

## C H A P T E R    'III'

- 1)    a)    Wage Determination process  
      b)    Pay Scales and Grades of workers  
      c)    Wage agreement  
      d)    Conveyance allowances  
      e)    Authorised deductions from wages  
      f)    Disbursement of wages.
  
- 2)    Incentive schemes in the Kirloskar Brothers Limited.
  - a)    Incentive schemes.
  - b)    The base unit system
  - c)    Classification of incentive schemes.
  - d)    Incentive administration
  - e)    Rejection
  - f)    Incentive rates
  - g)    Bonus as incentive
  - h)    Non-financial incentives.

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CHAPTER 'III'SECTION 'I'1) WAGES :

In the socio economic and political spheres of the world labour has acquired a significant place for study. In engineering industry having factory system labour requires a harmonious and congenial atmosphere, and a treatment based on healthy human relationship for success.

'The personnel and labour relation department' of the Kirloskar Brothers Limited is a service department which performs the following functions :

1. Selection, appointment, discharge etc.
2. Training and education.
3. Wage policy and wage administration.
4. Industrial relations.
5. Labour welfare, health and safety.

This department is headed by personnel manager. The Head of this department represents the management while negotiating with workers.

This department has an employment section responsible for recruiting labour and other staff. The employment procedure is initiated on receipt of labour placement requisition from the indenting department.

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The requisition is based on job analysis and it contains job specifications, the descriptions of which are given below :

a) Job Analysis :

It is a method by which the necessary information regarding the job performance is collected by close observations, study and interview. Job analysis is useful for preparing job evaluation.

b) Job specification :

It is a statement containing job description i.e. the job title or the designation, job summary stating the type of the job, the work required to be done, the working conditions etc.

The Engineering Department :

This department is responsible for making work study and helps to maintain control on the production methods and working conditions. This department performs the following functions.

1. Job analysis and job studies.
2. To suggest efficient working conditions and adopt safety measures.
3. To prepare operation schedule.
4. To determine the wage rates and to examine critically the results of the incentive plans introduced in the company.

Work Study :

Work study is a generic term for those techniques particularly method study and work measurement, which are used in examination of human work in all its contexts and which lead systematically to the investigation of all factors which affect the efficiency and economy of the situation being reviewed in order to effect improvement.

a) Method study :

It is a systematic recording and critical examination of existing and proposed way of doing work as a means of developing and applying easier and more effective method and reducing cost.

b) Work measurement :

It is the application of techniques designed to establish the time by a qualified person to carry out a specified job at a defined level of performance. The following are the principle techniques by which work measurement is carried out :

- a) Time study
- b) Activity sampling
- c) Synthesis
- d) Analytical estimation
- e) Pre-determined motion time system.

Out of the above techniques the Kirloskar Brothers Limited concerns itself time study since it is a basic

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technique of work measurement.

Time study :

It is a work measurement technique for recording times and rates of working for the elements, of a specified job carried out under specified conditions and for - - analysing the data so as to obtain the time necessary for carrying out the job at a defined level of performance.

The making of time study usually consists of the following eight steps.

1. Obtaining and recording all the information available about the job.
2. Recording a complete description of the method breaking down the operation into elements.
3. Examining the detailed break down to ensure that more effective methods of motions are being used in measuring with a stop watch and recording the time taken by the operator to perform each element of the operation.
4. Measuring with a stop watch and recording the time taken by the operator to perform each element of the operation.
5. Assessing the effective speed of working of the operator in relation to the observers concept of the rate corresponding to standard rating.
6. Extending the observed time to basic time.
7. Determining the allowances to be made over and above the basic time for the operation.

### A) Determination of Wages OR Wage structure

Many of the problems facing an organisation in the matter of wage and salary determination can be best solved by using systematic approach to Job Evaluation. It is a practice of the Kirloskar Brothers Limited to use 'Job evaluation' for determining the rate of pay.<sup>1</sup>

#### Meaning of Job Evaluation :

Job evaluation is the ranking grading and weighting of the essential work characteristics of a job and putting a monetary value to it.<sup>1</sup>

Kimball and Kimball defines job evaluation as " an effort to determine the relative value of every job in a plant to determine what the fair basic wage for such a job should be. "

There are different types of jobs and each job has its own characteristics. Some jobs require more of physical strength, some less and more of mental skill and experience. There are some jobs which require operators of high qualifications good education background and a good experience. Job evaluation is the process of review, analysis, and systematic classification of the job in accordance with its own characteristics.<sup>1</sup>

It is not evaluating the merit of the worker who is doing the work. It rates the job and not the qualities of the individual worker on the job.<sup>1</sup> The most

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frequently used methods for performing job evaluation are :

- 1) Point method
- 2) Ranking method
- 3) Job classification method
- 4) Factor rating system.

Factor Rating System :

For determining the rates of wages factor rating system (Factor point scoring or weight) of job evaluation has been followed in the Kirloskar Brothers Limited.

In this method of job evaluation more accuracy is obtained by comparing and analysing jobs into common factor according to its relative importance.

Finally the available wages are apportioned to the jobs in ratio of the points totals. The common factors differ from job to job. The following 11 common factors have been considered by the company.

- 1) Education
- 2) Experience
- 3) Initiative and integrity
- 4) Physical demand
- 5) Mental demand
- 6) Responsibility of equipment
- 7) Responsibility of material
- 8) Responsibility of work for others
- 9) Responsibility for safety for others

- 10) Working conditions  
11) Unavoidable hazards

Each of the above factor is given a weightage and has been divided into five degrees. Each of the degree has been defined as nearly as possible and points have been assigned to each degree of each factor. These points are given in an arithmetical scales. As a weightage has been given to the factors, the starting point of each factors is not indicated. The above 11 factors with a description of each of the degree under them and the point assigned to each of the degree are as follows :

1) Practical Education

Degree	Definition	Points
1.	Requires the ability to read and write Marathi alphabate and numbers (upto 7th standard)	14
2.	Require the ability to read and write Marathi fluently, knows English alphabates and numbers. Requires use of simple additions and substractions of whole numbers (Upto 8th standard)	28

Degree	Definition	Points
3.	Requires the ability to read and write English, requires the knowledge of simple an shop calculations decimals and fractions . (Matriculation)	42
4.	Requires the ability to use drawing hand books, formulas, uses variety of measuring instruments, requires use of trade knowledge of a special field. ( I.T.I.)	56
5.	Requires the ability to use complicated drawing and specifications, advanced shop mathematics, wide variety of measuring instruments and broad shop trade knowledge.	70

