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CHAPTER : VI

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: : CONCLUSIONS AND SUGGESTIONS

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In the preceding chapter, an attempt was made to critically analyse the various labour problems in selected small scale industries in Satara district, with particular reference to recruitment and selection, training and development working conditions, social security and labour welfare, Wages, trade unionism, incentive schemes and productivity, industrial disputes and some labour problems faced by small scale industrialists in Satara district. In this chapter, it is proposed to give the conclusions of the study and to make some suggestions to improve the conditions of labour and also for the effective solution of labour problems faced by the small scale industrialists in Satara district.

The conclusions of the study are as follows :-

(1) ANALYSIS OF ORGANISATIONS :-

There is no doubt that like other parts of the country, the small scale industrial sector in Satara district has developed quite rapidly over the last two decades. The number of small scale industries which was only 54 in 1961 has gone to 1355 at the end of 1983. But after careful analysis of selected small scale organisations it was observed that :

- (a) Most of the small scale units, almost 58 per cent were very small employing capital less than 2 lakhs.

There are a very few, nearly 10 per cent, larger units employing capital above Rs. 10 lakhs but below Rs. 25 lakhs.

- (b) Most of the small scale units, almost 80 per cent are run by individuals and partnerships. As a result size of majority of small scale units is also small.
- (c) More than 50 per cent of small units employ less than 9 workers and almost 42 percent employ above 10 but less than 50 workers.
- (d) In some small units no outsiders are employed but only family members work as employees.
- (e) There is a very large number of foundries and engineering works in the district.
- (f) It is also observed that some new ventures are coming up in the district in the field of plastic products, rubber products, chemicals, dyes etc.
- (g) The category of workers employed in small units include skilled, semi-skilled and un-skilled workers. More than 62 per cent employees are un-skilled, 14 per cent semi-skilled and 15 per cent skilled and multi-craft workers in foundries and engineering works, chemicals, dyes etc. Industries like Cement and pipes require more un-skilled workers, as they are capital intensive units.

(2) LABOUR PROBLEMS AND CONDITIONS :-

(A) RECRUITMENT, SELECTION AND TRAINING :-

The very success of the organisation depends on proper recruitment, selection and training of the workers. But the study of the selected small units reveal that :

(a) Recruitment and selection policy followed by majority of the small units in the district is quite defective. More than 60 per cent units recruit their workers directly without following any scientific selection process. As a result, they are unable to get efficient and skilled workers. It gives rise to labour absenteeism and high labour turnover.

(b) No unit has prepared any comprehensive training programme for the workers. There is no any type of centralised scheme in the district for the training of the workers in small scale industries. Some of the units try to give "On the job" training to the workers, which in their opinion is sufficient for performing the jobs. No external training facilities are available in the district except Industrial Training Institutes at Satara and Karad.

(B) WORKING CONDITIONS :-

The overall working conditions in small scale industries in Satara district are quite unsatisfactory. Many units were not registered under the Factories Act, 1948, but

they have got registration under Shop Act, in order to avoid the statutory obligations regarding working conditions under the former Act. In some units even the provision of drinking water was quite inadequate. Then not to talk of Canteens, restrooms etc. As a result no proper working environment for workers is created in majority of small units. Most of the small scale industrialists rarely do what they are compelled to do by law. They never care for improvement of working conditions and content themselves by making a few provisions under law. It definitely affects the productive efficiency of workers.

(C) HEALTH AND SAFETY :-

In many units health and safety measures used were inadequate. As large number of small units are not registered under Factory Act, they avoid compliance of regulations made under the Act relating to lighting, ventilation, exhaust of offensive fumes and gases, provision of proper uniform, gas mask, eye protection glasses etc. They make only essential provisions, others are overlooked. 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.

(D) FIRE AND ACCIDENTS :-

Majority of the units take precaution against fire but do not provide adequate safety measures to prevent accidents. But as the nature of work in the small units is

not very much complex, there was not a single case of major accident. Very few minor accidents have taken place in units.

