
CHAPTER-VII: COMPANY-D

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

The Head office of the company is situated at Jogeshwary, Bombay. The company started its plant in Dhatav-Roha Industrial Estate in 1976. The basic investment for this plant in 1976 was 1.7 crores. They are engaged in the production of bulk drugs. It is a very famous company in the field of medicines. Their medicines are upto-date, competitive to foreign enterprises and it is engaged in exporting their products.

When the researcher visited this plant 73 employees were busy in their work, out of which 27 employees were permanent in their services and 12 permanent employees were from administrative staff. They have established internal Union named 'Chemical Mazdoor Sabha'.

The chief manager of this company is highly educated and well experienced. When the questionnaire was handed over to him and the researcher asked him some questions, he started speaking with the passing remark as "M.I.D.C's approach towards industrial estates must be dynamic, but the present approach is only as if it is just land distributing agency and industry cannot survive owing to this approach.

Table 7.1: Fulfilment of managerial expectations

Items of benefits	Not expect- ed	Expected			Total
		Satis- factory	Unsatis- factory	Cannot say	
Land for factory	-	10	-	2	12
Land for housing	-	-	12	-	12
Labours	4	-	8	-	12
Raw material	4	-	-	8	12
Finance	2	10	-	-	12
Transportation	-	4	8	-	12
Technical help	10	-	-	2	12
Water supply	-	4	8	-	12
Electricity supply	-	5	7	-	12

Note: Number of managers and supervisors interviewed was 12

Source:The questionnaire and personal interview.

1] Land for Factory: In a general sense an Industrial Estate is a track of land developed and sub-divided into plots according to a comprehensive plan, with provision for roads, transport and public utilities with or without built up factories, sometimes with common facilities and sometimes without it. M.I.D.C. has provided developed plots to various units. At present the area of plot which is provided for the factory purpose is enough but if it is required in the future, it is

not available.

2] Land for Housing: As regards the housing facility, the Industrial Truce Resolution 1947 recommended that 'as a first step towards improving the standard of living of workers, immediate attention should be devoted to the problems of housing of industrial labour'. The Government of India formulated in 1949 a scheme of Industrial Housing. In September 1952 came the subsidised Industrial housing scheme. Various States have adopted those directives by the Central Government and prepared their own Acts. Housing facility is of immense importance. M.I.D.C. has not provided land for housing in this Industrial Estate. The company has constructed a colony for workers. The company advanced the finance to workers in the form of loans. There is monthly deduction from their salaries. But it is notable that the company made this provision only to permanent workers who are just one third of the total employees.

3] Labourers: Managers were not expecting technically skilled labours from local market. As in other countries, the main source of labour supply in the modern sector in India has been the agricultural sector. From the nineteenth century the pressure of population on land and impoverishment of agricultural population have been increasing. Also the policy of the Government of India previously and now regarding imports, i.e., opening of Indian markets to imported goods which resulted in the decline of manufacturing industries due to which some industrial workers

were forced to depend on land. This situation in the State and in Roha is not different. When M.I.D.C. started this Industrial Estate at Dhatav-Roha unemployed people started rushing to it as a good opportunity. They joined various units as unskilled labourers. So, the said manager's expectation about unskilled labours was fulfilled. But he is then facing a new problem which he had not expected. The problem is of absenteeism and labours' turnover in both types of labours.

Absenteeism is a condition that exists when an employee fails to come to work even though he is properly scheduled to work. Normally the rate of absenteeism is 3 to 4 per cent. But in the concerned company it is high which constitutes considerable loss to the business unit, even when absentee worker may not receive pay. Work schedules are upset or delayed. It may result in confusion. It may lead to hasty transfers, overtime or even failure to meet delivery dates of orders. When the worker is ill and sick pay is authorised, the costs of absenteeism mount up more rapidly. The main cause is really due to lack of responsibility on the part of the employees and we can remove this cause only when the workers realise their responsibilities and show self-discipline. Labourers are religious. On every religious ceremony their attendance is low. Alcoholism is also one more reason. Drinking has become a major cause.