## II) Experience

Degree	Definition	Points
1.	Upto three months	22
2.	From three months to 12 months	44
3.	From one year to 3 years	66
4.	Over 3 years to 5 years	88
5.	Over 5 years to 7 years	110

## III) Initiative and Integrity

Degree	Definition	Points
1.	Requires the ability to understand and follow simple instructions and use of simple equipments where the employee is told exactly what to do.	14
2.	Requires the ability to work from detailed instructions and making of minor decisions involving the use of some judgement.	28
3.	Requires the ability to plan and perform a sequence of operations where standard operation methods are available and making of general decisions as to quality, tolerances operations and set up sequence	42

Degree	Definition	Points
4. <sup>1</sup>	Requires the ability to plan and perform usual and different work where only general operation methods are available and making of decisions involving the use of considerable ingenuity, initiative and judgement. <sup>1</sup>	56
5. <sup>1</sup>	Requires outstanding ability to work independently towards the general results, devise new methods, meet new conditions necessitating a high degree of ingenuity, initiative and judgement on a very involved and complex job. <sup>1</sup>	70

#### IV) Physical Demand :

Degree	Definition	Points
1. <sup>1</sup>	Light work requiring little physical efforts.	10
2. <sup>1</sup>	Light physical effort working regularly with light weight material, operate a machine tools where a machine time exceeds the handling time. <sup>1</sup>	20

Degree	Definition	Points
3.	Sustained physical efforts, requiring continuity of efforts working with overage weight material, usually short cycle work requiring continuous activity or operation of several machines where the handling time is equivalent to the total machine time.	30
4.	Considerable physical efforts, working with average or heavy weight material or continuous strain of a difficult work position.	40
5.	Continuous physical exertion, working with heavy weight, hard work with constant physical strain or intermittent sever strain.	50

V) Responsibility for Equipment

Degree	Definition	Points
1.	Probable damage to equipment used is negligible.	5
2.	Probable damage to equipment used is seldom over Rs. 50/-	10

Degree	Definition	Points
3.	Probable damage to equipment used is seldom over Rs. 1000/-	15
4.	Probable damage to equipment used is seldom over Rs. 5000/-	20
5.	Probable damage exceeding high reaching several thousands of rupees.	25

VI) Responsibility for material/product.

Degree	Definition	Points
1.	Probable loss due to damage is scrapping of a material or a product is seldom over Rs. 50/-.	5
2.	Probable loss due to damage/ scrapping of material or product is seldom over Rs. 500/-.	10
3.	Probable loss due to damage or scrapping of material on product is over Rs. 1250/-.	15
4.	Product loss due to damage or scrapping of a material or a product is over Rs. 2500/-.	20

Degree	Definition	Points
5.†	Probable loss of material which may be damaged or scrapped is very high upto several thousands of rupees.†	25

#### VII) Mental or Visual Demand

Degree	Definition	Points
1.†	Little mental and only intermittent visual attention since either the operation is practically automatic or the duties requires attention only at frequent intervals.†	5
2.†	Frequent or visual attention where the flow of work is intermittent or the operations involve waiting for a machine or process to complete a cycle with little attention or checking.†	10
3.†	Continuous mental or visual attention usually short cycle repetitive work or diversified operations requiring constant alertness.†	15

Degree	Definition	Points
4.	Must concentrate mental and visual attention closely planning and laying out complex work or coordinating a high degree of manual dexterity with a close visual attention for substained period.	20
5.	Concentration and exacting mental or visual attention, usually visualizing planning and laying out very involved and complex job.	25

VIII) Responsibility for safety for others.

Degree	Definition	Points
1.	Little responsibility for safety for others, job performed in an isolated location or where there is no machine involved and the material is very light.	5
2.	Only responsible to care to own work necessary to prevent injury to others and accident. If they should occure, would be minor in a nature such as cuts, bruises, abrasions etc.	10

Degree	Definition	Points
3.	Careless operations of machines or performances of duties may cause loss of time, accident to others such as crushed toes, feet, fingers or hands eye injuries.	15
4.	Constant care necessary to prevent serious injury to others due to inherent hazards of the job but where such other employees may act to prevent being injured.	20
5.	Safety of others depends entirely on correct action of an employee on a job being rated and carelessness may result in fatal accident to others.	25

IX) Responsibility of work of others.

Degree	Definition	Points
1.	Responsibility only for own work.	5
2.	Responsible for instructing and directing one or two helpers 50% or more of the time.	10

Degree	Definition	Points
3.	Responsible for instructing and directing or setting up for a small group of employee usually in the same occupation upto 10 persons.	15
4.	Responsible for instructing, directing and maintaining the flow of work in a group of employees upto 25 persons.	20
5.	Responsible for instructing, directing and maintaining the flow of work over a group of 25 persons.	25

X) Working conditions

Degree	Definition	Points
1.	Ideal working conditions, complete absence of any disagreeable requirement.	10
2.	Good working conditions may be slightly dirty or involves occasional exposure to some of the conditions, Typical machine shop working conditions.	20

Degree	Definition	Points
3.	Some what disagreeable working conditions due to exposure to one or more of the requirements, but where these requirements are not continuous, but severally they are present.	30
4.	Continuous exposure to several disagreeable requirements to one which is perticularly disagreeable.	40
5.	Continuous and intensive exposure to several extremely disagreeable requirements.	50

#### XI) Unavoidable Hazards.

Degree	Definition	Points
1.	Accident or health hazards negligible.	5
2.	Accident probable outside of minor injuries such as acuts or bruises. Health hazards negligible.	10

Degree	Definition	Points
3.	Exposure to lost time accident such as crushed hands or feet loss of fingures, eye injury from flying particles. Some exposure to occupational disease not in incapaciating in nature.	15
4.	Exposure to Health Hazards.	20
5.	Exposure to accident or occupationally disease which may result in total disability on a death.	25

#### B) The Gradation and Fixation of wages.

The wage structure of the Kirloskar Brothers Limited is based on the points earned by different jobs on the job factors as shown in the above chart. The wage scales or grades of pay are determined according to the quality of the jobs, ascertained with the help of the point analysis. The wage structure prevailing in other Engineering industries and negotiations with the trade unions have been also considered while determining the Grades of pay.

