

CHAPTER - IV

PERSONNEL AND LABOUR MANAGEMENT

The efficiency in the production, and economy in administration, the name and fame of the factory is primarily based on personnel and labour force of the factory. Hence, is the importance of personnel and labour management. Naturally, happiness and welfare of the staff and labourers are the pre-requisite for the smooth and efficient working of the factory. To understand the working of the factory it is essential to understand the employment conditions of the staff and the workers is a must. Hence in this chapter an attempt is made to outline the personnel and labour management practiced in this factory is attempted. This will help us to understand the implications of personnel and labour management on the working of the factory.

CLASSIFICATION OF STAFF AND LABOUR :

The classification of personnel and labour force is similar for almost all sugar factories in Karnataka. Generally they are :

- 1) Managerial and
- 2) Supervisory, under this, category there are two :
 - a) " Technical and (b) Non-Technical ",

So far as labour force is consideredly it is divided into (1) Skilled (2) Semi-skilled and (3) Unskilled.

Broadly speaking, labour force can be classified into; farm labourers and factory labourers. Now let us try to understand the position of staff personnel in the factory.

Chart No. II

MANAGERIAL AND LABOUR FORCE

MANAGERIAL		LABOUR													
Manage- rial staff	Supervi- sory staff	Technical staff	Non-Technical staff	L a b o u r S t a f f										Grand Total	
				S k i l l e d		S e m i - S k i l l e d		U n - S k i l l e d		S k i l l e d		U n - S k i l l e d			
				Skilled 'A'	Skilled 'B'	Highly skilled			Skilled	Un- skilled					
P	P	P	P	S	P	S	P	S	P	S	P	S	P	S	80
8	12	13	16	12	31	4	42	32	5	3	42	127	81	159	337
8	12	13	28	35	74	8	169	230							632

P - Permanent
S - Seasonal

Source - Records of Time Office of the Factory

1) MANAGERIAL STAFF :

Managerial staff includes the posts of administrative as well as technical officers e.g., Managing Director, Secretary, Chief Engineer, Chief Chemist and cane development officer etc., which are only eight in number.

2) SUPERVISORY STAFF :

a) Technical Supervisory : It includes, the posts of Assistant Engineer, Laboratory Chemists, Head Pampman, Assistant Civil engineer, Workshop Foreman, and Workshop Incharger, Assistant cane Development Officer etc., having a total of 25.

b) Non-Technical Staff : It includes the posts of Medical Officer, Over-seer, Labour Officer, Security Officer, Store keeper, Transport Manager, Time Keeper and Office Superintendent etc., having total of 28, out of 28 posts, 16 were permanent and 12 were seasonal in nature.

LABOUR CATEGORY :

The labour category includes a large number of workers. It is considered as workforce of the factory. It is sub-divided in to three categories they are as follows :

- a) Skilled,
- b) Semi-skilled and
- c) Unskilled,

a) Skilled Workers :-

This is consisting of the workers like turners, fitters, panman, welders, wireman, engine drivers, blacksmiths, carpenters' Sub-overseers, craftsman and boiler supervisors etc., having total of 117 workers, among them/78 labourers are permanent and 39 labourers are seasonal.

Skilled workers are also divided in to three sub-categories they are :

Skilled 'A' , Skilled 'B' and Highly Skilled,

b) Semi-Skilled :-

It includes firmen, gardeners, Painters, Moulders, helpers, juice-recorders and pump-men etc., having a total of 169 among them 42 are permanent and 127 are seasonal in nature.

c) Un-Skilled Workers :-

It includes watchman clea-ners, workshop attenders mazdoors labo-ratory boys etc., having a total of 230 workers, out of 230 workers 81 are permanent and 159 are seasonal in nature.