Labour turnover is the shifting or movement of work-

force into and out of business enterprise. It is defined as the number of replacements per hundred workers in the average working force. Company-D is suffering from this issue. It is because of labourers' absenteeism and illiteracy. As regards transport, the managers complained that they had to bear the high cost for transporting raw materials from Bombay and sending parcels of ready products to various markets.

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

Development of small scale and cottage industries depends to a great extent upon the infrastructure facilities available or likely to be available in the area concerned. Infrastructure facilities in industry imply availability of power, network of roads, railways, communication facilities, developed plots and some other facilities like entertainment, marketing provisions, hospitals, light, drinking water, etc. Some services are assured by M.I.D.C. whereas others were expected from institutions.

Table 7.2 on the next page shows the position of fulfilment of expectations regarding institutional services.

Table 7.2: Fulfilment of expectations regarding institutional services

Name of the service	Not expected	Expected			Total
		Below expectation	As per the expectation	Cannot say	
Telephones	-	4	-	8	12
Warehouses	9	-	-	3	12
Water effluent treatment plant	-	2	-	10	12
Training and education	2	8	2	-	12
Good roads	-	9	3	-	12
Street lights	-	10	2	-	12
Playgrounds	-	11	-	1	12
Gardens	4	5	3	-	12
Hospitals	-	8	1	3	12
Entertainment provisions	2	10	-	-	12
Shopping centre	-	12	-	-	12

Note: Number of managers and supervisors interviewed was 12

Source: Questionnaire and personal interview.

Shortage of skilled and trained workers creates serious problems in the economic development of a country. Economic development creates a large number of occupations for which skilled workers are required. If proper care is not taken there may arise bottlenecks which will reduce the pace of development

One of the reasons for low efficiency of workers is lack of proper training.

At least three main factors determine the rate of skill formation, viz., social attitude towards industrial work, differentials between the income of skilled and unskilled workers, and educational and training facilities. In the Raigad District the present conditions on the whole, are unfavourable to skill formation. Industrial work ranks low in the priorities of job-seekers, especially the educated persons. The preference for white collar jobs is high and although a skilled industrial worker may earn more than clerks, teachers, petty Government officials etc., yet educated persons prefer these occupations. The educational system is such that students are not prepared for work in industrial establishment, rather they overcrowd the market of white collar jobs. Lack of training facilities as a part of educational system is also responsible for slow pace of skill formation. "an educational system which fails to prepare persons for available jobs is clearly out of balance and ..."¹

In the Dhatav-Roha Industrial Estate or in the nearby area there is no training institution for labours like I.T.I. or C.T.I. Even there is no provision of higher education in science. It has created dual problem. In the first instance, there is no chance of the availability of local skilled labours and secondly

1. Report of the Study Group on Sociological Aspects of Labour Management Relations, p. 17.

skilled labours from Bombay or Pune are not shifting their families to this area as their children will not get good education. As they have to maintain two families at two separate places, their expenditure is more; they demand for more salaries and their proportion of absenteeism is more.

As regards other institutional services, M.I.D.C. is solely responsible for the network of roads in the area of the estate. One manager was very sorry to criticise on this issue. M.I.D.C. is a failure in this network.

The nature of the work of industrial labours is of nature repetitive/and creating idleness. One has to stare his eyes and hands on specific rotative situation. One badly needs some entertainment. But in this estate there is no provision of any type of the measures of entertainment. A single theatre is constructed in Roha which is at a distance of 10 km from the estate. M.I.D.C. has established one club, but financially, only officers may become member. As regards the marketing facility for labours, in the estate there is no even a retailer. Workers take troubles to go over to Roha. For this the bus service is not available. There is only one company which provides bus service for shopping and that is also only one round in a day.