(E) SOCIAL SECURITY AND WELFARE FACILITIES :-

It is necessary that the welfare of the worker should be assured, whether he works in a factory where the labour laws are mandatory or in a small unit, where Factory Act, is not applicable. It helps to develop loyalty on the part of the worker and also increases his efficiency. But careful analysis of social and welfare facilities in selected small units show that only the bigger units employing capital above Rs. 10 lakhs provide some social and welfare facilities to their workers in the form of free education to the children, Provident Fund, pension etc. But majority of the medium and smaller units provide no social security and welfare facilities to their workers. As a result a large number of workers in small units is completely unsecured. 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 do so. In short, the social security and welfare facilities provided by the small units in Satara district are inadequate and unsatisfactory.

(F) WAGES :-

There is no uniform system of wage payment, in small scale units in Satara district. It is not unusual to

find workers doing the same job, but getting different wages in separate units. The wages in specialised industries of chemical dyes, plastic goods etc. are generally higher than in other industries. But the overall wages paid to various classes of workers are much below the expectation. As many small scale units are not coming under the purview of Minimum Wages Act, the workers are left at the mercy of employers for the payment of wages. Many unskilled workers are paid less than Rs. 10, the rate which agricultural workers also demand. In short, the wage structure in small units is quite unsatisfactory. No small scale industrialists desires to pay adequate wages to his workers. The demand for more wages by the worker results in his retrenchment or in many cases the workers leave their jobs and join other units where they are paid more wages. It has given rise to high labour turnover.

(G) INCENTIVE SCHEMES :-

There are very few small scale units in the district which have introduced incentive schemes in real form. Some industrialists pay incentive to their workers just to encourage them for more production. Industrialists who require highly skilled workers pay advances to the workers just to bind them to the factory. As most of the small scale industries under study were not automated and the contribution of workers was considerable, there was a strong case for introducing incentive schemes which may motivate employees and thus result in higher productivity. But it was observed that small scale

industrialists do not intend to introduce such schemes. As a result they lose the advantage of higher productivity and workers also lose the advantage of higher wages. It is interesting to note that in sampled units, there was only one unit which has introduced incentive scheme in real form.

It was not un-noticable that trade unions also oppose introduction of incentive schemes on certain grounds. They state that our workers may lose employment if such incentive schemes are introduced by the industries.

(H) TRADE UNIONISM :-

In majority of the small units in the district there are very few workers because of which the spirit of the trade unionism is not much developed. The only union which represent most of the workers in small industry is Bhartiya Majdur Sangh. In some bigger units workers have formed their informal unions and got affiliated to BMS. In some units workers are threatended by the employers to lose their employment if they become members of any trade union. The over all atmosphere prevailing in small units is against formation of trade unions. As a result workers are left at the mercy of employers and they exploit the situation for their advantage.

(I) INDUSTRIAL DISPUTES :-

In most of the units, employers adopt patri-monial attitude towards their workers. It is possible because there is small number of workers. The workers and employer work together. Each one knows the difficulties of other. Due to this reason internal disputes are not frequent in small units.

Whatever disputes that have taken place were noticed in bigger units. Some disputes have resulted in strikes and lock-outs but they did not last longer than one or two days.

Most of the disputes were settled by mutual negotiation between the workers and the employers. Most of the disputes have taken place in Cement and pipes industries, followed by foundries and workshops and printing presses. The cause of majority of disputes has been ill-treatment, abusive language used against an employee by the employer, non-payment of bonus, inadequate wages etc.

(3) LABOUR PROBLEMS OF SMALL INDUSTRIES :-

(A) The major labour problems faced by small units in the Satara district were as follows :-

- a) Lack of skilled workers.
- b) High labour turnover.
- c) Labour absenteeism.
- d) Late attendance.
- e) Employees not able to work overtime.
- f) Workers not much co-operative.
- g) Local workers not loyal to their jobs.
- h) Harassment from trade union
- j) Workers apathy to learn new skills and aptitudes.etc.

(B) These problems arise more or less due to the industrialists inability to pay fair wages, provide better working conditions and social security and welfare facilities.

(C) Problem of lack of skilled workers is faced by those units which require specialised skills to perform complex technical

operations.

(D) Labour turnover among unskilled workers is high during sowing and harvesting seasons. Among the skilled workers turnover is more due to severe competition among the small units themselves to have experienced personnel.

