

CHAPTER - 5CONCLUSION AND SUGGESTIONSCONCLUSIONS:

The principle aim of this study is to enquire the wage and salary administration adopted by Shri. Chhatrapati Shahu Sahakari Sakhar Karkhana Ltd., Kagal, District Kolhapur.

This study is made by analysing the statistical information collected from different aspects and components of wage structure from the records maintained and annual reports prepared by Shri. Chhatrapati Shahu Sahakari Sakhar Karkhana Ltd., Kagal and an interview with the Managing Director and Workers. Informal questionnaire have been prepared and used for eliciting the views of the workers.

5.1) PERSONAL INFORMATION:

In this personal data the researcher has focussed his attention on various important matters, which directly or indirectly affects the wage and salary administration. In personal data regarding Name, Age, Department, Sex, Address, Religion, Number of family members depending, Designation, Education Experience, Native Place, Distance from factory, Type of work and mode of conveyance are included.

a) AGE:

We can conclude that majority of the workers of this sugar factory i.e. 76% belong to the age group between 31 to 50 years. Only 6% of workers are above the age of 50 years.

Economically speaking the management of this sugar factory have succeeded in maintaining young, matured and dynamic human resources. The persons in the age group of above 50 years are regarded as disable to work economically. But the number of workers, belonging to this age group, in this factory are less in number.

b) NUMBER OF DEPENDENTS:

We can conclude that most of the workers are having 4 to 7 persons depending upon their income. This clearly show that most of the workers are recruited from the rural area, 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.

c) EDUCATION:

The data collected revealed that 39% of the respondents have obtained higher education, 25% have achieved secondary education, 17% have technical education, 17% have achieved primary education and 2% of workers are illiterate.

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

d) LENGTH OF SERVICE:

We may conclude that absolute majority of the workers of this sugar factory are having experience of more than 10 years. In sugar factory 85% of total work force is well experienced. This shows that the management of this sugar factory has maintained the experienced staff. The rate of labour turnover is less.

e) LOCAL EMPLOYMENT OPPORTUNITY:

As cleared earlier this sugar factory is developing local manpower and creating ample opportunities for rural youths. The data collected revealed that 57% of the total work force is recruited from local area only and only 43% of the workers are recruited from outside area, who are not available in local area. It means that this sugar factory has undoubtedly given preference to the workers from local areas. The Sugar Factory is using local manpowers at large.

f) DISTANCE BETWEEN RESIDENCE AND WORK PLACE:

The data collected regarding distance between residence and work place revealed that maximum number of workers are living near the organisation i.e. 68%. It is useful from the production point of view, that the workers are coming from nearer places, they will be fresh when they resume their duties and production will be increased.

g) MODE OF CONVEYANCE:

43% workers are coming on foot, 30% workers are coming by K.M.T. Bus and State Transport Bus, 15% workers are using cycles. 43% workers are coming on foot that means they are living on the factory site. This data also focus attention on the fact that the factory is utilising the local manpower.

h) NATURE OF SERVICE:

There are about 859 total workers out of which 375 are permanent and 484 are seasonal permanent workers. Permanent

workers remain present in both season and off-season period. Seasonal permanent workers are permanent but recruited in season period only. We conclude that there is a job security to the workers in this sugar factory.

i) TYPES OF WAGE PAYMENT:

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

5.2. CATEGORISATION OF WORKERS:

There are about 859 total workers out of which 375 are on the permanent roll of the sugar factory and 484 are on the seasonal muster roll of the sugar factory. For interview purposes the researcher has selected 100 sample permanent workers as respondents (i.e. near about 25%).

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

Operative grade includes unskilled, Semi-skilled, Skilled C, Skilled B, Skilled A and highly skilled workers. They are working mainly in stores, vehicle, Garage, Agriculture, Manufacturing, Engineering, Godown and Civil Engineering Departments and in all other departments as Helpers, Guest House Attendant, Achari, Peon, Mazdoor, Dresser, Sweeper, Issue boy etc.

Clerical grade includes various clerks working in all departments, maintaining clerical records. This grade includes

purchase incharge, Typists, Meeting Clerk, Assistant Accountants, Assistant Cashier, Time Keeper, pre-audit, Surveyor, Steno-Grapher Nurse, Sanitary Inspector, Compounder, Cane Yard Supervisor, Godown-keeper.

