

TOPIC NO. VI

OBSERVATION AND CONCLUSION

OBSERVATION AND CONCLUSION :

In study the principle aim is to enquire the wage and salary administration adopted by Rajarambapu Patil Sahakari Sakhar Karkhana Ltd., Rajaramnagar (Sakharale) Taluka Walwa Dist.Sangli.

Under this study is made by analysing the statistical information collected from different aspects and components of the wage structure from the records maintained and annual reports prepared by Rajarambapu Patil Sahakari Sakhar Karkhana Ltd., Rajaramnagar and an interview the managing directors, head of the all departments , workers and the union leaders. In formal questionnaire have been prepared and used for eliciting the views of the workers and employees.

VI.1) Personal Information :

In this personal data the researcher has focussed his attention on various important matters. Which are the directly or indirectly affects the wage and salary. In personal data regarding Name, Age, Sex, Department, Address, Religion, Number of family members depending, education, Designation, experience, Native place, distance from factory, mode of conveyance, Type of work (job description) are included in the personal data.

(a) Age :-

It is observed that the majority of the workers of this sugar factory i.e. 80 % belong to the age group between 31 to 50 years. Only 11 % of the workers are above the age of 50 years. The management of this sugar factory have

succeeded in maintaining young, matured, experienced and dynamic human resources. The persons in the age group of above 50 years workers are regarded as disable to work economically. But the number of workers in this sugar factory are less in number, which is the good work in the time.

(b) Education :

The data collected revealed that the majority of the respondents have obtained education secondary and higher secondary level i.e. 65% of the respondents. 20% have achieved primary education. 14% have obtained technical education and only 9% have obtained college or degree education. Very few workers have obtained no education at all, they are mazdoor, sweepers etc.

It can be concluded that this sugar factory has succeeded in collecting trained and qualified staff.

(c) Number of family members depending upon their income :

It is observed that the most of respondents are having 4 to 7 persons depending upon their income. They are 60%. Some workers are from joint family also i.e. 15% workers are having 10 and above persons depending upon their income. This clearly shows that most of the workers are recruited from the area of rural, where joint family system is favourite. Because of having large number of dependents depending upon their income, the workers are unable to meet the basic needs and services.

(d) Experience or length of service :

In the collecting data bring out clearly that

absolute majority of the workers of this sugar factory having the experience of more than ten years in sugar factory.

This shows that the management of this sugar factory has maintained the experienced staff. The rate of labour turnover is less and this sugar factory prefers experienced workers. This means that organisation's retainment of personnel policy is sound and organisation prefers to young blood while recruiting the workers.

(e) Mode of conveyance :

The majority of workers i.e. 55 % of this sugar factory are using their own by cycles and 17 % of workers having their own auto cycles and 20 % of workers are coming by state transport's Bus. 55 % of workers are coming bycycles that means they are from local area. This data also focus attention on the fact that the factory is utilising the local manpower. Only 8 % of workers are coming on foot, that they are living on the factory site and coming from much nearer villages arround this sugar factory.

(f) Nature of Service :

There are about 850 total workers out of which 431 are permanent , 419 are seasonal permanent, 10 are daily wages. The permanent workers remain present in both off-season and season period. Seasonal permanent workers are permanent workers are permanent but reduction in season period. If off season they are entitled to have netention allowance. The data shows that there is a job security to the workers in this sugar factory.

All the workers are paid according to time wage payment system.

VI-2) Categorisation of Workers :

There are about 850 total workers out of which 431 are on the permanent roll of the factory and 419 are on the seasonal muster roll of the sugar factory. For the interview purpose the researcher has selected 10 % sample workers as respondents i.e. 85.

They are three types of grades i.e. operative, clerical and supervisory.

In operative grade includes unskilled Semi-skilled, skilled 'C' skilled 'B', skilled 'A', and highly skilled workers. They are working mainly in stores, vehicle, Garrage, Agriculture, manufacturing, engineering, godown and civil engineering departments and all the departments as helpers, gest hous attendant, peon, mazdoor, Achari, dresser, sweeper issue boy Mukadam etc.

The clerical grade includes various clerks working in all departments, maintaining clerical records. This grade also includes clerk grade I, II, III and IV. This clerical grade also includes purchase incharge, typists, meeting clerk, assistant accountants, assistant cashier, Head time keeper, time keeper, Nurse, sanitary inspector, compounder, sectional incharge, cane-yard supervisor, godown keeper, assistant godown keeper and a montessory lady teacher etc.