Each job was given points in respect of each factor according to the degree. Minimum and maximum points have come

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to 140 and 380 respectively. The difference of 280 (380-140) between minimum and maximum point was divided by 8. Since it is decided to have 8 grades of workmen, excluding clerical grade. There is thus one grade for 30 point. Given below is the division of these points into 8 grades :

<u>Grades</u>	<u>Points</u>	
	From	To
I	141	170
II	171	200
III	201	230
IV	231	260
V	261	290
VI	291	320
VII	321	350
VIII	351	380

According to the total of evaluation point, the trade is classified in one of the above grades. If total points of any trade fall short of the minimum point of the next higher grade by 3 points then such trade is placed in the next higher grade. The following illustration explains, how a job is placed in a particular grade.

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Name of the job	Education	Experience	Initiative and Ingenuity	Physical demand	Mental demand	Responsibility for Equipment	Responsibility for Material	Responsibility for safety for others	Responsibility for work for others	Working conditions	Unavoidable Hazards
Centre lathe operator	42	66	28	30	15	10	10	10	20	15	5
Milling machine operator	28	66	28	30	15	15	10	10	5	20	15
Cartman	14	44	14	10	10	10	5	20	5	30	15
Junior Artist	70	88	56	20	15	5	10	5	10	20	10

The total of the points assigned according to degree are as follows :

<u>Sr.No.</u>	<u>Name of the job</u>	<u>Total points</u>	<u>Grades</u>
(1)	Centre lathe operator	251	IV
(2)	Milling machine operator	242	IV
(3)	Cartman	177	II
(4)	Junior Artist	309	VI

The Kirloskar Brothers Limited have placed all workers to a different grades (From 1 to 8) according to their skill, education, experience etc. Each grade is awarded a different pay scale and wages are paid to the workers according to their grades.

Pay Scales and Grades of Worker.

Sr. No.	Grade starts	Scales	Increment
I	Rs. 75/-	79-83-87-91-95-99-103-107-111-115	Rs. 4 10 years
		120-125-130-135-140-145-150-155-160-165	Rs. 5 10 years
		171-177-183-189-195-201-207-213-219-225	Rs. 6 10 years
II	Rs. 80/-	84-88-92-96-100-104-108-112-116-120	Rs. 4 10 years
		126-132-138-144-150-156-162-168-174-180	Rs. 6 10 years
		187-194-201-208-215-222-229-236-243-250	Rs. 7 10 years
III	Rs. 85/-	90-95-100-105-110-115-120-125-130-135	Rs. 5 10 years
		141-147-153-159-165-171-177-183-189-195	Rs. 6 10 years
		202-209-216-223-230-237-244-251-258-265	Rs. 7 10 years
IV	Rs. 90/-	96-102-108-114-120-126-132-138-144-150	Rs. 6 10 years
		157-164-171-178-185-192-199-206-213-220	Rs. 7 10 years
		228-236-244-252-260-268-276-284-292-300	Rs. 8 10 years
V	Rs. 110/-	117-224-131-138-145-152-159-166-173-180	Rs. 7 10 years
		188-196-204-212-220-228-236-244-252-260	Rs. 8 10 years
		269-278-287-296-305-314-323-332-341-350	Rs. 9 10 years

Sr. No.	Grade starts	Scales	Increment
VI	Rs. 125/-	133-141-149-157-165-173-181-189-197-205 214-223-232-241-250-259-268-277-286-295 306-317-328-339-350-361-372-383-394-405	Rs. 8 10 years Rs. 9 10 years Rs. 11 10 years
VII	Rs. 155/-	165-175-185-195-205-215-225-235-245-255 266-277-288-299-310-321-332-343-354-365 378-391-404-417-430-443-456-469-482-495	Rs. 10 10 years Rs. 11 10 years Rs. 13 10 years
VIII	Rs. 200/-	214-228-242-245-256-270-284-298-312-326-340 355-370-385-400-415-430-445-460-475-490 507-524-541-558-575-592-609-626-643-660	Rs. 14 10 years Rs. 15 10 years Rs. 17 10 years

Grades and Scales of Pay - Clerks, Draftsman  
Civil and Inspectors

Grade No.	Grade starts at	Scales	Increment
I	100	109-118-127-136-145-154-163-172-181-190 202-214-226-238-250-262-274 288-302-316-330-344-358-372-386	Rs. 9 10 years Rs. 12 7 years Rs. 14 8 years

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Grade No.	Grade starts at	Scales	Increment
II	140	153-166-179-192-205-218-231-244- 257-270	Rs. 13 10 years
		286-302-318-334-350-366-382	Rs. 16 7 years
		400-418-436-454-472-490-508-526	Rs. 18 7 years
III	170	188-206-224-242-260-278-296-314- 332-350	Rs. 18 10 years
		370-390-410-430-450-470-490	Rs. 20 7 years
		512-534-556-578-600-622-644-666	Rs. 22 8 years
IV	200	221-242-263-284-305-326-347-368- 389-410	Rs. 21 10 years
		434-458-482-506-530-554-578	Rs. 24 7 years
		604-630-656-682-708-734-760-786	Rs. 26 8 years

The list of duties to be performed by workers, Draftsman Civil or by clerks in each grade is given in job description. But it is clearly understood by the worker and company that the description of job given is not an exhaustive list of duties to be performed but it is only representative of a nature of work of the job and the workman will be

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required to perform all duties incidental to the jobs as may be called upon to do by his supervisor.

Dearness Allowances :

Owing to inflation in recent decade, dearness allowance has become a large component of the wages paid. Dearness allowance means, ' a device to protect to a greater or larger extent the real income of wage earners from the effects of rise in prices. The basic purpose of Dearness Allowance is to enable worker in the event of a rise in the cost of living to purchase the same amount of goods of basic necessities as before. The worker in the Kirloskar Brothers Limited are paid Dearness Allowance linked to the cost of living, in addition to wages. The amount of Dearness allowance paid to workers always fluctuates with the cost of living index.

C) Agreement regarding change in basic wage. :

In the year 1982, the workers' union and management of the company have signed the agreement regarding the change in basic wages of a worker. A fixed amount per month will be payable to all workmen whose names are on the muster roll of the company on the date of signing the settlement, effective from 1st January 1983 on the following basis.

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Calender Year	Fixed amount based on the years of service as on 1-1-1983.		
	0 to 10 years service	More than 10 years to 20 years	More than 20 years service
1-1-1983 to 31-12-1983	Rs. 40/- p.m.	Rs. 50/- p.m.	Rs. 60/- p.m.
1-1-1984	Rs. 40+20 p.m.	Rs. 50 +25 p.m.	Rs. 60 +30 p.m.

Number of years of service must be continuous and uninterrupted of those workmen who were on the muster roll of the company on 1st January 1983.