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

Table 7.3: Performance of Company-D on the basis of production

Year	Actual production in Rs.	Variation in Rs.	% change over previous year
1980-81	1,20,00,000	-	-
1981-82	1,80,00,000	+ 60,00,000	+ 50.00
1982-83	2,20,00,000	+ 40,00,000	+ 22.22
1983-84	3,00,00,000	+ 80,00,000	+ 36.36
1984-85	4,00,00,000	+1,00,00,000	+ 33.33
1985-86	4,50,00,000	+ 50,00,000	+ 12.50

Source: Questionnaire and personal interview.

Yet the company is not up to the position of utilising its full capacity of the production. But there is slow development in its performance.

The company added its capacity of production in the year 1983-84 by erecting the machinery. The manager considered the performance of the company as better and said that it is slowly and steadily developing.

In the year 1980-81 there were some personal disputes. In the year 1981-82, there were two strikes from which one was for the bonus and the other on the grounds of retrenchment of

some workers. It must have affected the production adversely.

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

Of all the problems encountered by the employees, the most pressing and persistent problem is that of remuneration in the form of wages/salaries.

As regards the employees, it is the remuneration which determines his standard of living because it is a means of purchasing power representing his effective demand. In a monetary economy, he can enter the circle of exchange to satisfy his wants according certain general standards. In the absence of adequate social services and social security wage problem is of vital significance and that is why most of the labour disputes centre round the problem of wages.

As regards the employer, a wage is a price that he is willing to pay for hiring the services of an employee. Wages constitute one of the major elements in the cost of production. The employer is interested in controlling and reducing labour cost per unit of output. Then again labour efficiency is mainly determined by the level of wages and salaries in the employment market.

The Government is also interested in the determination of national wage policy because it can ensure social justice for

all sections of the community. To the State wages and salaries mean the living standard of its citizens. Welfare measures providing better working and living conditions cannot solve the economic problem unless the guarantee of reasonable remuneration is offered to the workers and which alone can provide the sound foundation for peaceful industrial relations and for the economic prosperity of the country.

Labours cannot offer willing cooperation and take the place as a particular in company's development without the assurance of fair remuneration in the form of wages and salaries together with due share in the profits (bonus).

Table 7.4 on the following page shows the percentage of components of Labour Cost to the total labour cost in Company-D.

The general performance of the Dhatav Industrial Estate on the basis of labour cost is fair but the Company-D under consideration is not so successful in maintaining the satisfactory level of the performance. Average labour cost per manday worked is constantly high over that of the average level prevailing in other industrially developed parts of Maharashtra State.

As regards the contents of the total labour cost per manday worker, salaries and wages and bonus contributes high cost in percentage than others. Especially the contribution of old age benefits towards the total cost is constantly low. The said company is very famous in medicines and drugs. We cannot obtain

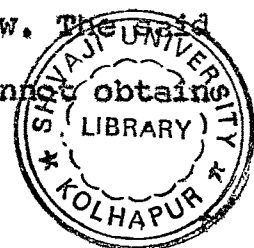


Table 7.4: Percentage of components of Labour Cost to the total Labour cost in Company-D

Year	Area	Average Labour cost per manday worked Rs. wages	% Distribution of Labour					
			Salaries and wages	Bonus	Benefits in kind	Old age benefits	Other social security charges	Other elements
1975-76	India	21.80	80.80	6.70	2.80	6.80	1.50	1.40
	Maharashtra	26.65	79.30	7.50	2.80	7.50	1.60	1.30
	Dhatav (Comp.D)	26.70	80.00	8.00	2.70	6.00	1.50	1.80
1980-81	India	28.02	80.40	5.40	2.20	7.00	2.20	1.80
	Maharashtra	35.11	79.40	6.60	1.80	7.60	2.80	1.80
	Dhatav (Comp.D)	36.00	80.10	7.50	1.75	6.10	2.70	1.85
1985-86	India	36.49	80.50	6.20	2.30	7.00	2.20	1.80
	Maharashtra	44.81	79.50	6.50	2.00	7.50	2.40	2.10
	Dhatav (Comp.D)	39.10	90.10	7.50	2.05	6.10	2.35	1.80