In the supervisory grade includes all supervisory staff having supervisory grade A, B and C. This includes a officer superintendent, an accountant, a cashier, an agsistant

accountant, a vehicle incharge, a godown incharge , a security officer, overseers, manufacturing chemists , laboratory chemists, pans incharge, a deputy chief engineer, assistant engineers, workshop foremen, electrical foremen civil overseers and a welfare officer.

Out of the above various categorised workers 31 employees are working under the administration department under the secretary as the head of department and the office superintendent as incharge. 69 employees are maintaining records of accounts department under chief accountant as the head of department. 4 employees are working in godown department under godown keeper as the head of department. Who is working under manufacturing department. 165 employees have engaged in maintaining the labour records and observing the various provisions of factory Act, payment of wages Act, payment of Bonus Act and maintaining provident fund record under the labour and welfare as head of department. Taking into consideration the work load of this department a post of welfare officer, having supervisory grade 'B' have been newly created. He is assisting the labour and welfare officer. 15 workers are working under civil engineer in the civil department. 8 workers have been engaged in time office under the head timekeeper as head of that department. This department is maintaining leave records, over time, sheets at the end of every month.

The 41 workers especially watchmen are engaged in watchmen are engaged in watch and ward department and watching the security work of the factory and of its property day and night.

A well equipped medical and sanitation department is taking care of the health of the workers and of their dependents, relatives under a trained and well qualified medical officer and 15 employees are under his supervision. 22 workers and employees are engaged in stores department under a store-keeper as head of the department and maintaining the stock of machinery spares, stationary,gunny bags, which is required for continuous and uninterrcpieted Flow of sugar production. 14 workers are engaged in vehicle department under a vehicle incharge,driving,maintaining the vehicles.

127 employees and workers are engaged in agriculture department. An agriculture officer is head of this department. This is the third biggest department in this factory.The main job of this department is to harvest transport and supply of sugarcane in season period and advising the sugarcane growers in off season period.This department is important because the regular flow of fresh sugarcane is very necessary to maintain the production continuously and to have high percentage of the recovery.

Manufacturing department is second biggest department in this sugar factory. 165 workers and employees are working in this department under the chief chemist as head of the department. To research count the recovery and to try to produce wite crystal,quality of sugar is the main task of this department.

Lastly engineering department is the all of a biggest department. 260 workers and employees are under the chief engineer as the head of department, manufacturing and runing the machinery is season period and over hauling, replacing

the required machinery in off-season period.

Managing Director is the top executive officer of the sugar factory. The meetings of the Board of Directors are held regularly as and when required. The policies decided and forwarded to all the heads of the departments for further implementation through the Managing Director. The administrative department is to have co-ordination amongst all the departments and to conduct meetings of the Board of Directors regularly and a annual general meeting once in a year of share holders.

In this way this sugar factory is trying to progress since last 20 years.

✓ WAGE STRUCTURE OF

R.S.S.Karkhana Ltd.: ✓

The Rajarambapu Patil Sahakari Sakhar Karkhana Ltd., Rajaramnagar is a very good sugar factory established under the co-operative principle. The researcher is glad to say that it is paying more than need based minimum wages defined by the minimum wages Act 1948. They are paying well according to the decisions given by the various state and central level committee, appointed to consider the demands of the employees in the sugar factories or industries. But in these days of inflationary pressure, the wages of employees in sugar industry seen to be very low. The basic wages are fixed by Shri Patil committee for oprative clerical and supervisory grades. The dis-parity between the price rise and the cost of living is tried to minimise by special allowance at the rate of Rs.22.16 per employee per month. The union demands that the elements that determine the cost of living index number

must be changed.

The wage structure of this sugar factory , the workers are rated by the time rate method, wages are paid monthly. The get bonus plus ex-gratia. It is found that 50% of the workers are getting wages and salaries between Rs.800 to Rs.1000 per month, 30 % of the workers are getting wages and salaries between Rs.1000 to Rs.1200 per month, 11 % of the workers are getting salaries and wages between Rs.1200 to Rs.1500 per month, and the 19% of workers are getting wages more than 1500 Rs. per month, they are heads of the all departments and sections. On the account of, provident fund, C.T.D. Insurance, family pensions, house rent, Income tax, recovery of loan's instalment etc. The respondents are of the opinion that the wages shall be linked with the cost of living and crushing capacity of the sugar factory and not with the production made by them. It has been strongly demanded by the workers, during the course of interview. That they should get more Rs.1000 per month for even unskilled workers with minimum increment of Rs.10 per year per month. 25 % of the workers are of the opinion that they have their wages adequate and the 75 % of the workers are of the opinion that their wages are not sufficient, it is a inadequate.