Supervisory grade includes all supervisory staff having Supervisory grade A, B and C. This includes Assistant Engineer, Manufacturing Chemist, Cashier, Cane Development Officer, Head Time Keeper, Labour and Welfare Officer, Junior Engineer, Lab. Incharge, Lab. Chemist, Assistant Secretary, Project Officer, Finance Accountant, Store Accountant, Cane Accountant, Agricultural Overseer, Assistant Agricultural Overseer, Incharge Civil Engineer, Security Officer, Assistant Labour Officer, Store-keeper, Electric Foreman, Pan Incharge.

Out of above various categorised workers 63 employees are working under Administrative Department under the Administrative Officer as Head of the Department 18 workers have been engaged in Time Office under the leadership of a Head Time keeper and Welfare Officer. This department is maintaining leave records, overtime records punching cards and preparing pay-sheets, at the end of every month. 21 workers are working under Civil Engineer in Civil Engineering Department. 60 employees are working under Accounts and Godown Department under Chief Accountant and Finance controller as Head of Department. They are maintaining records of Accounts and Godown Department.

A well equipped Medical and Sanitation Department is taking care of the health of the workers and of their Departments, relatives under a trained and well-qualified Medical Officer and 17 employees under his supervision. 17 Workers and employees are engaged in stores department under a store keeper as Head of the Department and maintaining the stock of machinery spares, stationery and gunny bags which is required for continuous and uninterrupted flow of sugar production. 21 workers are engaged in vehicle Department under a vehicle incharge, driving and maintaining the vehicles such as trucks, jeeps, and motor cycles.

54 workers especially watchmen are engaged in watch and Ward Department and watching the security work of the factory and of its property day and night.

118 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 recovery.

Manufacturing Department is the second biggest department in this sugar factory. 157 workers are working in this department under the chief chemist as Head of the Department. To research, to count recovery and to try to produce white crystal quality of sugar is the main task of this department.

Engineering Department is the biggest of all, containing 261 workers under a Chief Engineer as Head of the Department, maintaining and running the machinery in season period and overhauling repairing and 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 are decided and forwarded to all the heads of the departments for further implementation through the Managing Director..

5.3) WAGE STRUCTURE:

Shri. Chhatrapati Shahu Sahakari Sakhar Karkhana Ltd., Kagal is a very good sugar factory established under Co-operative set up. The researcher is glad to say that it is paying more than need based minimum wages defined by the minimum Wages Act, 1948. Thus they are paying well according to the decisions given by the various State and Central Level Committees, appointed to consider the demands of the workers in sugar industry. But in these days of inflationary pressure the wages of workers seem to be very low. The basic wages are fixed by Shri. Shankarrao Patil Committee for operative, Clerical and Supervisory grades. The disparity between the price rise and the cost of living is tried to minimise by paying fixed and variable dearness allowances accompanied by special allowance at the rate of Rs.22=16 per employee per month. Actually the base year considered for computing the Consumers' Price Index Number is 1960.

But the prices of the essential commodities have been increased by 4 times than that of the prices during the year 1960. So the union demands that the elements that determine the cost of living index number must be changed.

In respect of wage structure of this factory, the work is rated by "Time Rate Method". Wages are paid monthly. They get bonus ex-gratia. We can conclude that 1% of the workers are getting wages and salaries between 1200 to 1400. 23% of the workers are getting wages and salaries between Rs.1401 to 1600 per month. 5% of the workers are getting wages between Rs.1601 to 1800 per month and 16% of the employee are getting wages above Rs.1801 per month, they are heads of the departments and sections heads. The workers get wages after various deductions e.g. on account of Provident Fund, C.I.D., Insurance, Family Pension, Instalment loan from Society, Income Tax, Professional Tax, 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. It has been strongly demanded by the workers during the course of interview that they should get more than Rs.1200 per month for even unskilled workers; with minimum increment of Rs.10/- per year per month. 32% of the workers are of the opinion that they have their wages adequate and 68% of the workers are of the opinion that there wages are not adequate.

70% of the workers are having land as one of the major source of income. 3% of the workers having their side business and 17% of the workers are having income from house property and 10% of remaining are doing private consultancy. We may conclude that majority of the workers are not only depending upon their wages. These sources of income have helped to improve their real and total income.

a) DEARNESS ALLOWANCE:

The sugar factory is paying dearness allowance to all the workers and employees according to the customers' price index number declared by the Central Government, Circulated through National Federation of Co-operative Sugar Factories Ltd., New Delhi.