It is also decided in the agreement that the yearly increment for the year 1983 shall be payable as per wage scale. It is also decided that adjustment and fitment of the basic wage of each workman in the new wage scale shall be made effective from 1-1-1984 on the following basis.

- i) The fixed amount payable on 1-1-1984 as per above shall be added to the basic wage, as it would be payable to workman on 31-12-1983 in existing wage scale and the amount thus arrived at will be treated as 'a revised basic wages' for the purpose of fitment in the new scale.
- ii) The revised basic wage arrived at as will be fitted in the corresponding respective new wage scale at the

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step equal to the next higher step, as the case may as shown in the example cited below :

Example :

Worker's Grade I

No. of completed years of service = 18 years

Basic wages as on 31-12-1983 = Rs. 108=00

Add : Fixed amount = Rs. 75=00

Rs. 183=00

i.e. Revised Basic wages on 1-1-84 Rs. 183/-

New basic wages 1-1-1984 Rs. 183=00

The annual increment date of workman will remain the same as before the date of above settlement.

The workman in the grade I shall automatically move in grade II after reaching the maximum of grade I.

The period of above agreement is over on 31-12-86. But the agreement shall continue to binding and operative even after expiry date, unless and untill terminated by either parties after giving notice of two month in writing.

D) Cycle or Conveyance Allowances :

In addition to basic wages and dearness allowances, the workers in the Kirloskar Brothers Limited are also cycle allowances.

All workmen except casual workers, who have completed one year continuous service on 1-1-1983 will be paid cycle allowance in the prescribed manner provided that he attends works at least for 21 days in a month including paid leaves of all types, weekly offs and paid holidays. Such workman will be paid Rs. 20/- per month as a cycle allowance.

The workman who completes one year of continuous service with the company after 1-1-1983 will be eligible to receive cycle allowance from first day of the month, following the month in which they complete one year of continuous service as it will be payable to all workmen.

E) Authorised Deductions from Wages :

It is the responsibility of the Pay-Roll department to prepare the wages sheet and calculate the wages of workers. The wage sheet is prepared monthly. The payment of wages act lays down the time limit within which the payment of wages must be made. The wages include basic wages, dearness allowances, overtime wages and monetary incentives, leave pay and holiday pay. All these items entered in the separate columns in the wage sheet so that the workers may be explained the gross wages arrived at.

From the gross wages following deductions are made and net amount is paid.

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1) Provident Fund :

There are two types of provident schemes.

- a) P. F. scheme for workers.
- b) P. F. scheme for officers.

Both schemes are implemented by trustees. A worker becomes eligible to this scheme after completing three months of his service or 60 days. The deduct for the purpose of contribution to P. F. is 8% of total wages. The company's share to the employees provident fund is not more than 7% of the total wages.

2) Deductions for Kamgar Bhavan dues :

The society of workers is running the shop named Kamgar Bhavan. The society is doing business of retailing and clothing through this shop. The dues of this shop is deducted from their wages as this deduction is approved by State Government.

## 3) Deductions for Employees State Insurance contribution.

## 4) Deductions for Premium of Life Insurance.

5) Deduction for recovery of advance :

There is a practice to pay an amount to workers as an advance on account of wages. The company observes the following rules for paying advances.

- a) The worker who goes on paid leave according to company's rule is eligible for advance payment.
- b) Workers are eligible for advance payment in exceptional cases i.e. Death of a relative.

b) Company considers the following factors while sanctioning the amount of advance.

1. Intensity of necessity
2. Worker's record
3. Attendance in a month
4. Total cash to be received

Such recovery of advance from the wages is allowed by payment of wages act.

6) Deduction for Income Tax :

This is a deduction from wages of taxable employees. The company is liable to collect the Income tax from the wages of workers.

F) Disbursement of Wages :

All workers , supervisors and officers are paid for a time for which they are required to be present on the place of work or in office for eight hours in a day. The days in month may be as per calender. The payment of wages is usually made on 10th day of the next month. i.e. the wages for the month of January will be paid on 10th February.

The net wage amount of each work is counted and placed in the pocket of the worker's name and is delivered to the worker in his department in presence of the concerned foreman. The worker signs the pay roll against his name for having received the wages, but if the worker illiterate, his thumb impression is taken and the foreman countersigns. The

payment of wages to the absent worker is made on a later date.

Along with cash payment of wages, company makes payment of wages through the following banks.

Sangli Bank Limited

Sangli District Co-operative Bank Limited

Bank of Maharashtra.

The net amount payable to worker is credited to his account in the concerned bank.

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CHAPTER 'III'SECTION 'II'2) Incentive Schemes in the Kirloskar Brothers Limited.

Incentive schemes were introduced in the Kirloskar Brothers Limited from 1951-1952. During last 36 years different procedures and guidelines were issued in connection with incentive schemes at different times as per needs. The incentive schemes are applicable to the workers, clerks, draughtsmen, inspectors and equivalent trades in a factory.

a) Incentive schemes :

The basic principle underlying an incentive scheme known as 'Payment by results' is that an offer of an additional money will motivate workers to work harder and skilfully for a greater part of their working time which will result in stepped up rate of output.

An incentive scheme is essentially a management device of increasing workers productivity. Simultaneously it is a method of sharing gains in a productivity with workers by rewarding them financially for their increased rate of output.

There are different systems of incentive payments, under which workers incentive earnings are related directly to some measurement of the work done either by himself or by the group or working unit to which he belongs. Such

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systems can, however, be classified in 4 main groups according to whether the workers earnings vary.

- a) In the same proportion as output
- b) Proportionately less than output
- c) Proportionately more than output
- d) In proportion which differ at different levels of output

The details of the above schemes is a vast subject by itself.

#### Incentive Schemes in the Kirloskar Brothers Limited.

Being an engineering industry, different types of job and different types of work are done in the Kirloskar Brothers Limited e.g. Moulding, Fetting, Machining, Press work and Drawing work.

To have uniformity and for ease of the calculation the Kirloskar Brothers Limited has adopted a Base Unit system of incentive.

#### 2.1 The Base Unit System :

In this system the base is always constant. There are three important factors. They are unit, base and rate.

##### A) Unit :

Units are allotted to each job or operation, which are calculated as follow :

$$\text{Units} = \frac{\text{Time on incentive space in minutes}}{\text{Conversion factor}}$$

Where = Time on incentive space - It is accepted by many labour organisations and authorities that a worker when working under a properly designed incentive scheme will cut down the allowance and time for manual element to its 3/4

value.

Also we assume that machine time to be constant for the particular operation which can not be reduced even on incentive pace. Time on incentive, thus can be explained as per following formula -

$$\text{Time on incentive (Ti)} = 0.75(Tn - Tm) + TM$$

Where =  $Tn$  = Total standard time for an operation

$Tm$  = Normal time for machining.