RECRUITMENT POLICY :

Recruitment of Personnel and Labour Force :-

The recruitment of employees in this factory is carried out in three ways, They are as under :

- 1) Appointment by the Government,
- 2) Recruitment by the Board of Directors,
- 3) Recruitment by the Recruitment Committee of the factory,

Let us discuss briefly the recruitment policy in the factory,

1) Recruitment by the Government :

The Managing Director, Secretary, Chief Accountant and Internal Auditor appointed by the State Government, The government can recall them at any time, Only these four important posts are appointed by the government, Remaining posts were recruited by the Board of Directors and Recruitment committee,

2) Recruitment by the Board of Directors :

Below the level of First Division Clerks employees are appointed by the Board of Directors, The Board of Directors recruit generally the labour force which is required for the factory every year, In other words, the seasonal labour force is recruited by the Board of Directors, The seasonal labour being remunerative in nature, The Board of Directors exercise their influence in recruiting seasonal labour force, In the factory, a seasonal labourer, gets a wage of Rupees 36=00 per day which is definitely more than the

wage he gets for any other work in his local area. In the operational area of factory generally the wage paid for a labourer is Rupees 15 to 25¹. Naturally, labourers are anxious to get a job in the sugar factory.

For obtaining job, a person has to go through severe ordeals like using the influence of caste, political party and some times, meagre amount of money also. Though the statement made above is very difficult to prove, the casual discussions with a few labourers and also some of the minor officials who don't want their name to be revealed, hinted at it. Every year, the requirement of seasonal employees is about 400 to 450. As per the sugar cane directorate, a factory of 1250 T.C.D. capacity requires a labour strength around 800. Out of 800, for day today running of the factory as per the rules of directorate, permanent labour strength should be around 300 to 350². The remaining labour force can be temporarily i.e., seasonally appointed by the factory. The power of appointing seasonal labourers to the Board of Directors help them to see that factory functions smoothly. However, in this system, there is a possibility / ^{of} misusing this provision. To obtain a clear picture Table No. 4.1 helps us to understand the approved strength and appointed strength in the factory.

and
Table No. 4.1 shows Approved strength / appointed
strength as on March 1993.

Approved Strength			Appointed Strength		
Permanent	Seasonal	Total	Permanent	Seasonal	Total
351	410	761	135	33	168

Source : Records of the Time Office of the factory.

Table No. 4.1 indicates the approved strength and appointed strength. The sugar Directorate of Bangalore approved a total strength of 761. But this factory appointed only 168 candidates. The reason is that the factory if appoints permanent staff, then it has to pay the salary in full and cannot remove them from the service and other benefits also go with it. Hence, it has used the strategy / appointing staff on daily wages. By this method, they can pay less and remove them at their will.

In this factory at present around 1000 labourers are working which is more than approved strength of 761. So solve this problem the management giving only 26 rupees per day to daily wages labourers.

It should be noted that the Board of Directors play a very important role in the recruitment of personnel and labour force of the factory. The change in Board of Directors creates change in labour also. This may be compared to spoil system in America and patronage system of England. Whenever new posts are created or the posts already in existence, fall vacant due to termination, dismissal or resignation. The head of the department concerned make a list of their requirements and discuss the same with the Managing Director. The Managing Director after taking in to consideration the requirements, scrutinises all such demands. Then the recruitment for different post in the factory is carried out either by Board of Directors or Recruitment committee.

3) Appointment By The Recruitment Committee :

Generally, the permanent posts are appointed by the Recruitment committee. The Recruitment Committee includes Board of Directors employment officer of the district, Managing Director, Representative of Directorate of sugar co-operative factory, and one or two members of union federation. The first division clerks are appointed by the Recruitment Committee.

After the recruitment of candidates the orders of appointment are posted to concerned candidates and kept them on probation period which is generally six months. However the probation period can be extended up to one year the appointing authority is not satisfied with the work of probationer.

TRAINING :

Factory also sends some technical persons for training. The Managing Director, Secretary and development officer etc., attend some important seminars, conferences etc. They gain knowledge from seminars and conferences which is useful for further development of the factory. Only a small number of staff is sent for training i.e. hardly 2 to 4 members of the staff from this factory are sent for training for a period of 8 days to one month. This factory has passed byelaws to send some essential staff for training to different training centres within India.

PROMOTION :

In the initial stage this factory lured workers from other near by factories and promoted them quickly so that they can be loyal to the factory and continue in the service of the factory. This number is 25-30. In this way factory got the experienced people which helped in the smooth working of the factory. After some time the Board of Directors decided to promote some staff within the factory on the basis of seniority-cum-merit principle. Generally, in the factory, lower grade persons are promoted on seniority basis and merit is applied for the higher posts. Promotion definitely helps the persons to perform functions efficiently and builds up healthy competitive spirit among the employees.

WAGES AND ALLOWANCES :

Wages and allowances provided social security to workers of the factory. The HALSUGAR factory had accepted and implemented the wage structure recommended by the third wage Board (Central Government) for sugar industry.

