
CHAPTER-VI: COMPANY-C

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COMPANY C

6.1 Manager's View-points on His Expectations Regarding Benefits and Difficulties

The Head office of the company is situated at Bombay. The company started this plant in 1975 in Dhatav Industrial Estate with basic capital of Rs. 6.4 crores in that year. As the production started they have developed their capacities with more investment. This unit is engaged in the production of dyes. When the researcher visited the plant, 77 employees including 5 officers were working on the plant. Out of the 77 persons, only 14 employees are permanent. It was reported that employees have "All India Pharmaceutical Employees Union (under the leadership of INTUC). The percentage of externally led unions in Dhatav Industrial Estate is quite small. The locally controlling union is 'Chemical Mazadoor Sabha'. The Company's large plant is at Sammual Street, Bombay. INTUC is co-ordinating labourers' activities in that plant.

Maharashtra Industrial Development Corporation was established by the State Government on the 1st August, 1962 under the provisions of Maharashtra Industrial Development Act (Mah-III of 1962) with a view to promoting and assisting in the rapid and orderly establishment and development of industries all over the State. The main objective of M.I.D.C. is to achieve balanced industrial development of the entire State with

particular emphasis on the development of industries in the developing parts and for this purpose to provide at various locations in each district of the State, basic infrastructure in the form of developed plots, roads, water supply, drainage and common facilities to facilitate entrepreneur in setting up his industry at any of these with ease and speed. Along with the promises by the Government through M.I.D.C., the following benefits were expected by the concerned manager.

Table 6.1: Fulfilment of Managerial expectations

Items of benefits	Not expected	Expected			Total
		Satisfactory	Un-satisfactory	Cannot say	
Land for factory	-	7	-	-	7
Land for housing	-	-	7	-	7
Labours	-	-	6	1	7
Raw material	2	-	-	5	7
Finance	1	6	-	-	7
Transportation	2	-	5	-	7
Technical help	-	2	2	3	7
Water supply	-	2	5	-	7
Electricity supply	-	3	4	-	7

Note: The number of Managers and Supervisors interviewed was 7

Source: The questionnaire and personal interview.

The Table 6.1 clearly indicates both the expectations and



the extent of their fulfilment regarding some of the important facilities.

1] Land and Labours: M.I.D.C. is so far successful in satisfying the need of the land for constructing the factory. But plots for the housing purpose are not provided. The said company has provided some rooms in the village Roha, for permanent staff. Their number is proportionately quite small.

The Raigad District is highly populated district, but educated staff and trained labourers are not available. The company arranged to pool this resource from various centres. The manager was grumbling about the turnover of labourers and their absenteeism. "Labour turnover is the rate of change in the working staff of a concern during a definite period".* Perhaps the Company's policy regarding the labourers of making them confirm in their services is in adverse to their interest. Also the inadequacy of facilities might be responsible.

2] Finance: The said company managed to get this resource in the form of loan from MSFC, which is only for the construction of building and machinery. They get the benefit of Sales Tax concessions from 1975 to 1983. This concession is not continued. They have expected some income-tax concessions. State Government or Central Government have not made any promise regarding this facility. Naturally the said company could not get this facility

*The Indian Labour Yearbook

3] Transportation: The Head office, which is situated at Bombay, is at a distance shorter than 200 km. The company expected good transporting service, specially because the company's raw material is quite bulky. The manager is not happy with the existing provision. As per the manager's opinion, it is quite important factor contributing to the cost.

4] Water and Electricity Supply: Those are primary requisites especially for chemical industry. The supply of electricity is interrupted and full load is not available. M.S.E.B. is not in a position to give more supply. The M.I.D.C., when established this estate in the year 1975, first two incoming companies were granted some special concessions. Water is one of those concessions. There is a main pipeline of 10" ϕ for complete estate. And first two companies were granted the pipeline of 8" ϕ . So others are not getting full pressure of water and the M.I.D.C. is not in a position to develop the situation.

6.2 Manager's View-point on the Services From Institutional Agencies

Capital equipments and land for factories are not sufficient for industrial growth. Certain institutional services are required which will motivate the workers and the managers will have easy access to get the work done. Those institutional services help to curtail the absenteeism and turnover of labours. Better services from either government agencies or private institutions

is an aid to develop the labour relations and to develop productivity.

Table 6.2: Fulfilment of expectations regarding institutional services

Name of the service	Not expect- ed	Expected			Total
		Below expecta- tion	As per the expec- tation	Cannot say	
Telephones	-	3	-	4	7
Warehouses	4	2	-	1	7
Water effluent treatment	-	6	-	1	7
Training and education	-	7	-	-	7
Good roads	-	5	1	1	7
Street lights	2	3	-	2	7
Playgrounds	5	-	2	-	7
Gardens	4	1	-	2	7
Hospitals	3	4	-	-	7
Entertainment provisions	4	-	-	3	7
Shopping centre	-	6	-	1	7

Note: The number of managers and supervisors interviewed was 7.

