

A STUDY OF WAGE STRUCTURE AND WELFARE AMENITIES IN
TEXTILE INDUSTRIES WITH SPECIAL REFERENCE TO
SHRI SHAHU CHHATRAPATI MILLS, KOLHAPUR (A unit
of Maharashtra State Textile Corporation Ltd.).

S Y N O P S I S

1. THE PROBLEM :

Cotton textile industry occupies a very important position in the economy of India in general and of Maharashtra in particular.

The cotton textile industry is the oldest and the largest organised industry of India, both in terms of number of workers employed and in terms of gross value of output. It may be described as India's most matured industry in the sense that it is both able to meet India's own largest demand for cotton textile products and has been one of the leading textile exporters. It provides direct employment to about 1.19 million men and women labour force. The labour force in the cotton textile industry is highly conscious and the workers are more concerned with salary and job securities.

Now a days, all the textile industries in India are called as problem industry, because the cotton textile industry

is facing number of problems like, shortage of raw cotton, problem of modernisation and rehabilitation, low productivity, existence of weak units, competition in world market and mismanaging agency system. Wage problem is also one of the very vital problem. No body can deny the fact that wage is the main problem of industrial disputes. Wage is very important from the point of view of government, employers and employees. Wage is the main source of income upon which worker's family depends.

It is true that Shri Shahu Chhatrapati Mills is faced with many constraints like irregular flow and shortage of worn out materials, machinery and equipments, unscientific working methods. Therefore, the management of the mills will have to take adequate steps so as to introduce modern methods and equipments in the weaving, spinning and engineering departments. Productivity norms are standards so as to evaluate the performance of each department. But the success of introducing the changes depends to a large extent on the attitude and working of the employee. Hence this study is concerned with the source of motivation and morale of the employees in the mills. An attempt is made here to highlight with broader perspectives so that the major causes of industrial disputes i.e. wages and welfare amenities that contribute for industrial harmony and higher productivity are brought out.

2. TITLE :

The Dissertation is titled as 'A Study of Wage Structure and Welfare Amenities in Textile Industries'. This study is with special reference to Shri Shahu Chhatrapati Mills, Kolhapur (A Unit of Maharashtra State Textile Corporation Ltd.), so as to cover all the aspects and components of wage structure and welfare amenities enforced in Shri Shahu Chhatrapati Mills, Kolhapur.

3. PURPOSE OF THE STUDY :

The purpose of the study, is to findout the components of wage structure in determining the wages and the welfare amenities both statutory and non-statutory followed in Shri Shahu Chhatrapati Mills.

4. SCOPE AND LIMITATIONS OF THE STUDY :

A) Scope of the study :

Royal Commission on Labour firstly, suggested in India, the Institute of wage fixing machinery in the form of wage Boards. In India the study of wages was handicapped for a long time. The Royal Commission on Labour suggested that the legislation should be adopted to collect information regarding wages and further labour statistics to be improved. The Textile Labour enquiry Committee which was set up by the Government of

Maharashtra in 1937 made suggestions to enquire the conditions of wages in the Cotton Textile Industry. But the proposals of Committee could not take practical shape due to emergency created by Second World War. The Committee was asked to make recommendations regarding the establishment of minimum wage and methods of automatic adjustment of wages in future. Before any steps could be taken the world struggle had already begun.

The Index Number went up and the cost of living increased due to second world war, and hence the demands for dearness allowance were made up by all the strong labour organisations.

The effect of war was not on the wage level as such but it has been through dearness allowance paid to them by linking it to the cost of living index numbers prepared by Bombay Labour Office. It should be, however, noted that allowance was paid at a flat rate to all employees irrespective of their grade or scale.

The Indian Labour Conference held in 1943 first considered the issues regarding instituting a statutory minimum wage fixing machinery which was considered later on by standing Labour Committee in 1944. The general concensus at these meetings was in favour of constituting Regional Wage Boards for the purpose of statutory wage fixation for Industrial Labour in India. The government submitted a draft bill on minimum wages to the Indian Labour Conference at its 7th Session in November, 1945 and

which subsequently become a law in February 1948, known as Minimum Wage Act, 1948 providing an elaborate machinery for determination of minimum wages in respect of certain scheduled employments.

To meet the fair wage standards the planning commission in its report on First Five Year Plan recommended the establishment of permanent wage boards, tripartite in composition to initiate necessary enquires, collect data, review the situation from time to time and take decisions regarding wage adjustments. The Indian labour conference suggested that such boards should be set up at the central level.

Hence, in 1953 the Second Five Year Plan emphasised the need to establish wage boards to determine wages and conditions of employment. The plan stated that 'the existing machinery for the settlement of the disputes etc.... the industrial tribunal has not given full satisfaction to parties concerned. So an authority like Tripartite Wage Board consisting of equal representatives of employers and employees was suggested for more acceptable decisions. Such boards should be instituted for individual industries in different areas'.

The Government of India accepted the recommendations and appointed the central wage board for cotton textile industry by Resolution dated 30th March, 1957.

The First Central Wage Board submitted its report to government on 27th November, 1959. Government accepted their recommendations which came into effect retrospectively from 1960. Thus the employees in cotton textile industry received an increase of Rs.8/- in their basic wage.

Afterwards the Second Central Wage Board for the cotton textile industry on 12th August, 1964 was appointed to consider the question for further revision of wage structure in the industry. The Board submitted its report on 21st December, 1968. The Government of India decided to accept the majority of the recommendations after careful examination of the report. The Board recommended that D.A. should be linked to cost of living index in all centres.