Sources: 1. Indian Labour Yearbook and Labour Statistics under the annual survey of Industries (For all India and Maharashtra figures)
 2. Govt. Publicity Department, Dist. Raigad.
 3. District Industries Centre, Dist. Raigad.

their total turnover or the percentage of profit that is the limitation on this study. But the percentage of profit must be more and therefore, the company is paying more wages and remunerations. The company has developed its production capacity by establishing the new machinery. It means the expenditure on wages which are comparatively more than the industries in the developed area are within the limits of the company's financial position.

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

For employer, employee relations, the factors which are mostly responsible are wages, bonus, welfare facilities and management view towards labours. Welfare facilities include working conditions. In recent times much of the work regarding welfare which was previously done by some employers voluntarily, has to be done compulsorily under the existing legislation and other schemes of social security measures have to some extent reduced the responsibility of employers. But there is much scope for extending welfare activity and some employers are providing amenities and facilities of a kind which is much above the facilities provided by the Government to its employees, both in quality and standard. Some employers are also voluntarily providing facilities above the minima laid down in the Acts.

The first and the most important work which the employers

can do is to see that the legislative requirements are observed. From the point of view of the workers as a whole, it is more important that all employers observe the minimum aspects laid down in the Acts instead of a few employers providing facilities amenities of a higher order. Not much can be done without cooperation of employers. Employers have to bear the financial burden and look after the administration of the schemes and if they do not participate willingly, they will be successful only in collecting material means of welfare which will adversely affect the relations with employees.

Table 7.5 on the next page shows rating of working conditions by workers.

Out of 25 workers interviewed the main factor of discontent was lack of safety measures and scarcity of tools and equipments. There were many incidents of small accidents in the concerned company.

It has been proved that industrial accidents are due to human failings and it is meaningless to blame the machine which is invented and built by man. Human beings build the factories and machines and it is they, who work on them and they can commit mistakes in any one or all of these things, and this mistake may result in an accident which may result in death or permanent or temporary disability or in minor injury. It is true that accidents are due to a combination of circumstances like

Table 7.5: Rating of working conditions by workers

Working conditions	Good/ Adequate	Bad/ Inadequate	Reasonable/ Fair	Total
1 Ventilation	25	-	-	25
2 Cleanliness	22	01	02	25
3 Drinking water	25	-	-	25
4 Toilets	25	-	-	25
5 Lockers	08	12	02	22
6 Quality of food	03	11	06	20
7 Safety measures	-	23	02	25
8 Tools and equipments	10	12	03	25

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

2. For testing, minimum sample of 34.25 per cent workers was selected.

Source: Personal interview.

negligence, carelessness, vanity etc., which are personal factors and existence of hazard - material factor e.g., unguarded and defective machinery, industrial and chemical explosives, defective equipment and hand tools etc. If anyone of these is removed accidents would not occur. General belief is that, machines as such are the cause of accidents which is not based on evidence.

As regards quality of food, out of 20 respondents 11 are

unhappy, 6 workers considered it as reasonable and 3 are happy. Five workers have not shown their opinions as they are not regular members of canteen.

It is a notable thing that regarding ventilation, cleanliness, drinking water and toilets, there is no complaint worth noting.

Table 7.6: Industrial disputes in Company-D by causes.

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

Source: Questionnaire and personal interview.

The main reason for the disputes was economic factor i.e., bonus. A researcher finds that the units under study are facing the same difficulty every year.

In the year 1980-81 there were clashes in between the management and workers. Management was expecting high productivity. It was considering that the productivity was low because of the failures of workers. They were passing very low efficiency. Then

the management terminated some workers. Because of this/were there strikes. In the year 1983-84 the Company-D added its capacity with new machinery. The problem of low productivity is then solved. Relations now are cordial between workers and the management.