

CHAPTER-V: COMPANY-B

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COMPANY-B

5.1 Manager's View-point on His Expectations Regarding Benefits and Difficulties

The Head office of the the Company is situated at Jogeshwari, Bombay. The Company decided to start its plant in Dhatav-Roha Industrial Estate in 1975 with the total investment of Rs. 4,50,00,000. The Company is engaged in the production of Industrial and Agricultural chemicals. When the researcher paid visit to this unit the total number of 273 employees including 25 Technicians, 35 office staff and 13 administrative officers were employed. Out of the 273 employees 228 employees hold permanent posts. It was reported that workers have formed Internal Union named "Employees Union".

The Company have acquired the total area of 40,449 sq mtrs for the factory plant. Housing is a part of general problems in this industrially backward area. M.I.D.C. has failed to attempt on selecting and providing the location and the finance for housing, but the management made a good attempt on this issue, through selecting and acquiring enough land and then constructing a colony for the employees of the company though criticism exists that it is not enough. The company possesses 3 vehicles - one for office use and two for bringing employees from Roha to the Plant and they hire other vehicles for transporting goods from the Plant to Head office at Bombay and to bring the raw

materials from Head office to the Plant.

The researcher is knowing the system of selecting and appointing new human source in this company. The manager writes letters to the Principals of the colleges in this area and requests them to forward the applications for various posts. The researcher found that the manager concerned is not believing on the Employment Exchange, a Governmental agency.

An Industrial Estate is institutional measure for the assurance of creation and maintaining the speed of development and providing concerned facilities in the economically and industrially backward areas. Therefore, the goals of an estate and those of units cannot be separated and must be considered together.

Table 5.1 on the following page shows the fulfilment position of Managerial expectations.

1] Land: An Industrial Estate is a track of land developed and sub-divided into plots according to the comprehensive plan with provision of roads, and certain other public utilities along with common facilities for some time without it for the use of community of industrialists.¹ It is a method of ... organising housing and servicing industry. ...² M.I.D.C. attempted to provide the land for the factory and is 100% failure in making any attempt in the provision for housing. Though the Company made it for housing, it is criticised by workers as a failure

Table 5.1: Fulfilment of managerial expectations

Items of benefits	Not expected	Expected			Total
		Satisfac- tory	Unsatis- factory	Cannot say	
Land for factory	-	12	-	-	12
Land for housing	-	-	10	2	12
Labours	2	-	8	2	12
Raw material	2	-	-	10	12
Finance	11	-	-	1	12
Transportation	4	1	1	6	12
Technical help	10	-	-	2	12
Water supply	-	2	10	-	12
Electricity supply	-	-	9	3	12

Note: Total number of managers and supervisors interviewed was 12.

Source: The questionnaire and personal interviews.

as it is not accommodating all.

2] Labours: The researcher was surprised to see the existence of labour problems in the said industry though the management selects persons directly from colleges. There was no assumption by the management of getting skilled and technically expert labourers in this area. But they have expected untrained and

unskilled labourers locally.

In a particular sense, labour includes only those civilian workers who work for others (family members) and not engaged in the work of supervision and management. The worker sells his work but retains his capital. For that he must go to the spot where the work is. The employees in a majority of the said company are not local civilians. It can be interpreted as skilled labourers from other areas are joining those units in a majority and the goal of the local employment is not fulfilled.

3] Water and Electricity Supply: The said industry is engaged in the production of industrial and agricultural chemicals. Water and electricity supply are the primary requisite for such chemical industry. The quota and the load which was allotted in the year 1975 is the same in the year 1986-87. The goal of an Industrial Estate and naturally of the unit, is to foster the development of industrially and economically backward area. For the development and for extension, or enlargement, primary sources are to be provided as the need increases. M.I.D.C. and M.S.E.B. are not in a position and not willing to supply water and power as per the developed need of the Company.

4] Decentralisation: "The main objective of the M.I.D.C. is to achieve the balanced industrial development of the entire State with the particular ..."³ Decentralisation is a motive of planning Commission, behind any industrial estate. If managers'

view is the same and with the same intention, then the researcher has to say that the Company is discharging its social obligations.

The company is engaged in the processing and producing of agricultural chemicals which includes the products like pesticides. In such products the percentage of polluted air and water is more. The company might have considered this feature as a dangerous one for the community and might have considered decentralization of their unit from Bombay. So far as this expectation is concerned, they are successful.

5.2 Manager's View-point on The Services From Institutional Agencies

The first Industrial Estate in India was set up at Rajkot (Gujarat) in September 1955. It was almost a novelty for India. The first and most serious problem faced by this and then Industrial Estates was inadequacy or absence of finance. Immediately the Government stepped in to liberalise the State aid to Industries Act and took up certain institutional measures with a view to helping such enterprises.