Source: The questionnaire and personal interview.

A] As regards Effluent Treatment Plant, one manager was very sorry to express his opinion about M.I.D.C.'s promise

about it, which was not fulfilled at all. Per year there is expenditure in some lakhs which affects the cost. He considered that it was the responsibility of M.I.D.C. to have a common treatment plant which is there, but only for two companies (first two companies).

B] "Indian workers are not the masters but the servants of their machines and they do not understand them and as a result of negligent handling, cause more deterioration than in countries where the operatives are more mechanically minded".¹ In the period of rapid industrial expansion workers can play their proper role if they are educated and well trained. The object of our planning is socialistic society. So, the scheme of workers participation in management has been introduced which is doubtful as workers are not educated. Also education is quite necessary for making them good citizens in a democracy.

In the concerned Industrial estate there is no secondary school, Junior college or Senior college. Even there is no technical institution like C.T.I. or I.T.I.

C] As regards the shopping centre, as a common facility, M.I.D.C., while distributing plots, must have a good plan for marketing such a centre. But there is no such plan () nor any other alternative. There are common streets. M.I.D.C. is only the agency to see and to maintain those roads. Companies are paying certain taxes for that, but managers are unhappy

with the maintenance of roads. Regarding street lights also they are unhappy.

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

Table 6.3: Performance on the basis of production of Company-A

Year	Annual production in Rs.	Variation in Rs.	% change over previous year
1980-81	1,00,00,000	-	-
1981-82	1,10,00,000	+ 10,00,000	+ 10.00
1982-83	2,50,00,000	+ 40,00,000	+ 127.27
1983-84	2,45,00,000	+ 5,00,000	+ 2.00
1984-85	2,10,00,000	- 35,00,000	- 14.29
1985-86	2,15,00,000	+ 5,00,000	+ 2.38

Source: Questionnaire and personal interview.

The company was able to utilise the full capacity of production in the year 1982-83 and was able to utilise its capacity at 98 per cent in the year 1983-84. The rate of annual production shows that there was continuous development but from 1984 it is coming down. Manager did not consider it as related with the total performance of the company. It is a plant subsidiary to the main plant in Bombay. The Head Office decides the need of production as per market situations and they complete their plans.

6.3 B, Manager's View-point on the Performance of his Unit
on the Basis of Labour Cost

Different factors contribute to the cost of production. The cost-structure depends on the relative value of the different components of cost. The cost structure varies from industry to industry. In some cases, cost of raw material, of power, of transportation may be the most important cost factor of the production. The said company is a chemical one in which labour cost is important factor.

Table 6.4 on the following page gives percentage of the components of labour cost to the total labour cost in the Company-C.

The overall performance of the Company-C on the basis of labour cost is satisfactory. The company is successful to maintain the percentage of components of labour's cost to the total labour cost nearabout the same as it is in the Maharashtra State and in India.

Specifically in chemical industries market situations are changing. The Head Office demands the production in such quantities as needed to complete their plan through such plants. The production is not concerned with the labour cost for permanent members. But maintenance of components of labour cost to total labour cost becomes necessary.

Table 5.4: Percentage of the components of labour cost to the total labour cost in the Company-C

Year	Area	Average Labour cost per manday worked Rs.	% Distribution of Labour Cost					Other elements
			Salaries & wages	Bonus	Benefits in kind	Old age benefits	Other social security charges	
1975-75	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 (Company-C)	26.10	80.00	7.65	4.10	5.00	1.90	1.35
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.C)	35.00	80.00	6.95	1.95	6.40	2.85	1.85
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.C)	44.00	81.00	6.45	1.25	6.90	2.45	1.95

Sources: 1. Indian Labour Yearbook 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.

As compared with the developed parts of industries in our country, the percentage of company 'C' on the 'Old age benefits' components is low from 1975 to 1986.

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

The main object of Factories Act was to ensure adequate safety measures and to promote the health and welfare of workers. It covers all the units in this Industrial Estate. The Act covers all units employing 10 or more workers where power was used and those employing 20 or more workers where power was not used. Under Section 85 of the Act State Governments were empowered to apply the provisions of the Act to other units also, except whether the work was done solely by family members. The Maharashtra Shops Act was an act to provide for the regulation of conditions of work and employment in shops and commercial establishments.

Apart from legislative measure for working conditions, the nature of industrial work is rather different. In Industrial Work, division of labour is carried to such an extent that an individual worker performs a very minute part of the work. This involves specialisation and repetition of the same single operation. It results in monotony and boredom. Workers cannot be proud of this type of work where in a large number of cases, they are only machine-minders. Work loses its human

element. There appears specialisation on managerial side also and the distance between managers, who direct the work and give orders, and workers, who execute the work and carry out orders, increases. Under these conditions workers may not be told and may not understand the "Whys" and "Wherefors" of the work they have to do and if they have a complaint to make, they may not be heard in proper quarters and their grievances may be ignored. Lack of the facilities of working conditions may magnify petty troubles and may create serious industrial unrest.