Table No. 4.2 shows wage structure according to category grade of employees in the factory.

Sr. No.	Grade of Employees	Scale
1)	Unskilled	800-10-900-15-1050
2)	Semiskilled	900-15-1050-20-1250.
3)	Skilled and Clerical IVth	1050-25-1300-30-1600.
4)	Skilled 'A' and Clerical IIIrd	1200-30-1500-35-1850.
5)	Highly skilled and Clerical IInd.	1300-35-1650-40-2050.
6)	Supervisory and Clerical Ist	1400-40-1800-45-2250.
7)	Supervisory 'B'	1500-45-1950-50-2450.
8)	Supervisory 'A'	1700-60-2300-75-3050.

Source - Third wage Board.

Table No, 4,2 points out that minimum basic pay of an employee is Rs, 800/- and the maximum is Rs, 1700/- These workers are paid on monthly basis and payments are made before the 7th day of every month, Overtime duty allowance is paid to the employees as per the rate of double their normal basic wages, For example, If an employee is getting Rs, 050 per day (basic pay) he will get Rs, 100 for one day as over time duty, If anybody continues night shift then ^{the} / given 20% of his pay as night shift allowance, The workers are getting various allowances such as dearness, gratuity retaining allowances, bonus, provident fund etc,

MORALE :

The factory code of ethics is prepared by the factory itself points out the rights and responsibilities of the workers like punctuality, hardwork co-operation etc, Which helped in building morale in the factory, It also provide provision to form union and participate in formulating the policies and programme of the factory, Till now morale of the workers in the factory is satisfactory and there is no incident on record which shows contrary to this,

DISCIPLINE :

Factory also takes disciplinary action against the employees when they act contrary to rules and regulations such as :

In-attention to work,

In-subordination to the higher authorities,

In-toxication at the time of work,
Immorality in the compound of the factory,
In-efficiency in work,
Lack of integrity to the factory,
Corruption practices and
Absenteeism,

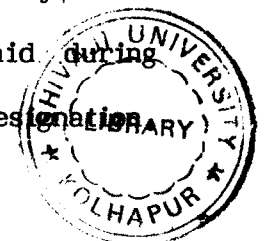
The appointing authority has the power of punishment of the concerned employee. Managing Director can dismiss any employee from the service when the person behaves against discipline of the factory, so far as this factory is concerned hardly 5 persons who belonged to lower category are subjected to disciplinary action, only in two cases persons are dismissed from their service. The persons who are dismissed from the service believed to have committed financial irregularities. However the nature of such irregularities are not disclosed to the researcher.³

The employees of the factory can not participate in the election process of the factory. They are debarred to stand for election (convincing for any candidate in any form etc.

RETIREMENT AND OTHER BENEFITS :

1) Gratuity :

Gratuity is given after retirement to an employee who has completed of five years of service in the factory. The gratuity gives social security to the employees. It was paid during the death or the attainment of the age of superannuation, resignation.



ill, health or for any reason other than for serious mis-conduct by an employee. The Halsugar factory is paying gratuity to their employees according to the payment of Gratuity Act of 1972 at the following rates.

a) To Seasonal Workers :

Seven days consolidated wages based on the wages last drawn for example, If employee getting 50 rupees per day, he can get 350 rupees per year,

b) To Permanent Worker :

15 days consolidated wages based on the wages latest drawn for every completed year of service or part there of in excess of six months, for example, If the employee getting 50 rupees per day he can get 750 rupees per year as his Gratuity,

c) Provident Fund :

Provident fund was given to the employees according to the provident fund Act of 1952. Provident fund is the main source for the retired employees because, Factory employees are not entitled for pension. The posts in the factories are non pensionable. The employees contribution was at this rate of 10 percent of the basic pay and 10 % contribuion by the factory. For example if the employee getting Rs, 1500/- as basic pay he gets Rs, 150/- from salary and Rs, 150/- from the factory as contribution towards

provident fund per month, The qualifying period for the fund is 100 days service, Deputationists are not eligible to get provident fund

d) Increment :

