

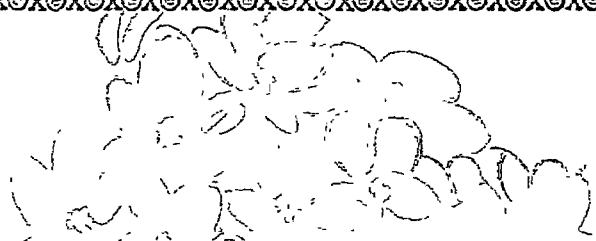
CHAPTER - II

"Industry exists for the individuals and not the individuals for the industry".

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CHAPTER - II

IMPORTANCE AND ROLE OF HUMAN FACTOR IN AN INDUSTRY

Before discussing the role of human factor in an industry we must peep into the position of industrial workers in the early age of Industrial Revolution.

Industrial Revolution is not an unmixed blessings to the mankind. It has created two rivalary class of societies, i.e. "Haves and "Have nots." Only few industrialists enjoyed a sound financial position and, as a result most of the industries were managed and controlled by few. The position of labour was so worst that even by working day and night, they were unable to meet bare necessities of life. Being few in number industrialists had good understanding and organisation. They enjoyed the undue advantage of helpless position of poor workers. They were extracting the maximum work from workers with meagre payments. Exploitation of workers by the management was practiced due to the following reasons.

1. Unorganised position of workers.
2. Unemployment position.
3. Illiteracy and ignorance of workers.
4. Lack of skill and technical know-how amongst the workers.
5. Lack of unity and able leadership.

1. ILLITERACY AND IGNORANCE OF WORKERS :

Most of the workers are illiterate. They are ignorant of the affairs of management and their own importance as a factor of production. They were slaves of the industrialists in the past. But now some changes are taking place.

2. UNORGANISED POSITION OF WORKING CLASS :

Many of the workers were residing in different areas and as a result they could not come together and realise their problems in an organised form. They were unable to form a common understanding amongst themselves. This unorganised tendency of working class had helped the management to exploit the workers to the maximum.

3. UNEMPLOYMENT POSITION OF THE WORKERS :

Unemployment position was one of the potential factors which assisted the management to purchase the labour at the least cost. Millions and millions of workers were ready to work at minimum wages paid by industrialists. They had no alternate job opportunity due to an increase in the population, and poverty of the workers. This created more supply of labour than the demand. This situation forced every labourer to work on least or minimum wages.

4. LACK OF SKILL AND KNOWLEDGE OF SPECIALISATION :

Skill and specialisation is a powerful weapon of a worker. If he has he can dictate his terms and conditions to management. As most of the workers had not possessed skill and specialised knowledge of work, they were prepared to work even on low wages and at the mercy of management.

5. LACK OF UNITY AND ABLE LEADERSHIP :

Unity was a scarcity factor amongst workers due to lack of literacy and better understanding. Many-times, some managements were also causing mis-understanding and dis-unity amongsts the workers by creating sweet will unions.

This situation was prevailing in India till 1947. When India got Independence, serious thoughts had been given by our national leader for the improvement of the position of the workers. Various welfare schemes and legislative measures had been undertaken by the Government of India.

Factory Act, Workmen Compensation Act, Trade Union Act, Industrial Dispute Act, Minimum Wage Act are some of the examples of laws that are working towards the protection of the interest of labour class.

Now the position of human factor in industry has been changed tremendously. The managements have also changed their outlook and old philosophy that "labour is mere a factor of production" with growing prosperity and rising wages, workers have achieved a higher standard of living. They acquired education sophistication and greater mobility. Career patterns have changed, for larger sections of the people have been constrained to leave their farms to become wage earners and salary earners in urban areas under trying conditions of work. Ignorant and drenched in poverty, vast masses of men, women and children have migrated to a few urban areas. At the same time a progress, status dominated secondary group oriented, universalistic, aspirant and sophisticated class of workers have come into being who have their own trade union, and who have gained a bargaining power which enables them to give a tough fight to their employer. The Government has stepped in and plays an important role in establishing harmonious industrial relations between management and working class of industry.

Managements have realised and come to conclusion that "labour is not a mere factor of production but also living assets of the industry"

The important of human factor in an industry can be outlined as below :

1. Man is the heart and brain of the industry. Industry is not a machine. It is a complex form of human association. Industry can not work efficiently if the human factor is not considered. " It (Industry) is not a mass of machines and technical processes but a body of men. It fulfils its functions, not by virtue of some impersonal force but by human energy. Its body is not an intricate maze of mechanical devices but a magnified nervous system,"<sup>3</sup>
  2. According to the classical economists, there are five fundamental agents of production, land, labour, capital enterprise and organisation. But to-day a sixth factor may also be added and that is, 'human relation approach'. This approach indicates the importance of human factor in an industry. Without human energy, skill, and knowledge, natural resources are inert and of little value. Mr. J.H. Dietz ( of Chicago) has rightly remarked the importance of human resources as " a business or an industry can not be thought of an inter-weaving of human elements and material elements with the human elements as the warp, while inter-locking and inter-weaving with this elements are the material elements, the woof of the fabric. The warp of the fabric is the human element appearing and re-appearing the
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3. Words of Oliver Sheldon "Phylosophy of Management"

strength giving element holding the entire fabric together and giving it life and a character of continuity."

A business can not succeed if this human element is neglected by the management or concerns.

3. No industry can realise its goal unless and until all factors of production like material, machines, money etc, are properly organised and managed. Organisation of these factors of production is possible only with human factor. In the words of Mr. Rensis Likert, "All the activities of any enterprise are initiated and determined by the persons who make-up that institution"
4. In some of the industrial houses, machines have very little place. In handicrafts and artisans, the hands of men are the basic elements of such industries. Modern and up-to-date machines can be replaced or substituted, but the skill of man can not be replaced. Even the most advanced countries of the world like U.S.A., West Germany etc. are also not in a position to compete with Indian art and sculpture. Their machines have failed to compete with the Indian hands of artisans and sculptures.

India is enjoying a unique place in the field of handicraft and artisans in the world market and this credit goes to Indian skill workers who are considered as human factor.

5. In the present age of science and technology, various modern and up-to-date machines have been introduced. Though automatic machines have been replaced in place of man-power, at least for switching on a button and for starting the machine human factor is required.

Finally, we can conclude that " Industry exists for the individuals, and not the individuals for the industry."