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CHAPTER-IV: COMPANY-A

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### COMPANY-A

#### 4.1 Manager's View Points on His Expectations Regarding Benefits and Difficulties

The Head office of the company is situated at Bombay. Company decided to start its plant at Dhatav-Roha Industrial Estate in 1975 with a total investment of Rs. 2,00,00,000. The company is engaged in the production of chemicals like Venellin, Ethyl, Glyceryl, Guaiacol Ether etc. When the researcher paid the visit to the plant a total number of 72 employees including officers were employed. Out of the 72 employees, 62 held permanent posts. It was reported that the workers have formed themselves into an external union named 'Chemical Mazdoor Sabha'.

In the interest of social good, Government of India had decided to decentralise industries with the object of regional balanced development, to foster the development of industrially backward areas. Government has experienced that industrialisation is followed by the development of the region. Similarly, due to the over concentration of industries in developed area, a number of problems are created. To avoid this Government had forced especially chemical plants to shift over to industrially backward areas by providing financial incentives and tax benefits. Naturally management of every company was relying on Government assurance and decided to launch the project in Dhatav-Roha Industrial Estate sponsored by M.I.D.C.

Table 4.1: Fulfilment of Managerial Expectations

Items of benefits	Not expected	Expected			Total
		Satisfactory	Unsatisfactory	Cannot say	
Land for factory	-	10	-	-	10
Labours	-	-	8	2	10
Land for Housing	2	-	8	-	10
Raw material	10	-	-	-	10
Finance	2	1	-	7	10
Transportation	-	-	-	10	10
Technical help	-	-	-	10	10
Water supply	-	-	8	2	10
Electricity supply	2	-	6	2	10

Note: Total number of managers and supervisors interviewed was 10.

Source: The questionnaire and personal interview.

Table 4.1 clearly indicates both the expectations and the extent of their fulfilment regarding some of the important facilities.

1] Land: Most of the companies were expecting a spacious piece of land for constructing the factories. M.I.D.C. has been so far successful in allotting spacious plots for constructing factories

as granted by the Government.

As regards the land for providing residential accommodations to the employees it will have to be admitted that M.I.D.C. has met with utter failure. As a result, the employees have to waste their time, money and energy which can otherwise be saved by avoiding unnecessary travelling.

2] Labour: Mr Alfred Weber has rightly remarked, "There are fixed centers of labours in densely populated areas". However, researcher was shocked to note that even in Dhatav-Roha Industrial Estate most of the units faced labour problems, like non-availability of skilled labourers, illiteracy of workers, indiscipline etc.

3] Finance: It has been considered as the life blood of any organisation, Government, while announcing the scheme of industrial estates have assured an attractive package deal including finance. The assistance provided by S.I.C.O.M. and the nationalised bank is short of expectations.

#### 4] Water and Electricity Supply

Both water and electricity supply are the basic and primary requisites of chemical industry. M.I.D.C. and M.S.E.B. are not at all willing to and in a position of increasing the primary quota of water and electricity supply respectively. Hence all the possibilities of extension are remote.

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

Overall development of any region depends upon the infrastructural facilities offered by the Government and other institutional services. Due to absence of entertainment, recreational, educational and health facilities expert and skilled workers are reluctant to join the units in industrially backward areas. This obstacle is required to be removed by deliberate efforts on the part of Government and other institutions. If the various institutions extend their cooperation for the exclusive development of the region, the aforesaid difficulty can be minimised.

Table 4.2: Fulfilment of expectations regarding institutional services

Name of the service	Not expect- ed	Expected			Total
		Below expecta- tion	As per expecta- tion	Cannot say	
1	2	3	4	5	6
Telephones	-	10	-	-	10
Warehouses	8	-	-	2	10
Water effluent treatment plan	-	7	-	3	10
Training and education	1	8	1	-	10
Good roads	-	7	2	1	10
Street lights	5	4	-	1	10

contd.

1	2	3	4	5	6
Play grounds	5	3	2	-	10
Gardens	1	5	2	2	10
Hospitals	3	-	4	3	10
Entertainment provisions	1	9	-	-	10
Shopping Centre	-	6	4	-	10

Note: Total number of managers and supervisors interviewed was 10.

Source: The questionnaire and personal interview.

Table 4.2 makes the researcher to conclude that:

A] As regards the infrastructural facilities management was sorry to express its dissatisfaction to the researcher. Particularly the position regarding services like Telephone, network of roads and their maintenance was quite unsatisfactory.

Legislation now exists in India to limit the emission of pollution; no factory is permitted to emit pollution in air and water in and around the factory site. Every unit is required to follow the rules laid down by Maharashtra Water Pollution Board. To follow these rules by the units independently is a costly affair. On the contrary if the common effluent treatment is developed by the member units of the Industrial Estate a lot of

saving in operating cost can be made.

B] As regards the entertainment and educational facilities, the performance of various agencies is poor. No skilled labours and technicians are easily available. If the technical and professional courses are being conducted by the educational institutions, there will be a continuous flow of trained and skilled workers.

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

Table 4.3: The performance on the basis of production of Company-A

Year	Actual production (in Rs.)	Variation	Percentage change over previous year
1980-81	1,50,00,000	-	-
1981-82	1,58,00,000	+ 8,00,000	+ 5.33
1982-83	1,63,00,000	+ 5,00,000	+ 3.16
1983-84	1,70,00,000	+ 7,00,000	+ 4.29
1984-85	1,56,00,000	- 14,00,000	- 8.24
1985-86	1,70,00,000	+ 14,00,000	+ 8.97

Source: Questionnaire and personal interview.

