

C H A P T E R - 4

FINDINGS OF THE CASE STUDY

4.1 Data Analysis, Interpretation and Findings

4.2 Conclusions

4.3 Suggestions

4.1 Data Analysis, Interpretation and Findings :

For the case study of Kanagala unit of H.L.L. the techniques used are the questionnaire, personal observations and interview with officials of the unit. In addition to this the researcher referred the Annual Reports, Officers Diaries, Certified Standing Orders, Memorandum of Settlement and "The Family" news letter of H.L.L.

The questionnaire was prepared for collecting the data from the employees. The researcher selected 65 employees and served the questionnaires to them. Out of 65, 50 employees responded to the questionnaires and supplied information. The information collected is presented, analysed and interpreted in this chapter.

Table No. 11

TABLE SHOWING AGEWISE DISTRIBUTION OF EMPLOYEES

Age groups in years	No.of Respondents	Percentage
21 to 25	1	2
26 to 30	19	38
31 to 35	20	40
36 to 40	5	10
41 to 45	2	4
46 to 50	3	6
	50	100

From the Table No.11 it can be interpreted as follows :

- (i) 38% of the workers belong to the age group of 26 to 30 years.
- (ii) 40% of the workers belong to the age group of 31 to 35 years.
- (iii) From this it is clear that 78% of the workers belong to the age group of 26 to 35 years. This shows that majority of workers are young and energetic employees.

Table No. 12

TABLE SHOWING NUMBER OF DEPENDENTS DEPENDING UPON INCOME

No.of Dependents	No.of Respondents	Percentage
1 to 2	4	8
3 to 4	21	42
5 to 6	16	32
7 to 8	5	10
9 to 10	2	4
Above 10	2	4
	50	100

From the Table No.12 it can be interpreted that :

- (i) 42% of the workers are having 3 to 4 persons depending upon their income.
- (ii) 32% of the workers are having 5 to 6 persons depending upon their income.
- (iii) This shows that 74% of the employees are having 3 to 6 persons depending upon their income. This is because most of the workers are from rural areas where joint family is still in existence.

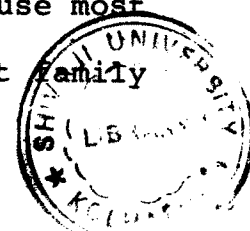


Table No. 13

TABLE SHOWING EDUCATIONAL STATUS OF THE EMPLOYEES

Educational Level	No.of Respondents	Percentage
Primary	Nil	Nil
Secondary	12	24
Higher	18	36
Technical	20	40
	50	100

Table No.13 clearly shows that :

- (i) 24% of the workers are educated upto secondary level.
- (ii) 36% of the workers have completed their education upto graduate level or more.
- (iii) 40% of the workers have completed technical education.
- (iv) This shows that most of the workers have technical education which is quite essential in a modernised plant like H.L.L.

Table No. 14

TABLE SHOWING DISTRIBUTION OF EMPLOYEES ACCORDING TO THE LENGTH OF SERVICE

Length of service(Years)	No.of Employees	Percentage
Upto 5	22	44
6 to 10	20	40
11 to 15	5	10
16 and above	3	6
	50	100

From Table No.14 it can be interpreted as follows :

- (i) 44% of the employees have experience upto 5 years.
- (ii) 40% of the employees are having experience of 6 to 10 years.
- (iii) Only 10% of the employees are having experience of 11 to 15 years.
- (iv) 6% of the employees are having experience above 16 years.
- (v) From this it is clear that, majority of the employees have the experience of 1 to 10 years. This is because the Kanagala unit of H.L.L. is established recently.
- (vi) 6% of the employees have experience more than 16 years since they have come from other units.

Table No. 15

TABLE SHOWING DISTRIBUTION OF EMPLOYEES
ACCORDING TO RESIDENTIAL PLACES

Native place	No.of Employees	Percentage
Local	5	10
Outside	45	90
	<hr/> 50	<hr/> 100

From Table No.15 it can be interpreted that :

- (i) 10% of the employees are from local area which means from Kanagala village.
- (ii) 90% of the workers are from outside the area which means other than Kanagala village.
- (iii) Percentage of outsiders is more than that of local workers. It means the Kanagala unit has given preference to the outside workers. This is because the unit requires technically skilled workers who are not available locally.

Table No. 16

TABLE SHOWING DISTANCE BETWEEN RESIDENCE AND WORK PLACE

Distance from Residence to Factory (Kms.)	No.of Employees	Percentage
0 to 10	35	70
11 to 20	10	20
21 to 30	3	6
Above 30	2	4
	50	100

Table No.16 shows that :

- (i) 70% of the employees are living within 10 kms. from the factory.
- (ii) 30% of the workers are living beyond 10 kms. from the factory.
- (iii) From this it can be interpreted that majority of the employees are living near the factory. It is advantageous both for the employees and the management. The employees will be fresh when they start work and this will increase their turnout. For the management it will lead to increase in the production of the unit.

Table No. 17

TABLE SHOWING MODE OF CONVEYANCE OF EMPLOYEES

Mode of Conveyance	No.of Employees	Percentage
Bus	45	90
Cycle	2	4
Auto/Petrol vehicle	2	4
On foot	1	2
	50	100

From Table No.17, it is clear that :

- (i) 90% of the employees are using State Transport Bus as mode of conveyance.
- (ii) 4% of the employees use cycles and another 4% use petrol vehicles as mode of conveyance.
- (iii) From this information it can be interpreted that, majority of the employees use State Transport Bus which is convenient and provided freely by the management.

Table No. 18

TABLE SHOWING DISTRIBUTION OF EMPLOYEES
ACCORDING TO METHODS OF WAGE PAYMENTS

Methods of wage payment	No.of Employees	Percentage
Piece Wage	Nil	Nil
Time Wage	50	100
	50	100

Table No.18 shows that, all the employees are paid according to time wage method of wage payment.