Types of dearness allowances -

- 1) Fixed dearness allowance, which remain fixed.
- 2) Variable dearness allowance, which varies with the increases or decreases in the consumer's price index number from time to time.

For computing the consumers' Price Index number the commodities and the price of 1960 are taken as base year in to account. But the prices of essential commodities has been increased by 4 times than that of the prices in 1960. Therefore, to Trade Union demands that the element which determines the cost of living index number be changed. The rate of fixed dearness allowance and of variable dearness allowance as on

1st January, 1989 is as follows:-

TABLE NO. 5.1

Category	Fixed D.A.		Variable D.A.	
	Rs.	Ps.	Rs.	Ps.
A) <u>OPERATIVE</u>				
1) Unskilled	74	00	780	06
2) Semi-skilled	77	00	780	06
3) Skilled-C	82	00	780	06
4) Skilled-B	87	00	780	06
5) Skilled-A	114	12	780	06
6) Highly Skilled	119	12	780	06
B) <u>CLERICAL</u>				
1) Grade IV	114	12	780	06
2) Grade III	119	12	780	06
3) Grade II	129	12	780	06
4) Grade I	134	12	780	06
C) <u>SUPERVISORY</u>				
1) Grade C	139	12	780	06
2) Grade B	144	12	780	06
3) Grade A	144	12	780	06

From the above Table it is clear that percentage of Fixed Dearness Allowance is high in case of skilled A and Highly skilled workers, supervisory and higher graded clerical Staff. But the percentage of variable Dearness Allowance remains constant irrespective of their grades.

From the above 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 demand that the method of computing consumers price index must be changed because the needs of the workers, who are living in modernized society, have been increased. So they need more money to fulfil their needs and to live comfortably.

b) OTHER ALLOWANCES:

We may conclude that except dearness allowance, special allowance of Rs.22.16 per employee/worker per month is paid. No other allowance is paid in this sugar factory such as medical allowance, conveyance allowance, leave travel allowance, attendance bonus allowance, travelling allowance, nightshift allowance, house rent allowance etc. Most of the workers are not satisfied because of non-payment of other allowance. Trade union and Shri.Shankarrao Patil Committee have demanded the night shift allowance, house rent allowance, conveyance allowance, etc.

c) BONUS:

We may conclude that Shri. Shankarrao Bajirao Patil committee appointed for consider the demands of sugar factory workers is also satisfied with the method and rate of bonus adopted and committee had advised to continue existing practice. From the responses 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.

i) Utilisation of Bonus:

We may conclude that either the workers have not reached the expected level of habit of saving and thrift or the wages and salaries are not sufficient to meet daily expenses.

ii) Borrowings of the workers:

It is concluded that the workers co-operative society is playing an important role in advancing loans to workers for many purposes.

5.4) INCENTIVES:

The factory has not introduced incentive schemes to induce the workers to work more and more. Neither financial nor non-financial scheme has been introduced. Factory paying wages, salaries, bonus and ex-gratias 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 delegation of authority, no training facilities are available, no return of investment of workers. The Factory is providing welfare activities under Factories Act, 1948 but they are insufficient.

5.5) PARTICIPATION IN MANAGEMENT:

It can be concluded that only 10% respondents have participated in management. 90% of the respondents thought that they do not participate the management. No joint committee system no suggestion scheme, no co-partnership, no joint Management councils. Only representative of employees has been taken on the

Board of Directors of this sugar factory as required by laws and bye-laws.

5.6) RETIREMENT BENEFITS:

The employees get retirement benefits such as Family Pension, Gratuity and contributory Provident Fund. Payment of Family Pension, Gratuity is made as easy as possible after the worker retired from the service so as to make him able to start some earning side business after retirement. Almost all the workers have joined the contributory Provident Fund Scheme the amount of Provident Fund is repaid as soon as the worker is relieved from his duties

Gratuity is paid according to payment of Gratuity Act, 1972.

5.7) LEAVES:

95% of the workers are satisfied about the leave facilities available and 5% of the workers are not satisfied about the facilities of leaves. We may conclude that majority of workers enjoy leave facilities in full.