The estate was conceived as something more than a mere group of factories constructed on an economic scale, on suitable sites, with facilities of water, electricity, steam, transport, bank, Post office, telephones, canteens, watch and wards, hospitals and other common facilities. It combined all the important schemes of assistance to small and medium enterprises and

provided a tool for integrated development. The better conditions of work, better lighting, better air and spacious room were expected to lead to higher productivity.

Table 5.2: Fulfilment of expectations regarding institutional services

Name of the service	Not expect- ed	Expected			Total
		Below expecta- tion	As per expecta- tion	Cannot say	
Telephones	-	10	-	2	12
Warehouses	12	-	-	-	12
Water effluent treatment plant	4	-	-	8	12
Training and education	-	10	2	-	12
Good roads	-	9	1	2	12
Street lights	5	2	-	5	12
Play grounds	3	6	1	2	12
Gardens	3	9	-	-	12
Hospitals	-	7	-	5	12
Entertainment provision	4	5	3	-	12
Shopping Centre	-	11	-	1	12

Note: Total number of managers and supervisors interviewed was 12

Source: Questionnaire and personal interview.

Table 5.2 leads the researcher to conclude as follows:

A] The telephone is the only system for quick communication.

Head office is situated at Bombay. Plant Manager gets orders and reports to the Head Office. At the time of difficulty in any workshop or break-down of any machine or at the time of dispute, the manager has to contact his superiors. But the manager was very sorry to inform the researcher that he is quite unhappy with the working of telephones in Dhatav-Roha Industrial Estate.

B] The problem of workers education and training deserves attention because lack of education among workers is responsible for a large number of evils. The Royal Commission observed: "In India nearly the whole mass of Industrial labour is illiterate, a state of affairs which is unknown in any other country of industrial importance. It is almost impossible to overestimate the consequences of this disability which are obvious in wages, health, in productivity, in organisation and in several other directions. Modern machine industry depends in a peculiar degree on education and the attempt to build it up with illiterate body of workers must be difficult and perilous. We would emphasise the fact that precisely because of this, the education of industrial labour should receive special attention."

In the said estate, managers and supervisors have pointed

out that there is no provision of secondary, higher secondary or collegiate education by either Governmental agency or by any other local institutions. There is no provision of I.T.I. or similar technical institution.

C] Regarding roads, entertainment facilities or marketing provisions, the manager and supervisors are unhappy. For common streets, M.I.D.C. is responsible, but for roads in between villages, B.& C. Department, a Governmental agency, is responsible. M.I.D.C. may make an attempt for certain provision of shopping centre and other facilities like entertainment, etc.

5.3 A. Manager's View-point on the Performance of His Unit On the Basis of Production

It would not be any exaggeration to hold that the general prosperity of a country is a function of the productivity of the various factors of production which actually go into employment in creating the annual flow of goods and services, composing the net national income. There are two things that really matter, the quantity of the various factors actually employed and their productivity. The performance of any estate can be tested well on the basis of production per year or changes occurred.

Table 5.3 on the following page shows the performance on the basis of production of Company-B.

Table 5.3: The performance on the basis of production of Company-B.

Year	Actual production in Rs.	Variation in Rs.	% change over previous year
1980-81	2,45,36,365	-	-
1981-82	2,90,45,550	+ 45,09,185	+ 4.51
1982-83	3,45,75,495	+ 55,29,945	+ 5.53
1983-84	4,67,85,667	+1,22,10,172	+ 35.31
1984-85	4,00,06,531	- 67,79,136	- 16.23
1985-86	4,65,00,203	+ 64,93,672	+ 16.23

Source: Interview and questionnaire.

The Company is established in this industrial estate in the year 1975. Normally 5 years are required for making an attempt towards full utilisation of company's capacity. The company proved its ability only twice in the years 1983-84 and in 1985-86. That is about 93 per cent utilisation of its ability. In the years 1984 and 1985 the manager was instructed to lower production because of low demand. But from 1980 to 1984 even the company was not able to use its capacity more than 69 per cent to the total capacity. There were disputes in the said company in the years 1980, 1981 and 1984. It also might be the cause for low productivity.

5.3 B. Manager's View-point on the Performance of His Unit on the Basis of Labour Cost

The wage issue involves a large number of factors, both economic and non-economic. It is further complicated by the fact that it can be approached from different angles. To the worker wages are important, not only because they constitute a major portion of his income and thus determines, to a large extent, his standard of living, but also because they determine his status and position in the society. The former is of greater importance in a poor country like India where various facilities and amenities are not provided by the State or are insufficient. However, the worker is not interested in his money wages alone, he is interested in his real wages. Trade Unions and workers emphasise the 'Wage-as-income' approach towards the problem.

There are two basic systems of wage payment, payment by time and payment by results. By combining these two systems in different ways and by making variations in them a large number of systems of wage payments have been evolved. In Dhatav-Roha Industrial Estate payments are made on time basis in the form of salary.

At the time of considering Labour Cost though wages contribute a major role other forms of payments like bonus, social security, old-age benefits and other welfare facilities also contribute to the total labour cost.