Increment was given to all the permanent employees of the factory, But it depends upon the efficiency and service of the employees, Increment is given once in a year, The appointing authority can with-held the increment if the work of an employee is not considered satisfactory, Before the increment of an employee is with-held, a warning is issued to the effect by the appointing authority, But before passing final order, the person is also given an opportunity for showing reason against with-holding the increments, If the charges are not substantiated he is eligible for increment, Increment creates good incentives and efficiency among the employees,

e) Retaining Allowance :

Retaining Allowance is paid to all the seasonal workers during off season when there is no work to such workers, Normally, the retaining allowance is half of their monthly salary, For example if the employee gets Rs, 1000 per month as salary, he get Rs, 500 per month in off season,

f) Bonus :

The employees of HALSUGAR also gets bonus from the factory. They get 18 % bonus and 6 % incentive i.e, totally 24 %.

If the salary is Rupees 1000/- permonth for a person he gets bonus of Rs, 2880/- per year, In other words bonus depends upon the salary of the employee and there is no uniformity in this regard,

OTHER FACILITIES :

The HALSUGAR factory provides facilities like housing, medical aid facilities, better working conditions etc,, to its employees,

1) Housing Facility :

The employees working in HALSUGAR have been provided temporary residential quarters, The residents were also having, the provision of free water supply and electricity, House rent was deducted in their salaries and the rate is fixed at 6 % of the salary irrespective of the status of the employees, *

2) Medical Facilities :

The HALSUGAR had its own hospital with a Medical officer (M, B, B, S,) compounder, a dresser, and a peon, All the workers and their family members are entitled for the free medical treatment, The hospital started functioning from 1988-89, However has its own premise from 1991-92, For medical purpose the factory spends Rs, 58,375=86 in 1991-92 season,

3) Educational Facilities :

The HALSUGAR has no school in its premises but Chairman assured that factory will start its own kindergarden in the vicinity of the factory from 1994-95,

4) Canteen :

The HALSUGAR had its own temporary canteen for the employees. In the year 1990-91 and 1991-92 the factory provided a sum of Rs. 1,66 lakhs for canteen building. The canteen is run by a contractor. The factory had provided free accommodation furniture, water, electricity etc, to the canteen.

5) Uniforms :

The HALSUGAR factory has not provided uniforms to all its labourers, only watchman attendes, and security officers got uniforms. The factory had a programme to provide uniforms to all of its employees.

6) Working Conditions :

The factory was taken every possible care to provide the pleasant atmosphere for their employees. The HALSUGAR had a big open area away from Nipani town. HALSUGAR provides satisfactory salary, adequate opportunities for promotion, facility for leave. An employee can get twelve day casual leave, Six sick leave and 13 day without pay leave. The working conditions of the employees is good and employee work about eight hours per day (shift wise).

7) Provisions and Incentives for Employees :

There is a provision of film projector, library, consumers stores, employees Co-operative credit society and many other

essential service, at the premises of the HALSUGAR factory. It has also deputed 2 to 3 employees for higher studies and short term training.

FARM LABOUR :

The farm labour is responsible for cutting, dressing, and loading, transporting / unloading of cane.

Farm labour is a seasonal one, which is normally obtained from the dry areas. This labour is not directly employed by the factory but through a contractor or a number of contractors. This labour force is not covered by the factory rules. Farm labour receives wages from the contractors directly. This sugar co-operative is in agreement with the contractors, who are paid certain commission for cart, truck, loading and unloading of cane. Hence, contractors are directly responsible to the factory.

Though farm labourers are responsible to the contractors, if they do not perform their duties properly like cutting or dressing of cane then the factory has the right to reduce their wages from 3 to 10 % out of their wage. In this system some drawbacks can be seen. Firstly, there is no close contact between the labourer and the factory, so the main drawback of this labour is lack of proper organization. But in this factory, such drawback is not there because HALSUGAR allows only those contractors who have their own

farm labour and transport facility are allowed to enter in to contract with the factory. If the farm labour failed to work properly then the contractor is responsible. The owner of one truck must have 10 to 20 farm labourers to provide cane for the truck. The slipboy field man, cane inspector and cane development officer supervise the work of farm labourers and also have control over them. It is worth while to mention here that, the shakti sugar factory in coimbatore at Tamil Nadu has wireless sets to control proper harvesting and transporting operations. However, this factory is a small efficient supervision.