The basic factor responsible for inefficiency amongst the workers is poor working conditions. If management is interested in effecting desired changes in the behaviour of workers, it is advised to improve the working conditions. For it, legislative measures by concerned Acts are definitely not enough.

Table 6.5 on the following page gives the rating of working conditions by workers.

Out of 30 workers interviewed, the most important factor of workers discontent was the provision of sub-standard food. A majority of workers were complaining about it.

Health is directly connected with the working conditions. Primarily with standard food. The modern concept of normal health differs basically from the traditional concept and is much wider in scope. In the traditional approach 'normal health' means "the mere absence of an ascertainable disease or

Table 6.5: Rating of working conditions by workers

Working conditions	Good/ Adequate	Bad/ Inadequate	Reasonable/ Fair	Total
1 Ventilation	30	-	-	30
2 Cleanliness	14	-	16	30
3 Drinking water	25	-	03	28
4 Toilets	30	-	-	30
5 Lockers	-	30	-	30
6 Quality of food	-	26	04	30
7 Safety measures	12	-	17	29
8 Tools and equipments	25	-	05	30

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

2: For testing minimum sample of 38.96 per cent workers is selected.

Source: Personal interviews.

Infirmity", while the modern approach recognises that 'health is the outcome of the interaction between the individual and his environment. "He is healthy if he is well adjusted".² This positive and dynamic approach makes the problem of industrial health (both physical and mental) depend not only the individual but upon his environment also and takes into account a number of factors which were previously ignored (e.g., working conditions, technical factors, social and psychological factors and individual factors affecting adjustments). Therefore, in modern

times the objective of industrial health is not only corrective but preventive. Industrial medicines should aim at "the promotion and maintenance of the highest degree of physical, mental, and social well-being of workers in all occupations, the prevention among workers of departures health caused by their working conditions, the protection of workers in their employment from risks resulting from factors adverse to health, the placing and maintenance of the worker in an occupational environment adapted to his psychological and physical equipment. This requires a knowledge of not only medicines but of working conditions and, therefore, substandard food which is basically responsible for the lack of stamina of workers, should be replaced by nutritious food instead of indulging in false economy.

The researcher also found that there is complete absence of provision of lockers. It is an individual instinct to protect some personal items and tools, some papers, etc. Lockers are essential for that.

Regarding cleanliness 50 per cent workers are unhappy. As per Factory Act the floors are to be washed and swept once in a week. Supervisors are careless about it. Dusting, cleaning and rearrangement of instruments is not being done every day.

It seems that many workers did not know about safety measures.

Table 6.6: Industrial disputes in Company C 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	-	-	1
Any other	-	-	-	-	-	-
Total	1	1	2	1	1	2

The problem of industrial conflict is inherent in industrial society and it must find a solution for it. The solution depends upon the historical development of industrialisation and cultural and national characteristics of the society and, therefore, every society has to find its own solution. The factors which are responsible for industrial unrest and industrial conflict are varied and divergent in nature. This is a field where psychological, sociological and economic forces play equally important part and it would be dangerous to ignore any one of these aspects.

In the said company there were continuous disputes in every year for the demand of bonus. Bonus is a peculiar demand in India which is an important cause for the dispute. Bonus was paid to workers by some employers during the first world war

when industries were earning large profits. It was given as a gift, presumably because the employers were satisfied with their profits. In the past war years, when the boom came to an end, the mill owners stopped the payment of bonus which resulted in disputes between employers and workers. The Bonus Dispute Committee which was appointed by the Government of Bombay to consider, inter alia, nature and basis of bonus, observed that "the workers had not established any enforceable claim, customary, legal or equitable, to the payment annually of a bonus which could be upheld in a court of law". This concept of bonus as an ex gratia payment was accepted by some tribunals after the second world war, although it was recognised that bonus could become a subject matter of industrial dispute. However, the position is changed. Bonus was no longer regarded as an ex-gratia payment. The payment of bonus Act in its present form applies to every factory and every other establishment employing 20 or more persons and to non-departmental public sector undertakings which compete the public sector undertakings to the extent of 20 per cent.

Researcher also found that there were disputes in the said company after every three years. In this company there is an agreement system for wages and other working conditions. Those are their "Charter Demands". The company also expects such strikes. But Charter demands are always the same as those were demanded at their main (Head) factory, And the agreement which will be agreed there is normally accepted at this plant.

Therefore, there is no harshness in strikes.

It will not be wrong to say that the company C's performance on the basis of relations amongst workers and employees is better.

NOTES AND REFERENCES

- 1 I.L.O. Recent Developments in certain Aspects of Indian Economy-IV, p. 48.
- 2 Claude Veil, "Medical and Psychological Aspects of Modern Industry" reprinted in International Labour Review, p. 16.