5.8) UTILISING WEEKLY HOLIDAYS:

We can conclude that every worker of this sugar factory can take weekly off. 87% of the workers are utilising the weekly holiday for domestic and agriculture work. Only 4% workers used their weekly off for taking rest at home.

5.9) Accident and Compensation:

In Chhatrapati Shahu Sahakari Sakhar Karkhana Ltd., Kagal, the Life of the workers, working specially in Engineering Manufacturing, Vehicle Department is always in danger because they have to deal with machinery, chemicals, acids, vehicles.

We may conclude 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.

5.10) SUGAR AT CONCESSIONAL RATE:

Every worker, whether he may be a seasonal or permanent is entitled to receive 4 kgs. of Sugar at the rate of Rs.4=65 per month.

5.11) SHRI. CHHATRAPATI SHAHU WORKERS CO-OPERATIVE CREDIT SOCIETY:

With a view to provide debt relief to the workers and Staff a Co-operative Credit Society named "Shri. Chhatrapati Shahu Workers Co-operative Credit Society was started in 1985 under Registration No.KPR/KGL/BNK(O)502/85-86 dated 28-8-85 to provide credit at low rate of interest, to be paid in easy instalments by way of recovery from their monthly emoluments. The number of members has increased from 323 in 1985-86 to 675 in 1988-89. The authorised share capital of this society was Rs.1,00,000 in 1985-86 which was increased upto Rs.10,00,000 in 1988-89. The paid up share capital were Rs.67,185 in 1985-86 increased upto Rs.4,24,740 in 1988-89. The working capital

of this society was Rs.1,33,971 in 1985-86 which increased upto Rs.10,49,700 in 1988-89. The Society has distributed Rs.1,34,189 as loans to workers in 1985-86 as against Rs.12,94,300 in 1988-89.

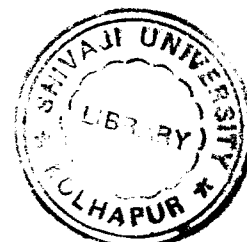
Out of 859 workers, it is found that 451 workers were indebted to the Workers Co-operative Credit Society. The Society is advancing loans to the workers at right time and need without external help of any other bank. We may conclude that the Workers Co-operative Credit Society is playing an important role in meeting the credit needs of the workers.

5.12) CREDIT PURCHASE FACILITIES THROUGH SHETKARI SAHAKARI SANGH LTD., BRANCH KAGAL:

9% of the workers are taking advantage of credit purchase scheme introduced by Shetkari Sahakari Sangh Ltd., Branch Kagal. The workers used to purchase cloth, provision, grossery and other house-hold commodities on credit throughout the month. The bill is deducted from the salaries of the workers. Monthly credit purchase by the workers are near about Rs.9000/-.

5.13) HOUSING FACILITIES:

Shri. Chhatrapati Shahu Sahakari Sakhar Karkhana Ltd., Kagal two colonies for workers, staff and officers. Out of 859 workers, 106 workers are living on factory site for whom karkhana has made housing accommodation. The preference is given to family holders, workers from long distance and night shift workers. There are C and E type bungalows for officers,



supervisors and workers. The rate of rent is Rs.30 plus upto 30 units light free of charge and Rs.10 plus upto 14 units light free of charge respectively.

We may conclude that the housing facilities are not sufficient taking into consideration the large number of workers. The factory has provided housing facilities to only 12% workers.

SUGGESTIONS:1) HUMAN RESOURCE PLANNING:

No systematic and scientific planning of human resource is done in this sugar factory. Therefore, the organisation should make a detailed study of its manpower requirements for a future period of 5 years and prepared a thorough and systematic human resource plan accordingly. The recruitment and selection policy should be framed in the context of this plan. As far as possible the preference should be given to the employees within the organisation while filling the vacancies. This policy will lead to enhancing the laxalty and moral of employees. It will also result in the recruitment of workers in the required number and at the required time. The organisation should provide training facilities to workers. This will help them to improve their productivity and smooth working capacity. It will also lead to reduce the number of accidents. There should be proper job evaluation, job specification and job description.

2) HOUSING FACILITIES:

Out of 859 workers, 106 workers are provided with housing accommodation on factory site. The housing facilities are inadequate considering the large number of workers. The workers should be paid house rent allowance. The water and sanitation facilities should be improved.