(E) Problems of absenteeism, and late attendance are caused by inadequate wages, unsatisfactory working conditions, no permanency benefits etc.

(F) As many workers come from nearby villages to work in small scale units, they are unable to work overtime.

(G) As many small scale industrialists do not pay fair wages and provide satisfactory working conditions, workers are not much co-operative and loyal to their jobs.

(H) Trade unions harass the small units by encouraging the workers to adopt go-slow-tactics and demanding the more wages and more facilities for the workers. If industrialists adopt the humanly attitude towards workers, this problem will not arise.

(I) Most of the workers in small units come from nearby villages. Majority of them is illeterate. They are financially very poor. As a result they are apathetic to learn new skills and aptitudes. For maintaining their families they are required to do some side business, because of which they do not find time for further education.

(J) Tendency of late attendence was observed more in skilled workers than un-skilled ones. Skilled workers get immediate

Jobs elsewhere, because of which they do not care for their jobs and the employers.

(K) Unsatisfactory earnings in small units, ill treatment by the employers and their sons, no security of jobs etc. have given rise to labour absenteeism in many units.

In short, it can be stated that the small scale industries in Satara district pay very little attention to the labour problems. The problems of labour are quite acute and conditions of labour are quite unsatisfactory. The labour is grossly neglected factor in Satara district.

SUGGESTIONS

The following suggestions may be of great use and value if the small scale industrialists in Satara district want to solve their labour problems and improve the conditions of labour, thereby increasing the productivity and also improving well-being of their workers :

(1) SYSTEMATIC AND PLANNED RECRUITMENT, SELECTION AND PLACEMENT POLICY :-

A poor recruitment, selection and placement policy paves the way for inefficiency, waste and low production. Therefore in order to avoid such situations, small units in Satara District need to have a properly planned recruitment, selection and placement policy. It will be helpful to reduce labour turnover and absenteeism. Whatever may be the special

local problems of small units, it is undoubtedly a necessity to have a systematic and planned recruitment and selection programme, as proper selection and placement go a long way towards building up a stable working force, and eventually reducing labour costs. It is true that small industries can not afford the expenditure of a personnel department but they may have a joint personnel department for the purpose.

(2) WELL-ORGANISED TRAINING PROGRAMME :-

At present, in all types of business enterprises, training of workers is necessary because many jobs have assumed a highly technological character and under automation, we require highly skilled operatives. Small units are no exception. Many small units use the modern technology because of which it becomes necessary for them to have a well organised training programme. All progressive small units must provide necessary training to their workers within the organisation in the first instance, to be supplemented by further training outside by way of participation in seminars, training schemes, refresher courses etc.

It is true that the small units can not afford expenditure on training workers, but they can start joint training programmes by taking necessary financial assistance from the Government. In such joint training programmes workers of all the units may get necessary training.

In Satara district, there are a few training

institutes run by the Government. But the regular workers can not get the advantage of the same. So it can be suggested that vocational training institutes may be set up by the Government at all the taluka places where all sorts of training should be provided to the workers of small units. In such a case, it will be the responsibility of the small units to depute their workers for attending vocational courses.

M.I.D.C. and D.I.C. at Satara should take lead in organising seminars, refresher courses etc. where the workers in small units may get the knowledge of modern skills and techniques.

Schools and Colleges in the district should also take lead in starting some training courses for the workers employed in small units. Thus, small units should note that the trained labour is invaluable asset to the organisation and should prepare a well-organised training programme.

(3) PROVISIONS OF ADEQUATE SOCIAL SECURITY AND LABOUR WELFARE FACILITIES :-

It can be stated that unless the future of the worker is secure in industry, he does not develop, the much needed, loyalty to his job. It is strongly felt that the welfare of the worker should be assured and he should be given all the benefits of social security. Therefore, small units should make provision of adequate social security and welfare facilities. State should also take necessary steps in this

respect. In this regard the following suggestions can be made :-

(a) There are a few Acts to regulate small industry. They are neither very much relevant nor possible, to implement in to to. So efforts may be made by the Government to simplify the procedures, rules and regulations and make them as effective as possible. The so called social security and welfare measures may be given enough importance through suitable legislations. At the same time efforts may also be made for their implementation.