#### Conversion Factor :

This factor is used for converting on incentive in minutes to units. Conversion factor for manual operation is 0.5 and for a operation where the part of operation is done on machine is 0.6

#### Units calculation :

Units are calculated as follow

$$\text{Unit} = \frac{0.75(Tn - Tm) + TM}{X}$$

Where  $X$  = Conversion factor.

#### B) Base :

The base is always the same and for simplicity of calculation it is kept as 60 units per hour. e.g. one unit per minute.

For an eight hour shift the base units will come to 480 units (60x8) and for six hour shift this will come to 360 units.

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In many standard systems in the world an amount of incentive is paid for the production, the worker does beyond the standard production. As per this fact, the base from which the incentive is calculated is the standard production.

$$\text{Standard production} = \frac{\text{Total time in a shift}}{\text{Standard time of an operation}}$$

If the units are strictly calculated and given as per above formula, the units for the standard production comes to 600 to 720 units in eight hour shift, depending upon the composition of machine running time and handling time in an operation and no adjustment is done as a policy. But when units are relaxed to enable the worker to earn more, this will come much more than above. Again many times when the units are not revised, because of improvement - creeping or sudden, the actual units for the standard production will be higher than given above. The exact units can be ascertained only after restudy of the operation as it is done today will all improvements.

Naturally the incentive has to start from standard productivity or beyond the units which are to be produced for standard production which may vary from 600 to 1000 in eight hour shift, because of various reasons mentioned above.

But while starting the scheme in the Kirloskar Brothers Limited the productivity was very less than the

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standard. Hence the management decided to start the incentive at a lower level than standard one, so that workers are immediately motivated for more production and start earning incentives.

It is, therefore, to be clearly understood that the base from which incentive starts in the Kirloskar Brothers Limited is not the level of standard productivity but much lower than that and is different for different operation.

### C) Rate :

The incentive rates are given for converting excess units over base units in money value. These are given for different trades and fixed once for all. These are specified as a rate for 100 per excess units over base units.

The incentive rates were with effect from 1st January '77 as per the settlement reached between company and recognised union - Engineering Kamgar Union. The tradewise existing incentive rates are given at the end of this topic.

## 2.3 Classification of Incentive Schemes :

The incentive schemes in the Kirloskar Brothers Limited can be classified in three types.

- 2.3.1 Individual Incentive schemes.
- 2.3.1 Group Incentive schemes.
- 2.3.3 Incentive schemes for workmen who are otherwise not covered by any other incentive schemes.

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### 2.3.1 Individual Incentive Schemes :

#### Application :

These schemes are made for those workmen who work can be measured directly and the output of individual can be recorded separately. This scheme is based on unit system.

According to this scheme units are allotted to each job or an operation. Units are calculated as explained in the base unit system. Total units earned by a workman in the shift are calculated as under :

Total units in the shifts =

No. of accepted jobs X Units per job (piece) in a shifts.

As explained above base is 60 units per hour.  
This works out to 480 units in a eight hour shift and 360 units in a six hour shifts.

#### Rates :

Rates are given for different trades and are fixed once for all.

#### Incentive calculation :

Incentive calculation is done on monthly basis.  
The incentive calculation as per this scheme should not be done on daily basis. Incentive calculation is done as follow :

Incentive amount for the month -

( Total units for the months - Total base units ) X Rate

Where total units for the month = 60 x Total present hours  
of the particular  
workman in the month.

Accelerated premium system :

This system has been introduced in a production machine shop since 1960 to put extra skill and efforts and raise productivity.

In production machine shop the cycle time depends mainly on a machine running time. Hence there is a less scope for increasing productivity above particular level in these shops. To cross this level of productivity, the operator has to put extra skill and efforts and raise productivity.

In other shops the cycle time is controlled manually. Hence there is much scope to increase productivity. Hence accelerated premium system is not applied in other shops.

For incentive calculation 50% of units in excess of 800 units in 8 hour shift and 600 units in 6 hour shift added to the units earned by worker during the shifts.

2.3.2 Group Incentive Scheme :

Application - There are jobs where an individual can not work in isolation, but the whole group has to work as a unit. Individuals work is connected with the work of others and the result can be seen only when they work as a

team. The activity of the whole team is studied and the incentive is fixed for the whole group.

The steps in preparing these types of schemes are as follows :

1. Studying methods for working
2. Studying nature of working
3. Finding out minimum number of men or man hours required to do the work on incentive space, using work study technique.

This types of schemes are generally based on output of that particular group or department. As against the case of individual scheme here units are given for the entire group for an operation or for a unit of output.

#### Incentive calculation :

Incentive calculation is done as follow.

$$\text{Units per man per day} = \frac{\text{Total units of the group for the month}}{\text{Total mandays of the group utilised for the work in the month.}}$$

#### Incentive amount per man per day =

$$(\text{Total units per man per day} - \text{base units}) \times \text{Rate}$$

After this, incentive earning of individual workman in the group will be calculated separately for the month depending upon the present days of the individual in that particular month.

2.3.3 Incentive Scheme for workmen who are not otherwise covered by any other incentive scheme.

This scheme is applicable to those workmen who are doing miscellaneous type of work like office boy etc. They will be covered by those scheme till separate scheme either individual or group is prepared for them.

The workmen covered by this scheme are grouped in three categories as under :

Category I : Workmen in grades I to IV

Category II : Workmen in grades V, VII and clerk in grade I,II

Category III: Workers in grade VII, VIII and clerk in grade III, IV

(Grades referred to above are the grades under the settlement dated 31.8.1965 between the company and workmen)

Calculation of Incentive :

The amount of incentive to be paid to the above is calculated as under :

Incentive earning = Category I : 50% of I.A.

Category II: 65% of I.A.

Category III : 85% of I.A.

Where : IA = Average of monthly incentive of all workmen getting incentive in all department at Kirloskarwadi.

Average of Incentive =

Total incentive of all workmen in all department at the Kirloskar Brothers Limited.

Total No. of workmen who are getting incentive at the Kirloskar Brothers Limited.

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For calculation of IA average incentive of all workmen said above is taken of the previous month to avoid delay in incentive calculation.

