan in 1960. As a result number of enterprises began installing incentive schemes, and several of those who have done so have derived significant benefits. The real answer to the problem of improved productivity lies in the proper motivation of workers so that they have feeling of participation in the fortunes of an enterprise and are willing to give of their best. Incentive schemes which link higher production to better wages can play a notable part in promoting such motivation

It was observed during survey work that most that most of the small scale industries under study, were not automated and as such the contribution of the workers is considerable. Therefore, there is a strong case for introducing some schemes of incentives which may motivate the employees and thus result in higher productivity. In sampled units, there was only one industry which employed some sort of incentive system in real form. There were some industries the employers of which pay some additional emolument to their efficient workers just to encourage them for increased production. In plastic product and some other industries which require highly skilled workers, The practice of paying advances to the skilled workers, just to bind them to the factories, is prevalent. Such a binding on the part of the workers assures uninterrupted production to the units. So it may be regarded as incentive. Except this, by and large there are no incentives to small industry workers. In a personal interview with Trade Union Leader, it was clear that there is oppose of trade unions in implimenting any kinds of incentive system. The justification given for this by trade union leader was that such incentive schemes lead to reduction in employment. He gave an example in support of his statement. He was quite right. He stated that in a unit, where 15 workers are presently

employed, if incentive scheme is introduced, the work of 15 workers will be done by just say 12 workers. Naturally the excess three workers can be terminated by employer at any time. But in our opinion this justification is not sufficient to undermine the importance of incentive schemes in increasing productivity.

I) TRADE UNIONISM :-

With a view to protect interest of the workers, trade unionism is evolved which replaces individual worker by a collective bargaining organisation. But during survey work it was noticed that due to small number of workers in many small units, formation of independent unit wise unions was not possible. Even industry-wise unions were very few in the district. Only important thing observed was that in bigger units employing more than 20 workers, workers were informally united and had been members of the Bhartiya Majdur Sangh, the only biggest union in the district. Workers of more than 15 such units have become members of BMS. But it is surprising to note that many entrepreneurs refused the existence of any type of trade union activity in their units. On the other hand, workers in these units agreed that they are registered members of BMS. Leader of the Bhartiya Majdur Sangh also agreed that many workers from the small units have become members of his union. In many other units, though the workers desire to be members of BMS, they are threatened by their owners that they will lose their employment, if they become members of any trade union. This has hampered the growth of trade unionism in small scale units in Satara district. It is because of this reason that workers are forced to accept anything that is desired by their employer. In the absence of a

stronge union, the workers can not successfully fight with the employers to get their rights. The employers exploit this situation for their best advantage. It must also be noted that in some big units BMS has played fruitful role and forced the employers to accept settlements. But such units unionism in small scale units must be encouraged. So that it can act as an agency which can promote peace, bring about better relationship between employers and workers and many sided improvements in the workers' living conditions.

J) INDUSTRIAL DISPUTES :-

Majority of the small scale industries employ small number of workers and the entrepreneur gets in touch with each one of them and knows their disposition and is acquainted with their family problems. Due to this partrimonial attitude of most of the entrepreneurs, the internal disputes are not frequent in small scale units in Satara district. There have been strikes and lock-outs in few industries, but they did not last for many days. Most of the strikes continued only for one or two days and man-hour lost were not very alarming. It was observed that many of the strikes have taken place in cement pipes and tiles industries, followed by foundries and engineering works, textile and silk mills and printing presses. The major causes of such strikes include demand for more wages, non-payment of bonus, ill-treatment by the employer or by his relative, non-payment of dearness allowance etc. In case of two units, the workers had gone to the labour court and received award from the court. Collective bargaining as a tool of preventing industrial disputes was not effective in any small unit. Some of the

entrepreneurs complained that their workers follow the tactics of go-slow policy, as a result they could not get desired output from their workers. Most of them are against the trade unionism in Small scale industries. They say that trade unions in the district are more destructive to the scale units. They do not have any constructive approach towards the workers or the small units. Instead of helping to minimise many troubles of small entrepreneurs, trade unions increase them. But the leader of the BMS rejected this arguments and explained how these entrepreneurs exploit their workers by using number of mal-practices. The present position is somewhat satisfactory as neither the workers nor the employers are in mood to start a dispute, because they know that it causes loss to both the parties. It was also observed that there is no workers participation in any small unit under study and there are no joint management councils too.

In short, it can be stated that the number of employees in small units is so small that even if the workers are unionised, the war on want can be hardly own.

LABOUR PROBLEMS OF SMALL SCALE INDUSTRIES

After analysis and interpretation of data relating to various aspects of labour problems, it is proposed to discuss some of the labour problems faced by the entrepreneurs of small scale units in Satara district.

The general labour problems as revealed by data collected from the sample units, are as follows :-

1. Lack of skilled workers.
2. Labour turnover.
3. Absenteeism.
4. Late attendance

5. Employees not able to work overtime
6. Employees, not much co-operative.
7. Local workers not much co-operative.
8. Harassment from Trade Union.
9. Workers apathy to learn new skills.