LABOUR UNIONS :

The unions association of workers employed in sugar factory are established to depend and fulfill employees desires, wants, needs demands and interests. Unions negotiations with employer and the Government is essential to solve problems. The labour union of this factory was established in 1988 and is functioning under the guidelines of Indian National Trade union congress (INTUC). The labour union took care of the issues such as wages, employment conditions, gratuity, bonus, provident fund and other related matters pertaining to the workers of the factory. Table No, 4,3 shows name of the union and strength of membership.

Table No. 4.3 showing
Employee's Union in Halsugar,

Name of the Union	Membership Strength	Method of Electing Office bearers,
Halsidhanath Sahakari Sakkare Karkhane Kamagar Union Ltd., Nipani,	750	Election

Source : Records of the Union,

The Table No. 4.3 reveals that membership strength of union and method of electing office bearers. The leader of the Union was elected among the workers of the factory and he is participatng in decision making process of the factory relating to labour problems such as higher payment, promotion of employees fixing the bonus and provident fund, increment to employees etc. For the success of the factory it is essential for the management of the factory to have sympathetic attitude and co-operative towards the factory union. The union is playing a very important role in the life of the all employees. Till now, this factory has witnessed two strikes, both of them related to the problem of providing permanent employment to those who are temporarily appointed, and also increase in their pay and give increment. The management tried

to solve these union problems but it not completely solved, In the time of study above said problems are pending before management,

LABOUR PARTICIPATION IN MANAGEMENT :

The workers of the factory must have voice in decision process of the management, This is one of the most important civil right of the workers of the factory, The labour unions are demanding that the membership of the sugar co-operative should be extended to the workers by providing shares with a view to giving them an opportunity to participate in day-to-day affairs of the management, However, the management of this factory is reluctant to accept the proposal, The need of the representatives of the employees is that workers be allowed contribute to the well being of the factory as any member, For this purpose they should be allowed to participate in management of the factory, since the future of workers also lies on the progress of the factory they should have some voice or say in the administration of the factory,

In this factory union leaders participate in the decision making process, The decision was taken in consultation^{of} of the union in so many matters concerning the employees as well as the factory, For example fixing the bonus, increment, promotion etc, At present

the union is demanding one representative on the Board of Directors, Now this matter is in under consideration by HALSUGAR management,

The idea of labour participation in management is very good but practically it is not so. Because the successful implementation of labour participation in management depends upon several factors such as level of industrialization, nature of industrial labour relations, enlightenment of management, level of education and training of the workers in the factory etc. Close contact of management and workers is needed for the success of the sugar factory when workers are provided with opportunities to share their free views on the policies and programmes and suggestions for improvement in working conditions and production programmes, a greater amount of belonging to the organisation can be created in them. Therefore the labour participation in management is essential which create responsibility and sense of duty among the workers of the factory

LABOUR MANAGEMENT RELATIONS :

The good relationship between management and workers is necessary for the smooth working of the factory. The workers of this factory told during the discussion that they should have good and close relationship with the factory management. For this purpose the factory follow the methods mentioned below :