✓ The majority of the workers are having land as one of the major source of income that is 75 % .10 % the workers having their side business and remaining 15 % workers are having income from house properly, private consultancy, commission, agency, satta, lottery and some are doing over time in factory. The majority of the workers are not only depending

upon their wages and salaries. These sources of income have helped to increase their real and total income. Some of the workers are allowed to work over time with the prior permission of their head of departments.

Dearness allowance is the one of big amount of total amount of wages and salaries. Now a days this sugar factory is paying dearness allowance to all the workers and employees according to the consumers price index number declared by the central government circulated through National Federation of co-operative sugar factories Ltd., New Delhi. There are two types of dearness allowances first fixed dearness allowances, which remains fixed and second is variable dearness allowance which varies with the increase or decrease in the consumers price index number from time to time.

As for computing the consumers price index number the committee and the prices of 1969 in to account. The union demands that the elements which determines the cost of living index number be changed. Now the rate of fixed dearness allowance and variable dearness allowance as per categorisation as on 1st January 1987-88 is as follows:-

TABLE NO. VI-1

Category	Special Allowances	D.A.	Variable D.A.	Total
A) Operative				
1) Unskilled	22.16	74.00	735.51	831.67
2) Semi skilled	22.16	77.00	735.51	834.67
3) Skilled C	22.16	82.00	735.51	839.67
4) Skilled B	22.16	87.00	735.51	844.67
5) Skilled A	22.16	114.12	735.51	87k.79
6) Highly skilled	22.16	119.12	735.51	876.79
B) Clerical				
1) Clerk Gr. IV	22.16	93.00	735.51	850.67
2) Clerk Gr. III	22.16	119.12	735.51	876.79
3) Clerk Gr. II	22.16	129.12	735.51	886.79
4) Clerk Gr. I	22.16	134.12	735.51	891.79
C) Supervisory				
1) Supervisory Gr. C	22.16	139.12	735.51	896.79
2) Supervisory Gr. B	22.16	144.12	735.51	901.79
3) Supervisory Gr. A	22.16	144.12	735.51	901.79

△ From 1st April, 1988 to 30th June, 1988.

As per Pay sheet.

From this above table, it is clear that percentage of fixed dearness allowance is high in case skilled A and highly skilled workers higher graded clerical staff and supervisory. But the variable dearness allowance remains constant irrespective of their grades of the above categories.

From above this table we may conclude that although this sugar factory is observing strictly the rules and circulars issued by the central Government and by National Federation of co-operative sugar factories Ltd., New Delhi, regarding the payment of dearness allowance, the Trade Union leaders demanded that the method of computing consumers price index must be changed because of the needs of workers and employees. So the need more money to fulfil their needs and to live comfortably. But it is beyond the capacity of the management of this sugar factory. The issue must be taken into account by the Government authorities and they should be try to minimise the difference between inflated high prices and dearness allowances.

Except dearness allowance and special allowance, no other allowances are paid in this sugar factory. It is observed that most of the workers are dissatisfied because of non payment of other allowances, like as medical allowance, conveyance allowances, traveling allowance, attendance bonus allowance house rent allowance night shift allowance etc.

The Trade Union is demanding strongly night shift allowance, house rent allowance, daily allowance. These workers who are not provided with housing facilities and vehicle allowance. During the course of interview and

questionnaire, it is observed that workers are sharply demanding a least night shift allowance, leave travel allowance, house rent allowance, medical allowance as early as possible. But immediate steps must be taken in this regard as early as possible ; The demand of washing allowance to factory workers must be considered.