Many small scale industries which require highly trained labour, face the problem of non-availability of trained (skilled) labour. Such industries include plastic products, foundries and engineering works, textiles and silk mills and printing presses. As a result, these industries can not use the maximum capacity of their plants. It results in reduced production. It was also observed that the skilled labourers demand more wages and more facilities, which the small scale units, because of their meagre financial resources, can not provide to them. As a result the problem of skilled labourers is a head ache to the small scale industry. In order to solve the problem of skilled labour, many small scale industrialists use to appoint some semi-skilled workers or trainees from Industrial Training Institutes and then efforts are made to make them skilled workers by giving them on the job training through existing skilled workers. But this is a costly and time consuming process. It can not fully solve the problem of lack of skilled workers.

The high labour turnover is a peculiar characteristic of labour in small scale in Satara district. It was observed that generally high labour turnover is prevailing in those industries which employ more unskilled workers. There is high labour turnover among the un-skilled labourers particularly during sowing and harvesting seasons. Another reason for such high labour turnover is inadequate wages paid to the workers.

Even the agricultural workers demand more than Rs. 10 per day. But in some units it was observed that unskilled labour is paid much below Rs. 10. As a result many unskilled workers migrate from one industry to another in search of more wages. And among the skilled workers, the turnover is more due to severe competition among the small units themselves to have experienced personnel for their units by offering them higher wages. This can be noticed more from the technical units.

The general impression of small industries entrepreneurs is that E.S.I. Scheme has increased absenteeism due to alleged sickness on minor grounds. False medical certificates are produced and leave applied for. But in addition to this there are some other reasons like inadequate wages, no chances of permanency, work at native places during sowing and harvesting seasons, festivals, marriage of a relative etc. which have given rise to absenteeism in the small scale industries in Satara District. These causes are more or less, responsible for the late attendance of workers. There were some small units in which late attendance of workers was a regular phenomena. If the entrepreneur question about late attendance, they give number of reasons. If the entrepreneur is not satisfied they threaten him to leave the job and join another one. As the entrepreneur is in need of them, he has to satisfy himself by whatever the reasons given. But it was also observed that in big units there was strict regulation on attendance of workers. The problems of absenteeism and late attendance are acute in urban areas than in rural areas, because in urban areas alternative employment is easily available.

As many small scale industries employ workers from nearby villages, they are unable to work overtime. Local workers do some side business,

as a result they are also unable to work overtime. In some units the standard time of work is not fixed. The workers are required to work more than the standard time but they are not paid for overtime.

Some small industrialists complained that their workers are not much co-operative. It was observed that the workers of these industries are organised and have become members of Bhartiya Majdur, Sangh. They also complained that their workers follow go-slow-tactics and there is severe harassment from the trade union leaders. Workers constantly demand for more wages and more facilities but do not cooperate in increasing production. One of the industrialists, who was forced to close down his well established plastic industry with 32 workers, due to unnecessary harassment from trade union, bitterly criticised the trade unionism in small scale industries. He stated that all the labour problems in small units can be solved by "Parrot and Stick" method. But this is not a correct attitude. It was also brought to the notice of researcher by some industrialists in Satara Industrial Area that the number of small units which have closed down their businesses were not only subject to financial crisis but also unnecessary harassment from trade unions. These industrialists stated that we have to face number of problems like finance, raw-material etc. in our day-to-day business, but when the workers are organised and become members of some trade union, we have to face only one problem viz. labour problem. As a result we can not concentrate on other important activities of business. They stated that there is no need of trade unions in small units. All the conflicting matters can be resolved through concialiation between workers and management. But we feel that the technique of conciliation will not be useful for

solving all the labour problems due to attitude of many industrialists. A strong trade union to protect the interest of workers in small units is a need of the day.

Though there is no shortage of unskilled and semi-skilled workers in Satara district, it was observed that some small units import their workers from other districts of Maharashtra like Marathwada, Aurangabad etc. The reason given for this import of workers was that local workers are not loyal to their jobs. But the real fact is that the local workers demand for more wages and if not paid, they leave their jobs at any time. This is not the case with outside workers. It is difficult for them to get jobs outside. So they remain loyal to the entrepreneur who imports them.

The rapidly advancing technology requires men with skills and aptitudes different from those which have been generally accepted in the past. The un-skilled labour will scarcely have a place in any branch of advanced industries. All heavy manual work will be, and, in fact, has for some time been, done by machines. As to the future needs, it has been increasingly recognised that a worker with a single craft is not capable to deal with multi-craft requirements of maintaining modern units. For this reason it is desired that the workers in small industries should try to learn new skills and aptitudes and meet the technological requirements of small units. But it was observed during our survey work that most of the workers in small scale industries are apathetic to learn new skills and aptitudes.

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