The company earmarked 100 per cent utilisation of the plant capacity only in years 1983-84 and 1985-86. However, a slow but steady increase of nearabout 3 to 5 per cent was recorded

from the zero date of production. The shortfall in the production compared to the plant capacity is due to labour absentism, labour turnover and slackness in the chemical industry. In the year 1984-85 the production was decreased considerably due to a sustained strike of the workers which lost nearabout 46 mandays. Company has been successful in restoring the production when the strike was called off in the year 1985-86.

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

Concentration of industries in specific region is always accompanied by the considerable increase in general level. Labour cost being an important element, is required to be planned and controlled. However, a strict control over labour cost is difficult to exercise as it is governed by a number of factors such as Minimum Wages Act, Factories Act, Workmen's Compensation Act, Payment of Bonus Act, Bargaining Capacity of Trade Unions, and Wage policy of the Government. However, in industrially backward area, where industrial estates are set up comparatively lower wage level is found to exist.

Table 4.4 on the following page shows the comparative percentage of the components of Labour Cost to the total labour cost in the Company-A.



**Table 4.4: Comparative percentage of the components of Labour Cost to the total labour cost in the Company-A**

Year	Area	Average labour cost per manday worked Rs.	Percentage distribution of Labour Cost					Other social elements
			Salaries & wages	Bonus in kind	Benefits Old age benefits	Other security charges		
1975-76	India	21.88	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 (Com.A)	25.00	79.00	10.60	5.40	-	3.00	2.00
1980-81	India	28.02	80.40	6.40	2.20	7.00	2.00	1.80
	Maharashtra	35.11	79.40	6.60	1.80	7.60	2.80	1.80
	Dhatav (Com.A)	35.00	79.00	9.50	5.50	-	4.00	2.00
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 (Com.A)	42.20	81.00	8.30	4.20	-	4.00	2.50

**Source:** 1. Indian Labour Year book and Labour Statistics under the annual survey of Industries (For All India & Maharashtra figures).

2. Government publicity Department, District Raigad.

3. District Industry Centre Dist. Raigad.

The overall performance of Dhatav industrial estate on the basis of labour cost is fair and satisfactory. The company under consideration also has been successful in maintaining the satisfactory level of performance. Average labour cost per manday worked is constantly less than that of the average level prevailing in other industrially developed parts of Maharashtra.

Labour cost is one of the important factors affecting the efficiency of the unit. There is no alternative to increase the level of efficiency particularly in slack seasons of the industry. Chemical industry is featured by a continuous cycle of slack seasons with regular intervals of time. On the contrary one of the important objectives of setting industrial estates was to minimize the labour cost. The objective of the Planning Commission seems to be fulfilled.

Ours is the developing country which is characterised by the overdependence of agriculture. Extensive land in the cultivation being limited, it is fragmented and level of poverty is increased. If the industrial units are switched over to the industrially backward areas the dependence on agriculture can be minimised.

#### 4.3 G. Manager's View-point on the Performance of His Unit On the Basis of Labour Relations

Human being constitutes active part of any organisation. Human resources act as the backbone of an organisation. They are

complex and everchanging resources. Hence the management is called upon to understand the role of the behaviour of people at work in an organisational behaviour i.e., the behaviour of individuals and group, primarily because human behaviour influences the productivity of efficiency. The potential of human resources is incredibly high and most of the managements do not even use 25 per cent of their potential. However, human element is not subject to the laws of machines which governs mechanical or machine power, improved labour relations is only the technique of increasing efficiency of labour. Industrial psychologists suggest that the human behaviour must have certain causes and the behaviour is caused by needs. The human element is gifted by ideas, ideals, emotions, feelings in order to satisfy mental hunger.

If the cause behind the behaviour of workers is attempted to be removed, desired changes in behaviour can occur.

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.

Table 4.5 on the following page gives rating of working conditions by workers.

Table 4.5: Rating of working conditions by workers.

Working conditions	Good/ Adequate	Bad/ Inadequate	Reasonable/ Fair	Total
1 Ventilation	20	09	31	60
2 Cleanliness	12	30	17	59
3 Drinking water	25	-	35	60
4 Toilets	60	-	-	60
5 Lockers	-	21	39	60
6 Quality of food	-	45	15	60
7 Safety measures	-	-	45	45
8 Tools and equipments	40	-	20	60

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

of  
For testing minimum sample/83 workers is selected.

Source: Personal interview.

Out of 60 workers interviewed, the most important factor of workers' discontent was provision of sub-standard food from the canteen. Similarly nearabout 40 per cent workers were complaining about dirtyness and lack of locker provisions.

Workers were satisfied with proper ventilations, toilets, standard of tools and equipments and safety measures provided by the company.

Provision of quality food is a basic necessity to recover the loss of energy. No efficiency can be expected from the physically tired workers. Apart from the rating of working conditions by workers, there might be some other reasons worsening the relations with management.

Table 4.6: Industrial Disputes in Company-A 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	-	-	-	-	-	-
Any other	-	-	-	-	1	-
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>

Source: Personal Interview

Table 4.6 clearly indicates that payment of bonus is a common factor of dispute. Bonus has always been a debating and a controversial issue. The concept of bonus was evolved as a reward for efficiency. Naturally it was linked with the productivity. Various Trade Unions were consistently pressurising the Government to declare the bonus as ex-gratia payment having no relation with productivity. Now it has been a common practice to pay the bonus as ex-gratia payment without considering the productivity. Now the only issue remains to be declared is the

rate of bonus as a mere formality.

Similarly in recent years it is observed that the management of this company is not observing the provision of Payment of Wages Act. In 1984-85 there was a strike as wages were delayed continuously.