Incentive under this scheme is paid every month, depending on present days of each workman in the month. Incentive of a particular person for the month is calculated as follows :

Incentive amount for the month of a particular workman

$$\left\{ \begin{array}{l} \text{Incentive amount as} \\ \text{calculated above} \end{array} \right\} \times \left\{ \begin{array}{l} \text{present days of a workman} \\ \text{in the month} \\ \hline \text{Total working days in} \\ \text{the month.} \end{array} \right\}$$

Note : If any of the workman referred to above are later covered by any other scheme, then they will be deleted from this scheme from the month which the other incentive scheme is made applicable.

#### Incentive administration :

##### 1.1 Accelerated premium system - Rules.

1. Accelerated premium is given only in case of operations in production machine shop.
2. Accelerated premium is not given in case of handling operation such as assembly, foundry operations, painting and packing.
3. For the incentive calculation 50% of units in excess of 800 units in 8 hour shift and 600 units in six hour shift are added to the units

earned by the workman during the shifts.<sup>4</sup>

4. A machine operator will get benefit of accelerated premium only when his total units of production work exceeds 800 units in 8 hour shifts and 600 units in 6 hour shifts.

If the operator does production work for part of the shift (say 3 to 4 hours) and non production work for rest of the shift then he will not get 'AP' units for that shifts.<sup>1</sup>

5. By any reason, even if it no fault of operator, if an operator gets less units than stated above, he will not get accelerated premium units for that day.<sup>1</sup>
6. The rate for the excess units is the same as that given on the machine he is working.<sup>1</sup>

## 1.2 Group Incentive Scheme - Guidelines :

Following guidelines are to be kept in mind in case of all group incentive schemes.<sup>2</sup>

1. Supervisors are expected to know all the details of work for which scheme is applicable. If due to certain changed condition the group is not doing all the work mentioned in the scheme, then the scheme is revised or adjusted accordingly.<sup>1</sup>

2. If additional workman of any category ,casual, temperary, permanent trainees etc. are given to the group

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then the total man-days including those of additional workman and over-time ,if any, must be taken into account while calculating incentives.

3. It is necessary that travelling on job cards are checked daily by one of the supervisor in each shop to know exactly what is happening on the machines. This will help supervisors to control activity in the shop. They will also be able to check the incentive scheme working.

## 2) Administration of Incentive Scheme :

### 2.1 c) Starting of Incentive scheme to new workman :

- a) New workman - (excluding employees taken for training under different schemes).

Condition : If the work of concerned workman is satisfactory in respect of quality and quantity as informed by his departmental head.

#### Incentive to be given :

From the first day of the next Exa. If a workman joins the company on 8th May, then he will get incentive from 1st June.

In case of new workman Industrial Engineering department will confirm the incentive starting date and will inform the same to cost accountant under a copy to concerned divisional department.

### 2) A workman is changed to a new trade :

Condition : If the work of a concerned workman is

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satisfactory in respect of quality and quantity as informed by his departmental head, he is eligible to get incentive.

Such workman is to be given incentive from the first day of the next calendar month, considering month in which the change of the trade is notified.

In case of a workman, who changed to new trade, Engineering Department, will confirm the incentive starting date and will inform the same to cost accountant or cost account department under a copy to concerned department.

3) A workman who is covered under indirect incentive scheme is upgraded :

Condition : The concerned Head of the department should inform the change in the grade of the workman to industrial engineering department.

Incentive to be given from the first day of the next month, considering the month in which his upgradation is notified.

The Industrial Engineering department will confirm the incentive starting date and will inform the same to cost account department under copy to concerned department.

## 2.2 Administration of Individual and Group Incentive Scheme.

### 1) Fixing units to different jobs or operations details:

The concerned shop supervisor sends a memo to the

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Industrial Engineering department for fixing units to new jobs or operations or change units if there is any change in process of working or to prepare incentive scheme for different jobs.

The Industrial Engineering department fixes the units to new jobs/operations in consultation with concerned department, changes the units, if there is a change in process of working or prepare schemes using work study technique.

The unit memos and incentive schemes signed by Industrial Engineering department will only be considered as authorised record for incentive calculation.

## 2) Daily Work Report :

For incentive calculation daily work report of a workman is essential. The report should contain daily work quantity produced, quality and quantity accepted delays etc. to be filled in all respects.

The reports are ~~tka~~ taken by concern shop data clerk and are checked by the concern shop supervisor for certifying quantity, quality and delays.

## 3) Present days of workman :

Shop data clerk collects presentee of a workman from time-keepers office and the incentive is given only for the present days of workman in the month.

4) Incentive calculation :

Incentive calculation is done as per applicable scheme to different jobs/operations or groups. Incentive calculation is done by concerned shop data clerk or cost accountant as stated in respective schemes.

5) Checking of Incentive calculation :

Incentive calculation is checked by the concerned supervisor. To have effective control over incentive administration the calculation is checked at random by Industrial Engineering department.

2.3 Administration of Indirect Incentive Scheme :

1. A list of persons to be covered under this scheme is prepared, The concerned head of department sends memo to Industrial Engineering department for including or excluding the names of the workmen. The Industrial Engineering - - Department after scrutiny advertises cost account department to include the name of workmen in a proper category.

2. Present days of workman covered under above scheme - Incentive is given only for present days of a workman in the month. The presentee of workman is informed by time-keepers office to cost account department to every month.

3. Incentive calculation - Incentive calculation is done by cost accountant as has been explained in the above scheme.

3) Eligibility for getting incentive under different conditions :

3.1 Workmen are sent out of station on duty :

- a) If workmen is sent out of a station for company's work, he is eligible to get incentive.
- b) If a workman is sent out of a station for participating in sports or training, he is not eligible to get incentive for that period.  
( Incentive calculation is done in consultation with industrial engineering department).

3.2 Workmen are required to be trained for new jobs in the Kirloskar Brothers Limited. :

- a) The workman is doing the work independently and is producing enough work so as to earn incentive and his work is satisfactory - eligible to get incentive as per incentive scheme applicable for that job. But eligibility to be sanctioned by the department.
- b) Workman is not producing enough work and his work is not satisfactory - he is not eligible to get incentive.
- c) Workman is working as a helper and secondary workman - Not eligible to get incentive.

3.3 If workman is given substitute work :

When machine is under break down, no power supply, no material, tool troubles and workmen are given some substitute work on any other machine or in assembly shop

or in any other shop eligible to get incentive as per incentive scheme for the new job entrusted to him.

#### 3.4 Workman Idle :

Machine under break down, no power supply, no material or due to any other reason - such workman is eligible to get only 60 units per hour for that period only certified delays will be considered.

#### 3.5 Machine helper :

- a) If a helper is necessary as per scheme, eligible to get incentive.
- b) If the helper, is not mentioned in the scheme and he is given additionally due to any reason - Not eligible to get incentive.