(b) While enforcing certain social security and welfare measures, one should consider the capacity of the firm to implement the same financially, organisationally or otherwise. The capacity also depends upon type and nature of industry, considering these points the social security and welfare measures may be fixed accordingly.

(c) Many schemes are optional, once the option is left to whims of entrepreneurs, they may try to exploit them to their advantage. So a rational approach may be adopted while doing so by providing necessary clauses keeping the interest of the entrepreneur and the employees in view.

(d) High labour turnover and absenteeism has been the common phenomena in the small industry. Unless this evil is reduced to a minimum no small entrepreneur will be in a position to bear the additional cost of labour welfare due to increased cost of

production, wastage and unscheduled production. To obviate this difficulty the casual labour practice may be reduced to minimum. For others some security deposit or a guarantee bond may be insisted upon so that they may stick to the job for a stipulated period.

(e) Insisting on bonus irrespective of the viability of a firm on par with large industry will lead to a lot of difficulties. This in turn will lead to either closure of the units or to commit some frauds while showing the labour force on their pay rolls. So these causes must be considered on genuine grounds and see that they are given due weight while insisting upon the bonus payments.

(f) Now it is strongly felt that social security and welfare of the worker should be assured, whether he works in factory unit where labour laws are mandatory or in a smaller unit, where factory act is not applicable. The Government should, therefore, come to the aid of small unit workers by evolving group welfare schemes like group insurance, cheap housing, facilities for education, and schemes for safe working in the units.

(4) PROVIDE SATISFACTORY WORK ENVIRONMENT :-

The environment in which the worker works is of considerable importance, because it helps to increase the efficiency of the worker. So it is necessary that the small units in the Satara district should provide necessary working condition in their unit in the form of adequate safety and welfare measures, accident prevention, canteen facilities, rest

rooms, cleanliness, disposal of wastes and effluents, ventilation and temperature, dust and fume, drinking water, lighting etc.

Many small industrialists in the district do not register their units under Factory Act and but get registered under Shop Act, just to avoid statutory responsibilities under the former Act, relating to working conditions in the factories. This is not a good practice on the part of small industrialists. If the lot of the workers has to be improved and adequate level of efficiency is to be attained in the small scale industries, such an escapism on the part of small industrialists has to be checked through proper legislation. A special legislation, to regulate the working conditions in small industries, is a need of the day. All the small scale units irrespective of their size and the workers employed, should be forced to provide satisfactory working conditions for their workers. The district industries officers should be authorised to give frequent visits to the small units and check the provisions of working conditions. Small units providing inadequate working facilities should be penalised. It should be carefully checked that the small units provide adequate health and safety measures and also take necessary precautions against fire and accidents.

(5) SPECIAL LEGISLATION TO REGULATE WAGES IN SMALL UNITS :-

Many small industries have not still been brought under purview of Minimum Wages Act. So a special legislation should be made to regulate wages in small units.

There should be a uniform system of wages for the similar jobs in different units. It should be made compulsory for all the units to pay dearness allowance, overtime, nightshift allowance and if possible bonus.

Small industrialists should remember that the paymentment of inadequate ^{wages} is the main cause of their many labour problems. For the satisfactory solution of their labour problems they must pay adequate wages to their workers. It will also help them to escape from unnecessary harassment of trade unions.

In short, if the lot of the workers is to be secured, serious attention must be paid to introduce a rational wage system effectively. Radical measures must be adopted by Government, labour and employer organisations to improve the well-being of the workers.

(6) FORMATION OF INDUSTRY-WISE UNIONS :-

To make the workers free from unde^u exploitation of small industrialists and to maintain healthy industrial relations, there is a need of a strong trade union. But as there are a very few workers in majority of the small units, unitwise formation of trade unions is not possible. But the workers in small industries can form industry wise unions. For example, workers in all foundries in the district can form their union- There is necessity of encouraging formation of such unions as

they are useful to promote interest of both workers and employers. They can promote peace, bring about a better relationship between employers and workers and can also bring about many sided developments in workers living conditions. It is also necessary that the small industrialists should also not oppose the activities of the trade unions and should not threaten their workers in any way.