Table 5.4: Percentage of the components of Labour Cost to the total labour cost in the Company-B

Year	Area	Average Labour cost per manday worked rs.	% Distribution of Labour Cost					
			Salaries and wages	Bonus	Benefits in kind	Old age benefits	Other social security charges	Other elements
1975-76	India	21.88	80.80	6.70	2.80	6.80	1.50	1.40
	Mahara-shtra	26.65	79.30	7.50	2.80	7.50	1.60	1.30
	Dhatav (Comp.B)	25.50	79.00	7.00	4.70	3.20	3.00	3.10
1980-81	India	28.02	80.40	6.40	2.20	7.00	2.20	1.80
	Mahara-shtra	35.11	79.40	6.60	1.80	7.60	2.80	1.80
	Dhatav (Comp.B)	34.72	79.10	7.10	3.10	5.31	3.19	2.20
1985-86	India	36.49	80.50	6.20	2.30	7.00	2.20	1.80
	Mahara-shtra	44.81	79.50	6.50	2.00	7.50	2.40	2.10
	Dhatav (Comp.B)	43.60	79.20	6.20	3.00	5.10	3.20	3.30

Sources: 1. Indian Year Labourbook and Labours Statistics under the annual survey of Industries.
(For all India and Maharashtra Figures)

2. Government Publicity Department, Dist. Raigad.

3. District Industries Centre, Dist. Raigad.

Average labour cost per manday worked is constantly less than that of the average level in other industrially developed parts of Maharashtra and of India. So, it will not be wrong to say that the overall performance of this company on the basis of labour cost is fair and satisfactory.

Constituents as Benefits in kind, other security charges and other elements rating is comparatively more. Salaries and wages are nearabout the same, Percentage of bonus is less. It is clear that bonus can be an issue for the dispute. And there were such disputes.

5.3 C. Manager's View-point on the Performance of His Unit On the Basis of Labour Relations

There are certain basic human needs which must be satisfied if there is discontent, it is to be removed. These are economic needs, need for security, and social needs. Industrial system is such that unless something is done, these basic needs remain unsatisfied. In this sense the problem of industrial conflict is inherent in the system. The main features of industrial work anywhere are that it involves division of labour, it is group-work and it is carried out under control. From the above mentioned three needs, the last one is of working conditions as noise, heat, smells, poor lighting, impure air, dirt, slums, uncleanliness, inexistence of canteen facility, etc. are responsible for industrial discontent as these inevitably

cause irritation. A round peg in a square hole will always lead to industrial discontent. Discontent adversely affects the productivity which is related with the overall performance.

Table 5.5: Rating of working conditions by workers

Working conditions	Good/ Adequate	Bad/ Inadequate	Reasonable/ Fair	Total
1 Ventilation	40	-	10	50
2 Cleanliness	31	5	13	49
3 Drinking water	45	-	5	50
4 Toilets	38	-	10	48
5 Lockers	45	-	05	50
6 Quality of food	20	24	06	50
7 Safety measures	25	-	23	48
8 Tools and equipments	42	-	8	50

Notes: 1. Due to non-responses in each variable the totals are not equal.

2. For testing minimum sample of 18 per cent workers is selected.

Source: Personal interview.

Out of 50 workers interviewed the most important factor is the quality of food on which 48 per cent workers replied as it is bad. Twelve per cent workers find it as fair and only 40 per cent workers are happy with it. The provision of food is

definitely valuable as it helps to restore the physical capacity of workers. Some 10 per cent workers only complained about uncleanliness. On other factors there is no such discontent,

Table 5.6: Industrial disputes in Company-B by causes

Reasons	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
Wages	-	-	-	-	-	-
Bonus	1	1	1	1	1	1
Personal retrenchment	-	1	-	-	-	-
Any other misunderstanding	1	-	-	-	-	-
Total	2	2	1	1	1	1

Source: Personal interview

In the period of 8 years of the study there were 8 strikes out of which 5 were for the cause of bonus. Bonus is a reward of efficiency and efficiency is counted on the basis of productivity. Generally labourers demand for bonus without referring to productivity. In the year 1980-81, there was a strike by misunderstanding. That was a dispute in between the manager and workers. Manager remarked as 'It was a headache'. In the year 1981-82, 30% temporary workers were terminated. With the limited number of workers, company has improved its productivity by 5.53% in the next year (Table No.9). Because of this retrenchment, there was a strike. But those various strikes have not proved any adverse effect on the productivity.

NOTES AND REFERENCES

- 1 William Bredo "A new approach to industrialisation",
Chapter-1, "Industrial Estates, Tool for Industrialization"
International Industrial Development Centre, Stanford
Research University, California, U.S.A.
- 2 "United Nations Physical Planning of Industrial Estates"
Sales No.2 II, B.4.
- 3 A Directory for Executive Engineers, M.I.D.C.
- 4 Report of the Royal Commission on Labour, p. 28.