VI BONUS : ✓

Bonus is generally regarded as monetary incentive. It is only by virtue of monetary incentives that the workers can satisfy their fundamental requirement of food, clothing and shelter according to their sweet will. It has been well recognised by Government of India and it had fixed rate of bonus by making amendments in the payment of Bonus Act 1965 as 8.33 % which ever is higher subject to a maximum of Rs. 750. In accordance with the decision of the Government of India to this effect, this sugar factory is paying bonus at the rate of 15 % per year. In 1983-84 the factory has paid 15 % bonus plus 4 % ex-gratia and distributed Rs.13.51 lacs on account of bonus. In 1983-85 of this year the rate of bonus, remained 15 % plus 4 % ex-gratia and distributed Rs.13.40 lacs, on account of bonus. In 1985-86 it has been provided to pay 20 % bonus i.e. Rs.17.04 lacs and in 1986-87 the rate of bonus may be 20 % distributed on account of bonus i.e. Rs.17.81 lacs. It is clear that factory has strictly observing all the provisions of the payment of Bonus Act.

The Bonus is calculated on the total amount of payment or wages received during the last year excluding the amount

of without pay leaves, by an individual workers. The Bonus is paid before Divali Festival every year. Recently this sugar factory have started to pay the seasonal workers. Bonus is paid to permanent seasonal permanent and too badali workers also.

It is closely observed and conduded from the response of the sample respondents that majority of the workers and Trade Union leaders are also satisfied with the rate and method of bonus payment adopted by the management of this sugar factory. In short this sugar factory is paying satisfactory bonus.

Utilisation of Bonus :

The 65 % of the workers have utilised the amount of bonus received for Divali festival and 15 % of the workers have spent amount of daily expenses .The remaining workers saved in bank, post, investment and the repayment of old debts. The some of the workers have purchased durable goods, payment of old medical charges, repairs of their house, purchase of agriculture inputs.

It makes clear that either the workers have not reached the expected level of habit of saving and profit. In short, the wages and salaries are not sufficient to meet their daily expenses.

VI Borrowings of the Workers :

All the workers of this sugar factory i.e. 100 % have to borrow from some where, 30 % of the borrow to meet monthly expenses, 10 % have to borrow to meet medical expenses 3 % to meet educational expenses their childern, and 35 % have to

borrow to meet festival expenses. Some of the workers borrows such as purchase of durable goods, purchase of properly purchase of vehicles and other to meet unexpected expenses such as guests, sickness, party, marriage etc.

The above workers borrow from friends, relatives, workers co-operative society, money lenders and Banks only 9 % of the workers need not to borrow. Majority of the workers borrow from above sources (i.e. 91 %)

It is the workers co operative society is paying an important role in meeting the credit needs of the workers because the majority of the workers, borrow from this society i.e. 80 %.

The special feature of this society is that the society is advancing loans to the workers at right time and need without external help of any other bank. It is rasing the finance through deposits, contribution from workers and share capital. This society is advancing loans for marriages purchase of house, vehicle to the workers .

The general opinion of the workers was favarable regarding the functioning of the society during the course of interview.

VI INCENTIVES :

This sugar factory has not introduced incentive schemes to induce the workers to work more and more. Neither financial nor non financial scheme has been introduced. This sugar factory paying wages, salaries, bonus and ex-gratia not as

monetary incentives. But as legal requirements. Job security is offered not as non monetary incentive but as a part of Trade Union movement. No recognition or pride of job is given to worker, no participation at shop level, no delegation of authority, no training facilities are available no prize system for good work, no attendance bonus is paid, no return on investment of workers. The sugar factory is providing welfare activities under factories Act 1948 but they are insufficient.

During the course of interview the workers demanded that suggestion scheme should be adopted. The organisation should also provide training and development facilities to the workers after and before employment. All the workers thought that it is necessary to provide non monetary incentive along with monetary with the employees to make the wages and salaries are effective.

VI LEAVES :

The workers of this sugar factory are very much conscious about the leave facility. According to the decision given by Industrial court the sugar factory is extending following types of leaves.

Particulars	Privilege Leave	Casual Leave	Sick leave
1. Permanent workers	24 days	10 days	10 days
2. Seasonal Permanent Workers	For per 20 days one days leave	7 days	7 days

85 % of the workers are satisfied about the leave facilities available and only 15 % of the workers are not satisfied about the facilities of leaves mainly because of their agricultural work.

The permanent workers are allowed to consume the privilege leave as and when required or they can encash the balance of privilege leave not less than 24 days at the end of year. The seasonal workers are not allowed to consume the privilege leave they are entitled to receive the encashment facility, casual and sick leaves are not encashed. They are demanding the facility of encashment of casual and sick leaves also.