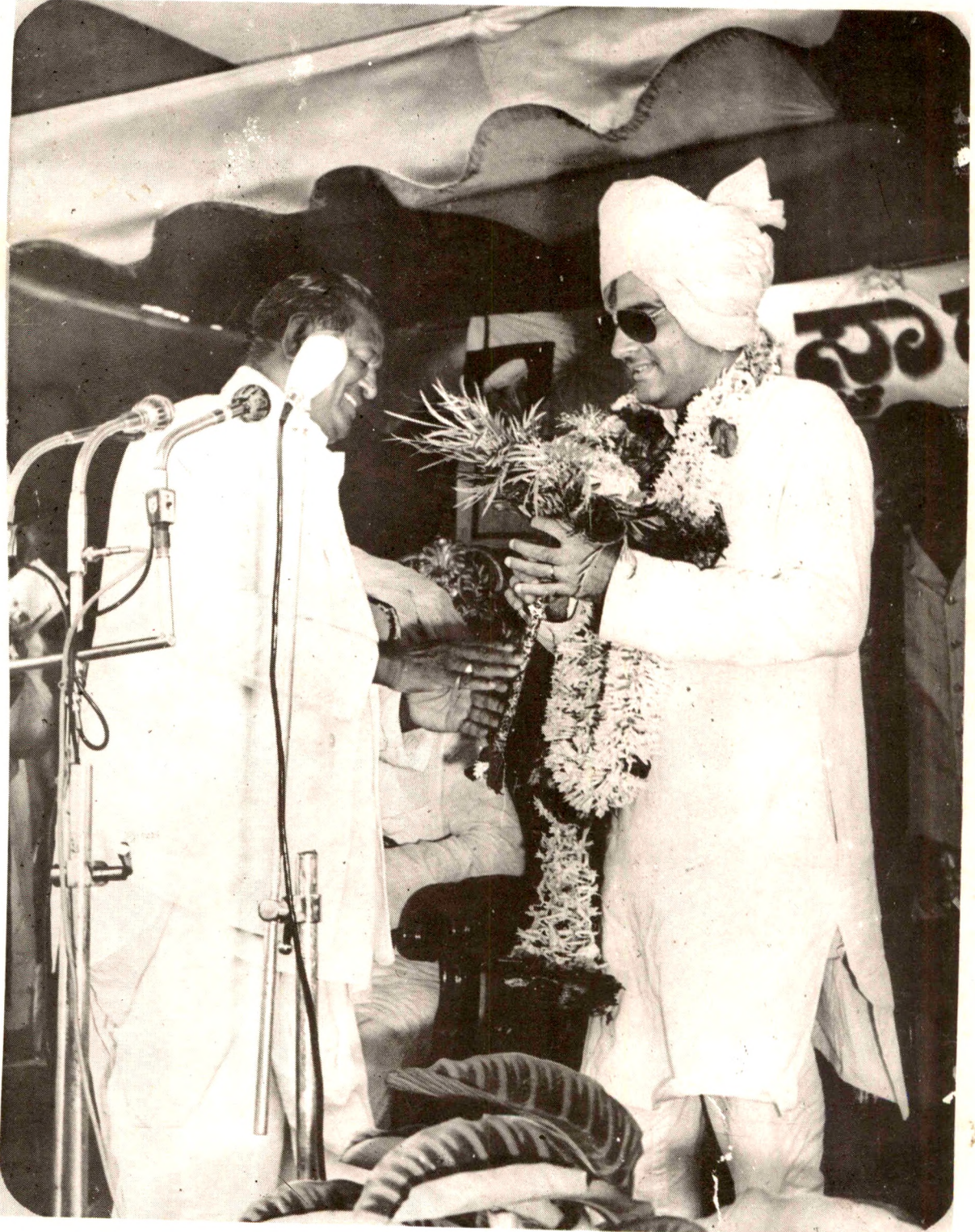
- 1) A strict vigilance is kept on the strength of the maintenance of staff,
- 2) Recruitment is conducted in an unbiased manner,
- 3) Workers are given opportunities to voice their grievances to the management,
- 4) Promotion and grant of advance increments can be made on the basis of workers efficiency and not on the personal prejudices,
- 5) The factory is using properly the welfare fund for the betterment of the employees,
- 6) The management is not dismissing the workers without valid reasons,
- 7) Workers are not allowed to go strike for small problems which can be solved through negotiation,
- 8) Working conditions of workers have been improved for example sick leave and other leaves, shift wise work and don't get work more than eight hours per day,

By this method it will bring the management and labour in close contact with each other and enable them to develop the factory in a constructive and efficient manner. Therefore, the management must establish good relations with labourers in the factory.

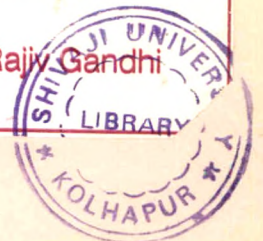
: REFERENCE :

- 1) Discussion with Share Holders and Workers,
- 2) National Federation of Co-operative Sugar Factories, Ltd.,
Annual Report 1980 to 1993, New Delhi,
- 3) Staff of the Factory who don't want to reveal their names,

**Shri Halasidhanath Sahakari Sakhar
Karkhana, Ltd., Shankaranand Nagar, Nipani**



Late Shri. Baburao Balawant Patil, Budihalkar, welcoming Late Shri. Rajiv Gandhi
on 9th November 1982



**SHRI HALASIDHANATH
SAHAKARI SAKHAR KARKHANA LTD.
NIPANI**

Shankaranandnagar (Dist. Belgaum)



Shri Gopal Dada Patil Chairman, is discussing for factory developments with Shri B. Shankaranand Hon. Minister for Petroleum & Natural Gas.