#### 3.6 Tool troubles :

In case where immediate solution is not available, workman loses time and he puts it as a tool trouble - Not eligible to get incentive.

#### 3.7 Rejection :

##### 3.7.1 (A) Rejection of machine shop and assembly -

- a) When defects are beyond the control of workman, such as job out porous etc. eligible to get incentive. Units will be given in proportion to work done, but the amount of proportion will be decided by the concerned supervisor.

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- b) Rejection due to fault of worker such as not machining correctly as per drawings or instructions  
- Not eligible to get incentive or bonus.
- c) Jobs which are salvaged - such worker is eligible to get incentive.

Units will be given by supervisor at his discretion. However this units will be less than the actual units for a correct job.

3.7.2 Rejection in foundry and other shops is as similar to the rejection of machine shop and assembly.

### 3.8 Penalty :

Workman will be penalised for unsatisfactory work, negligence and not handling the machines, equipment and material carefully as well as for bad housekeeping. The penalty will be decided by the supervisor and will be upto the maximum 25% of incentive earnings of the concerned workman for that particular month.

### 3.9 Over-time :

3.9.1 Basically it is desired to avoid overtime working. In a case where it is sanctioned by the proper authorities, it is positively to be seen that no incentive is given for the work done on overtime.

3.9.2 Work done in overtime should be separately

recorded and concerned supervisors should put a remark, "No incentive against such work."

3.9.3 If not possible to record the quantity of work done in overtime separately, then while calculating incentive of workman or group of a workmen all the hours including overtime hours should be taken, but while giving incentive overtime hours should be deleted from total hours and incentive to be given for the regular shift only.

### 3.10 Non-productive activities :

Incentive is given to workers only when they are doing production work. It should be clearly noted that workman will not any incentive if they do non productive activity.

It is possible that some workers are required to do some non-productive activities as such given below for some period in the shifts or some days in the month. In such cases for the purpose of incentive calculation, their will be base units @ 60 units per hour for that duration. Only when they take prior sanction of the concerned authority. Examples of non production activities.

- a) Attending the P.F. trustees meeting.
- b) Attending the meeting called by management as union a union representative.
- c) Attending enquiries as giving evidence as witness in labour office.

- d) Working for any non productive activities initiated by the company such as Ganeshotsav, inter-sports.
- e) Attending works committee meeting when specially called by the labour officer or higher officer.

4. General Remark :

4.1 Wrong units - If it is found that unauthorised units are taken (i.e. not sanctioned by the engineering department) for incentive calculation, this will be discontinued immediately after detection. If supervisor modifies the units given by the Industrial Engineering department, this will be considered as unauthorised units and will be discontinued.

4.2 Correction of mistakes - If the concerned clerk makes mistake in incentive calculation such as taking wrong units or not doing calculations as explained in the scheme, such mistake will be corrected immediately after it is detected.

4.3 The base production which is referred to 480 units in 8 hour shift, it shall not mean the minimum production for the payment of basic wages and D.A. It is only a base for calculating incentive amount.

4.4 Incentive payment is independent of the basic wage and D.A. and shall not be regarded as in any way

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forming part of such basic wage and D.A. It shall not be taken into account for the purpose.

1. Provident fund contribution to the company.
2. Gratuity.
3. Annual bonus or any other such benefit.

5. Rights of the company :

The company reserve the right to add, alter, modify or discontinue the scheme altogether at its entire discretion as and when found necessary.

6. If a case arises in the shop, which is not covered by these explanations, it shall be referred to the Industrial Engineering Department.

Incentive Rates for different trade as adopted in the present incentive scheme at Kirloskarvadi.

(Revised Rate w.e.f. 1-11-1977)

Sr. No.	Job Designation	Rates for 100 units earned above base units
(1)	Centre lathe operators (production simple and production precision)	0.72
2)	Centre lathe operator (Job work)	0.84
3)	Lead screw finishing lathe operator	0.72
4)	Special purpose lathe operator	0.54

Sr. No.	Job Designation	Rates for 100 units earned above base units
5)	Capstan lathe operator (with setting and without setting)	0.72
6)	Automatic Turret lathe (with or without setting)	0.54
7)	Light turret lathe operator (with setting)	0.72
8)	Special purpose lathe operator	0.54
<u>Milling machine</u>		
9)	Milling machine operator (production)	0.62
10)	Milling machine operator (Job work)	0.72
11)	Thread Milling operator (machine)	0.72
12)	Keyway Milling machine	0.62
13)	Milling machine assistant operator	0.48
<u>Grinding machine</u>		
14)	Grinding machine operator	0.62
15)	Shaping machine operator (production)	0.62
16)	Shaping machine operator	0.72
17)	Brouching machine operator	0.30
<u>Drilling machine</u>		
18)	Drilling machine operator	0.54
19)	Co-ordinate drilling machine operator (production)	0.62

Sr. No.	Job Designation	Rates for 100 units earned above base units
20)	Co-ordinate drilling machine operator (Job work)	0.78
21)	Job boring machine operator <u>Boring machine</u>	0.84
22)	Heavy vert boring machine operator with helper	0.96
23)	Assistant Operator Horz boring machine planning machine	0.62
24)	Planning machine operator (light)	0.72
25)	Planning machine operator (Heavy with setting)	0.84
26)	Wood working machine operator	0.48
27)	Hydraulic press operator	0.54
28)	Press operator (light without setting)	0.36
29)	Bolt Heading machine operator	0.42
30)	Floor machine operator (Town)	0.42
31)	Sand w Mill operator	0.42
32)	Marker filter	0.54
33)	Assembly shop assistant fitter	0.48
34)	Fitter Class I	0.66
	Class II	0.54
	Class III	0.42
35)	Machine Tool fitter	0.66

Sr. No.	Job Designation	Rates for 100 units earned above base units
36)	Casting sorter	0.42
37)	Casting Inspector	0.60
38)	Pump Tester	0.66
39)	Alternator Tester	0.66
40)	Oilman (power house, machine shop)	0.42
41)	Motor and Tractor driver	0.54
42)	Motor driver on special duty	0.54
43)	Trolly driver	0.42
44)	Fork lift driver	0.54
45)	Wireman power house	0.48
46)	Electrician	0.54
47)	Motor rewinder	0.66
48)	Crane operator (Station department)	0.72
49)	Gas welder	0.54
50)	Job work welder	0.60
51)	Hardner press shop	0.54
52)	Hammer smith assistant	0.48
53)	Hammer smith	0.48
54)	Block smith	0.48
55)	Brush painter	0.30
56)	Spray painter	0.72
57)	Packing department hand packer	0.72
58)	Attendent (All types)	0.42
59)	Assistant carpainter	0.42
60)	Pattern maker - Class I	0.66
	Class II	0.60
	Class III	0.48