VI Worker's Participation in Management : ✓

It is observed that only 7 % respondents have participated in the management. 93 % of the respondents thought that they do not participate in the management. No joint committee system, no suggestion scheme, no co-sharing, no co-partnership no joint management councils, neither shop nor plant councils. Only the representative of employees has

been taken on the Board of directors of this sugar factory as required by laws and bye-laws of this sugar factory. It has been argued that the employees Director has no voice on the Board of Directors, because although he is a member of the Board of directors, in which the personnel policies are framed and executed. The workers demanded that the employee's Director should be a member of the executive committee to make the participation of the workers in management in the real sense.

VI-9 Retention Allowance :

The seasonal permanent workers of this sugar factory are entitled for retention allowance in off-season period. Skilled, unskilled, semi-skilled, skilled A,B,C and clerical employees are paid retention allowance.

Every workers of this factory can take weekly off. 80 % of the workers are utilising the weekly off for the purpose of agriculture work and for domestic purposes. The remaining other workers used their weekly off for rest and to meet their relatives.

VI-10 Over-Time :

Overtime is regarded as extra time worked by worker and an employee after his working time or regular office.

Taking into consideration the increasing purchase of work load the managing director is empowered to allow the over-time work to the workers. But now a days the over time period is controlled by the managing director considering the bad habit of workers not to work at regular time and to do the

pending work at overtime. The overtime payment is done under the supervision of the sectional incharge or head of the departments. Overtime is paid at double the rate than the regular rate of pay, per hour to the workers working inside the factory premises and the regular rate to the office employee .

This factory has to pay overtime at the time of starting the crushing season because of repairing work and at this time of general holidays.

It is observed that this sugar factory has to pay overtime payment of Rs.75000 to Rs.100,000 per month in crushing season period. Generally the overtime has to be paid to the workers working in the watch and ward, manufacturing Agriculture and engineering departments.

VI-11 Compensation And Accident :

In the Rajarambapu Patil Sahakari Sakhar Karkhana Ltd., Rajaramnagar, the life of the workers specially in manufacturing, Engineering, Vehicle, Godown and stores department is always in danger because they have to deal always with machinery, chemicals ,acids,vehicles, heap of sugar bags and stores. In manufacturing department and engineering department there are some high danger zones. In these departments accident increase late in night. They donot usually occur during the hours of the work day.They are more frequent during the night shifts. This is partly to the fact that night is the period and partly to fatigue,when one requires rests,

During to course of interview, the researcher has found that no major accident was involved in case of any respondent under study. Some minor types of accidents were involved during the course of employment in case of some respondents. They were compensated with free medical aid and not special leave, Medical allowance or other benefits.

The Trade Union leaders and the workers demanded that in case of accident. The workers must be sanctioned special leave, required for rest and speedy recovery, until the workers becomes fit to join his duties as before. While the working in this sugar factory. It is also observed that most of the minor accidents, such as eye-injury, breaking hand, small wounds, are due to humes, dusts and effluvia. So this sugar factory should be kept free from effluvia and clean.

VI-12 Absentism of the Workers :

It is observed from the records maintained and during the course of interview that the rate of absentism in the factory is very low i.e. 10 % to 15 % workers remain absent mainly not more than 5 to 7 days in a month. Thus this is the problem in this sugar factory, majority of the workers remain absent from the duty, on account of agriculture work, sickness social and religious function and some private office work. But most of the workers are punctual. 85 % of the workers are not remaining absent for any reason. The most of the workers and employees remain absent with prior permission of the head of their departments. The very few workers remain absent without prior permission.

VI-13 Housing Facilities :

The Rajarambapu Patil Sahakari Sakhar Karkhana Ltd., Rajaramnagar has built-up colonies for workers and employees, staff and officers. Out of 850 workers 291 workers are living on factory site for whom factory has made housing accommodation. The preference is given to family holders and workers from long distance and night shift. The house rent is minimum it is low rate of rent. The workers are not paid house rent allowance, only 7 officers are paid house rent allowance.

During the course of interview, it is observed that the housing facilities are not sufficient taking into consideration the large number of workers. The workers are demanding the house rent allowance and it should be considered by the management of this sugar factory. In this factory no proper planning was made.

VI-14 Other facilities :

This sugar factory has the some other facilities to the workers and their families i.e. sugar of concessional rate, montesory education, high schools, telering course, medical facilities etc. The every workers whether he may be a seasonal or permanent is entitled to receive 3 Kgs. sugar every month at the rate of Rs.3.50 per Kg.