Government has adopted various committees to review the wage structure. Fair wage committee was appointed by Central Advisory Council of Labour. It suggested three kinds of wages according to different standards of living e.g. minimum wage, living wage, fair wage.

Essentially this is a study of attitudes of the workers towards the various welfare amenities provided in the organisation and amenities expected by the workers but actually its overall reflection of the attitude of the employees towards the management.

This study is related to the amenities provided in cotton

textile industries but is restricted only to the employees of Shri Shahu Chhatrapati Mills, Kolhapur a unit of Maharashtra State Textile Corporation, Bombay.

Welfare Amenities :

a) Welfare Amenities within the precincts of the establishment :

- 1) Provision of Canteen
- 2) Provision of drinking water
- 3) Provision of First-Aid treatment
- 4) Provision of Sanitation
- 5) Provision of Uniforms and Washing charges

b) Welfare Amenities outside the precincts of the establishment :

- 1) Provision of co-operative credit society
- 2) Sports facilities
- 3) Provision of E.S.I.
- 4) Provision of provident fund
- 5) Provision of retirement benefits - gratuity

B) Limitations of the study :

The study of wage structure refers only to the wages of employees in Shri Shahu Chhatrapati Mills Kolhapur. It undergoes changes from time to time with agreements regarding D.A. asking for changing the percentage of neutralisation of consumer price index of Solapur. The dearness allowance is paid according to the

consumer price index of Solapur workers which is almost different for each month. /

As regards the Welfare amenities enjoyed by the workers, the opinions of the workers regarding the various amenities are obtained. Interviews are also conducted for this purpose. Firstly, the workers were hesitating to give the frank opinions regarding the information asked. But when workers come to know that their opinions are used for the purpose of study, they were free and frank in expressing their opinions. /

The opinions are fairly reliable as efforts have been made to probe deeply and get their exact opinions. There was no possibility of workers being biased for or against the mills policies.

5. METHODOLOGY AND SAMPLING : /

The study of Wage structure and Welfare amenities in Shri Shahu Chhatrapati Mills which is presented in the following pages incorporates the results of the observation and interviews with the workers and representatives of the management and Unions relating to the Wages and Welfare amenities.

This study is conducted to know the attitude of the workers towards the welfare amenities and also wages paid to them. So observations play a major role in this. The general

observations were made and noted. The data was also collected through informal discussions with the workers. Also the opinions were noted carefully at the time of the interview. These observations were very much helpful for formation of the impression about the general attitudes of the workers towards Welfare amenities. ✓

The data relating to the wage structure was collected through the salary books, agreements etc. The data was collected from all such records relating to the Wages, Dearness Allowance, Increments, Gratuity, Bonus, E.S.I., P.F. etc.

A model questionnaire was prepared for the interview of the workers. The questions were simple and could be answered 'Yes' - 'No' manner. So the interviews become easy. ✓

Sampling :

The workers were selected for the interview also. Random sample using $\frac{1}{10}$ as the uniform sampling fraction were drawn from three departments with the help of table of random sampling. Out of the total number of workers (2154) only 1506 permanent workers were considered. According to the classification of permanent workers, 462 worker from spinning department, 889 from weaving department and 155 workers from engine department of which 46 (10%) of workers from spinning department, 89 (10%) of workers from weaving department and 15 (10%) of workers from

engine department thus in all 150 workers were interviewed. Interview was the main source of data collection. Majority of the workers were interviewed in Time office and some time of them with group discussion type.

The main difficulty in the interviews was that initially the workers were hesitated to give information but after making clear the objectives of the study they gave the information freely and without any hesitation.

6. CHAPTER SCHEME :

This study is mainly divided into eight chapters :-

CHAPTER NO. I

This chapter deals with the profile of textile industries in India so as to cover the origin and growth of textile industry in India, as well as the importance and problems of textile industries - Wage problem - its significance and welfare amenities their nature and contribution in the textile industry.

CHAPTER NO. II

This chapter deals with the theoretical background of the study i.e. Basic and operational definitions of wages - Minimum wage, Fair wage and living wage, Wage differentials, wage components, Basic of wage determination, Criteria of Sound wage plan, Wage structure, impact of collective bargaining on wage

structure and wage regulations and in the second part Welfare Concept of welfare work, aims and objectives of welfare work and scope of the labour welfare work.

CHAPTER NO.III

This chapter deals with Shri Shahu Chhatrapati Mills, Kolhapur. It covers the origin and growth of Shri Shahu Chhatrapati Mills and also the general information regarding organisation, management and future plan of the Mills too.

CHAPTER NO.IV

This chapter deals with the wage data including basic wage and dearness allowance collected, analysed and interpreted by the researcher.

CHAPTER NO.V

This chapter deals with the welfare amenities which are in force in Shri Shahu Chhatrapati Mills, Kolhapur. Here both - Statutory and Non-statutory welfare amenities are covered in this chapter.

CHAPTER NO.VI

This chapter deals with the study of Trade Unions in Shri Shahu Chhatrapati Mills, Kolhapur. The study covers origin, growth and role of trade unions regarding wage and welfare facilities in the Mills.

CHAPTER NO.VII

This chapter deals with the observations made and conclusions drawn by the researcher. It covers the observations and conclusions made on wage structure, components of wage structure and welfare facilities available and role of trade union in Shri Shahu Chhatrapati Mills, Kolhapur.

CHAPTER NO.VIII

In chapter VIII some practical recommendations and constructive suggestions were made by the researcher.