Sr. No.	Job Designation	Rates for 100 units earned above base units
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61)	Single pattern moulder	0.42
62)	Laboratory assistant	0.54
63)	Shop blasting machine operator	0.42
64)	Waterman cum helper	0.30
65)	Cleaner (Motor Transport)	0.42
66)	Helper machine shop	0.48
67)	Sweeper	0.30
68)	Office boy	0.42
69)	Senior office boy	0.42
70)	Internal post boy	0.42
71)	Scavenger	0.30
72)	Cartman	0.30
73)	Gardner	0.48
74)	Dresser	0.42
75)	Head dresser	0.54
76)	Watchman	0.42
77)	Head watchman	0.60
<u>Canteen</u>		
78)	Tea-maker	0.42
79)	Baker	0.42
80)	Cook	0.48
81)	Special cook	0.60
82)	Guest house attendant	0.48
83)	Assistant cook	0.42

Sr. No.	Job Designation	Rates for 100 units earned above base units
84)	Tracer	0.42
85)	Blue print machine operator	0.48
86)	Draughtman - Junior	0.54
	Senior	0.60
87)	Clerk Grade I	0.30
	Grade II	0.42
	Grade III	0.54
	Grade IV	0.66

#### Nomenclatures :

Following nomenclatures are frequently used while calculating incentives.

- O.T. = Overtime
- N.T. = Normal time
- T = Standard time
- Ti = Time on incentive
- AM = Miscellaneous allowances
- A.P. = Personal allowances
- AFh = Fatigue allowances for handling
- AFm = Fatigue allowances for machining
- Tn = Normal time for handling
- Tm = Normal time for reaching
- Ap = Accelerated premium system

Incentive Earnings =

(Total units in the shift - Base units) x Rate

Where total units in the shifts =

Total No. of pieces accepted x units per piece

Say  $52 \times 16 = 832$

Incentive earnings =  $(832 - 480) \times \frac{0.72}{100}$   
 $= 2.53$

Incentive earnings for the month =

(Total units for the month - base units for the month) x Rate

Where total units = Sum of the total units of each day of  
the particular workman.

Suppose it is 17000 units

then base units for the month =

= 60 x present hours in month

= 60 x 160 (Assumed)

= 9600 hours

Incentive earning =

(Total units - Base units) X Rate  
 $= (17000 - 9600) \times \frac{0.72}{100}$   
 $= 7400 \times \frac{0.72}{100}$   
 $= 52.28$

a) Bonus as Incentive :

Payment of bonus to the workers is also most  
important incentive, which helps to increase production

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by achieving higher productivity and maintaining good industrial relations. It is a practice of the company to pay bonus as per the agreement entered with trade union of workers in Kirloskar Borthers Limited.

The workmen employed at engineering factory at Kirloskarwadi are paid bonus, linked to production and production in lieu of profit sharing bonus vide agreement dated 25 March 1981 and the said agreement ceased to operate after the financial year ending on 31 July 1982.

The company management and workers representatives discussed in detail regarding increasing production, achieving targetted production fixed by company and arrived at a mutually accepted scheme for payment of bonus to the workmen employed.

Agreement :

The management agree to pay an annual bonus linked with production to the maximum extent of 20% basic wages and Dearness allowances earned by each eligible employee, subject to their achieving the total annual production turnover fixed by the company for each financial year as mentioned hereunder.

The production in financial year August 1983 to July 1984 is above Rs. 3135<sup>4</sup> lakhs but below Rs. 3385 lakhs i.e. to say it is Rs. 3240 lakhs then the bonus will be paid 16.42 %

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However, it is decided that if the production is below the targetted production i.e. below 1880 lakhs for 1983-1984 then only 8.33% bonus will be payable for that year.

Rules :

Following rules are to be observed while calculating bonus :

- 1) The actual basic wages and D.A. of an employee, shall be taken into consideration for calculation and payment agreed to herein.
- 2) Production bonus calculated and arrived at as provided, shall not exceed 20% in any event and the workman shall get the minimum of 8.33% , if any year they fail or to achieve the base annual production turnover as a qualified i.e. to say below Rs. 1880 lakhs.

The figures of targetted production are fixed by company and union representative for every year.

3) Non-Financial Incentives :

The Kirloskar Brothers Limited has recognised the role played by Non-financial incentives in solving the problem of industrial productivity. Various types of labour welfare amenities are most potent non monetary incentives. The company provides following non-financial incentives to the workers.

1. Upgradation :

Various types of grades are awarded to workmen

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after properly evaluating his work. Upgradation means selection of worker for a new work possessing more responsibility. Workers are required to fill upgradation form and have to take recommendations of their heads on the form. The Kirloskar Brothers limited have established a committee of executives, who considers the forms and assigns a new grade to worker. After the satisfactory recommendation of committee, the workers in grades 1 to 5 are upgraded without any other examination. The worker in grades 6 to 8 have to pass the examination taken by committee for upgradation. Candidates are given two chances for appearing the examination.

## 2. Provident Fund :

Provisions of provident fund, gratuities and pensions are also important non financial incentives. The benefits of provident fund schemes are available to all workers in the company, who have completed 3 months continuous service.

There are two provident fund schemes in the company - one scheme for workers and another for officers. The employees contribution to provident fund is fixed 8% of basic wages. The company is required to contribute the same amount as contributed by the worker. Along with provident fund scheme the

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workers are given benefit of the following schemes :

- 1) Gratuity
- 2) Group Insurance
- 3) Family pension scheme.

3. Medical facilities :

According to the provisions of various State and Central Act, company provides medical facilities to the workers. There is a hospital in premises of company where free medical services are provided to the workers and their families.

4. Canteen facilities :

In order to make available standard and cheap food to the workers, two canteens provide services to workers at a reasonable rate. Out of the two canteens one is running on contract basis and another is owned by the company itself.

5. Recreational facilities :

Company also provides library and sport facilities to the workers. A large ground, social club, sport club and theatre are the important places where worker enjoys, after completion of duty. There are two physical directors appointed by the company, having object to increase sport knowledge of the workers and their children.

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6. Educational facilities :

In order to provide standard education to the children of workers, a primary and secondary english medium schools have been started by the company.

The working of both schools is very ~~sta~~ satisfactory as their results are more than 90 % in last five years.

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