In order to reduce labour absenteeism and to improve the attendance on work it is suggested that the company should think of providing housing loan to the employees having a service of minimum five years in the organisation. So it will become helpful to the workers to build their own houses. Instead of this the organisation could even consider the possibility of organising workers housing society on co-operative basis.

3) BASIC WAGES/SALARIES AND DEARNESS ALLOWANCE:

Workers of this sugar factory are paid basic pay plus fixed dearness allowance plus variable dearness allowance. But in these days of inflationary pressure, the wage of workers seem to be very low. It is observed from the interview of the Managing Director that it is beyond the capacity of the management of this sugar factory. So it is suggested here that the Government authorities should take immediate steps to revise the wage scales of the workers.

4) VEHICLE FACILITIES:

The management of the factory may provide loan for purchasing bicycle, T.V.S.50, Motor Cycle, Yamaha, Rajdoot to the workers at the cheap rate of interest or can make available funds from Bank by taking guarantee of repayment of such loan from the salary of workers. Because of this the workers are not required to depend on only S.T. Bus.

5) ATTENDANCE BONUS:

Shri. Chhatrapati Shahu Sahakari Sakhar Karkhana Ltd.,

Kagal is not providing attendance bonus to the workers, but to create interest in their work and reduce absentism, the sugar factory should provide attendance bonus as an incentive to the workers.

6) CANTEEN FACILITIES:

It is suggested that the possibility of constructing a well-equipped canteen on the factory site should be studied thoroughly and the employee should be provided tea, snacks and lunch at subsidised rates. The canteen should be kept clean and good quality of goods is maintained. For this purpose, the rules should be framed and be observed strictly by the management.

7) OTHER ALLOWANCES:

Except Dearness allowance, Special allowance, cycle allowance, Washing allowance, no other allowance is paid to the workers in this sugar factory. The researcher would like to suggest here that the Medical allowance, Conveyance allowance, Leave Travel Allowance, House Rent Allowance and Night Shift Allowance be paid to the workers so as to make the wage and salary administration effective. These allowances will help to increase the total income of the workers and to reduce the dissatisfaction among the workers.

8) INCENTIVES:

The researcher would like to suggest here that the factory should introduce satisfactory incentive scheme. Merely salary, bonus and job security are not adequate to the workers.

The factory should consider to declare Awards every year by introducing a Best Worker Scheme. Suggestion box should provided and good suggestions should be rewarded.

9) WORKERS PARTICIPATION IN MANAGEMENT:

Efforts should be made to involve the workers at different levels of management so as to change their attitude and outlook towards the management and to create the feeling of co-ownership in them and thus to maintain amicable and cordial employee-employer relations. Various methods of worker's participation in management should be followed. For instance suggestion scheme, joint management council, co-partnership, joint committee system. In brief, Joint Committee System should be introduced consisting of representatives of management, workers, officers and trade union. They should meet together after regular intervals.

10) LEAVE FACILITIES:

The existing practice should be continued.

11) RETENTION ALLOWANCE:

The existing practice is satisfactory and should be continued.

12) BONUS:

The existing practice of bonus payment prevailing in the factory is quite satisfactory. It should be continued in future.

13) DEVELOPMENT OF HABIT OF SAVINGS AND THRIFT:

All the workers contribute to the Contributory Provident Fund Scheme. However only 21% workers contribute to C.T.D. and R.D.S. sponsored by the Government. Only 23% workers have covered their lives under Life Insurance Policy Scheme. The researcher would like to suggest here that remaining 79% of the workers must be brought under Cumulative Time Deposit Scheme. Similarly 77% of the workers have not covered their lives under Life Insurance Scheme. They must be given impetus to cover the risk of their lives by bringing them under Life Insurance Scheme. The benefits under this Scheme are very wide and meet larger number of eventualities that arise in the employees life.

14) WORKERS CO-OPERATIVE CREDIT SOCIETY:

It is observed by the Researcher from the interview and questionnaire that majority of the workers i.e. 55% borrow from Workers Co-operative Credit Society. It shows that this society is the main source of borrowings of the workers. But the funds of this society are limited and falling short to meet the increasing credit needs of the workers. So the management of this sugar factory should consider to provide financial assistance to the this Workers Co-operative Credit Society. So as to make it able to meet all the credit needs of all the workers of the factory. Society should also start to accept the deposits from the workers as well as from Public at the attractive rate of interest. It will help to stand on its own legs and to meet the credit needs of the workers.