(7) CONSTRUCTIVE APPROACH OF TRADE UNIONS :-

It can also be suggested that trade unions should adopt some constructive approach while dealing with small units. They should consider the limited financial strength of the small units and should not make any illegitimate demands because of which very survival of the unit may come in danger. For the rapid growth of small units there is necessity of healthy relations between small units and trade unions.

(8) COLLECTIVE BARGAINING :-

Industrial dispute in a small scale industry causes loss to both the parties. The small industrialist and the workers can not prefer such loss. So, the best method to settle the dispute in small industry is collective bargaining. Both the parties should come together and resolve their differences. Of course, it is the responsibility of the employer to deal with workers on equal footings. He should not try to press the legitimate demands of workers.

(9) WORKERS' PARTICIPATION IN MANAGEMENT :-

Workers participation in management can promote increased productivity for the general benefit of the enterprise, the employees and community. The management can also benefit by the experience of the workers. So it can be suggested that, to reduce the intensity of their labour problems, small industrialists in Satara district should give due participation to their employees in management of their units. To enhance the efficiency of the workers and to maintain good industrial relations, the workers' participation in management is the best tool.

(10) INTRODUCING WELL PREPARED INCENTIVE SCHEMES :

Most of the small scale industries are not automated and as such the contribution of the workers is considerable. Therefore, there is a strong case for introducing some schemes of incentives. Such incentive schemes will be beneficial both to workers and employers. Workers will get increased remuneration and the employers will get the advantage of increased productivity.

It can also be suggested that the trade unions should not unnecessarily oppose introduction of incentive scheme proposed by any small scale unit.

Such incentive schemes may be helpful to the small industrialists to solve their much acute problems like

absenteeism, late attendance, labour turnover etc. and they may secure heartily co-operation from their workers.

(11) EMPLOYERS' ASSOCIATION :-

There is no doubt that small scale industrialists face number of labour problems like lack of skilled workers, absenteeism, high labour turnover, late attendance etc. These problems are common, and for the effective solution of them, number of measures are suggested in above paragraphs. Another important measure is employers' association. All the small employers in the district should form their association and come together to discuss their common labour and other problems. Such frequent meetings of the employers may suggest them the new ways and means to solve their own problems.

(12) EFFICIENT WORKING ^{OF} GOVERNMENT MACHINERY :-

It is observed that the Government officers appointed to inspect the various facilities in small units are not as much efficient as they need to be. Sometimes they unnecessarily harass the small industrialists. It is expected that they should give frequent visits to the units and check the availability of various facilities provided to the workers. But during the survey work it was observed that Government Officers had visited particular units only once or twice during last four or five years. What is much needed is loyalty on the part of the Government officers in performance of their duties. Loyalty on their part will definitely improve the

well-being of the workers in small industries.

(13) LEGISLATIVE IMPROVEMENTS :-

It is observed that the present labour laws are outdated and the compliance of statutory provisions is beyond the means of the small units. The present labour laws do need a re-examination and suitable legislative improvements should be brought about by giving special attention to the capacity of the small units to comply them. New labour laws should aim at giving maximum security to the workers in small units.

(14) PROMOTING CONGENIAL INDUSTRIAL CULTURE :-

For the purpose of the efficient functioning of the small units and for promoting healthy industrial relations there is need of promoting an industrial culture that keep the relations in the best possible shape.

Both small employers and workers should remember that the future of the small units will be bleak and uncertain if pilating of ship of industrial relations in troubled waters become the sole responsibility of the state. As a result corresponding responsibility rests on the shoulders of both the parties to resolve their differences through mutual negotiations. "Happy and healthy industrial relations can never be legislised". They are helpful in solving majority of the labour problems of all the small units.

(15) CHANGE IN ATTITUDE :-

The provisions in the laws as also administrative

measures associated with them can be of little avail in the absence of a spirit of mutual trust and confidence and a faith in the efficiency of healthy human relations. It requires complete change in the attitude of both small employers and employees. The small employers should treat their workers as human beings and the workers should give maximum co.operation to their employers in efficient functioning of their units.

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