Table No. 19

TABLE SHOWING DISTRIBUTION OF EMPLOYEES ACCORDING
TO THEIR MONTHLY WAGES/ SALARIES

Wages/ Salaries per month (in Rs.)	No.of Employees	Percentage
1000 to 2000	2	4
2001 to 3000	38	76
3001 to 4000	8	16
Above 4000	2	4
	50	100

From Table 19, it is observed that :

- (i) 76% of the employees get wages and salaries between Rs.2001 to 3000 per month.
- (ii) 16% of the employees are getting wages and salaries between Rs.3001 to 4000 per month.
- (iii) Only 4% of the employees are getting salaries above Rs.4000.
- (iv) From this it can be concluded that, the majority of the workers are getting wages and salaries in the range of Rs.2000 to 3000 per month. Above Rs.4000 salaries are drawn by the employees who are from management level.

Table No. 20

TABLE SHOWING DEDUCTIONS FROM THE WAGES/SALARIES
OF THE EMPLOYEES

Heads of Deductions	No.of Employees	Percentage
Provident Fund	50	100
Recovery of Advance	45	90
Insurance	45	90
Professional Tax	25	50
Absence from duty	22	44
R. D.	14	28
Income Tax	2	4

From Table No.20, it is clear that :

- (i) All the employees are included in the Provident Fund Scheme and having deduction from their wages and salaries.



- (ii) 90% of the employees are having deductions against insurance and recovery of advance.
- (iii) 50% of the employees are having deduction against professional tax.
- (iv) Only 4% of the employees are paying income tax.

Table No. 21

TABLE SHOWING OPINION OF THE EMPLOYEES
ABOUT EXISTING WAGES AND SALARIES

Opinion regarding wage and salary	No.of Employees	Percentage
Sufficient	22	44
Not-sufficient	28	56
	50	100

Table No.21 shows that :

- (i) 56% of the employees are not satisfied with the existing wages and salaries and they say that these are not sufficient.
- (ii) 44% of the employees are satisfied with the existing wage and salary structure and they say that these are sufficient to maintain a decent standard of living.
- (iii) From this, it can be interpreted that, most of the employees are not satisfied with their wages and salaries. They are unable to meet their minimum needs due to rising cost of living.

Table No. 22

TABLE SHOWING UTILISATION OF BONUS FOR DIFFERENT PURPOSES

Bonus utilised for	No.of Employees	Percentage
(i) Festival	24	48
(ii) Daily expenses	15	30
(iii) Payment of Debts	22	44
(iv) Bank Savings	15	30
(v) Investments	5	10
(vi) Consumer Durables	14	28
(vii) Other purposes	12	24

From Table No.22, it is clear that :

- (i) 48% of the employees utilise for festivals like Deepavali.
- (ii) 44% of the employees have utilised the bonus for repayment of old debts.
- (iii) 30% of the employees utilise the bonus for daily expenses and another 30% keep the amount in savings bank accounts.
- (iv) 28% of the workers use bonus for purchase of consumers durable goods.
- (v) From this, it can be interpreted that, majority of the employees utilise bonus for festival purpose and repayment of old debts.



Table No. 23

TABLE SHOWING NUMBER OF WORKERS BORROWED

Response of the Employees	No. of Employees	Percentage
Yes	45	90
No	5	10
	<hr/> 50	<hr/> 100

From Table No.23 it can be interpreted that, majority of the employees (90%) have borrowed loans from different sources and on different occasions. It also shows that, in the days of today borrowing has become essential for any big purchases.

Table No. 24

TABLE SHOWING DISTRIBUTION OF WORKERS ACCORDING TO SOURCES OF BORROWING

Sources of Borrowing	No. of Employees	Percentage
(i) Friends/ Relatives	35	70
(ii) Co-operative Society	14	28
(iii) Bank	12	24
(iv) Sahukar	1	2
(v) Others	1	2

From Table No.24 it is clear that :

- (i) 70% of the employees have borrowed from their friends or their relatives.
- (ii) 28% of the employees have borrowed from co-operative society and 24% from banks.
- (iii) 2% of the employees borrow from Sahukar/money lenders.
- (iv) From this it can be interpreted that, one employee borrows from more than one source of borrowing and though negligible, money lenders have not disappeared from the village area.

Table No. 25

DISTRIBUTION OF OCCASIONS ON WHICH EMPLOYEES
ARE REQUIRED TO BORROW

Occasions	No.of Employees	Percentage
(i) To meet monthly expenses	13	26
(ii) To meet medical expenses	23	46
(iii) To meet festival expenses	20	40
(iv) To meet education expenses	15	30
(v) To purchase durable goods	27	54
(vi) To purchase property	15	30
(vii) To meet unexpected expenses	26	52

From Table No.25 it is clear that :

- (i) 54% of the employees borrow to purchase durable consumer goods.

- (ii) 52% of the employees borrow to meet unexpected expenses.
- (iii) 46% of the employees borrow to meet medical expenses.
- (iv) 40% of the employees borrow to meet festival expenses.
- (v) 26% of the employees borrow to meet monthly expenses. It means that, the wages that they get are insufficient to meet their monthly expenses. This may be due to large number of members depending on their income or rising prices of essentials.

4.2 Conclusions :

The main aim of the study is to enquire wage and salary administration adopted by Kanagala unit of H.L.L. This study is made by analysing the information collected from the questionnaire, personal interview with the officials and observation on the visit to the factory site. Information on wages and salary is collected from the Annual Reports, Officer Diary, Memorandum of Settlement, Certified Standing Order and The Family, news letter of H.L.L.

(i) Personal Information :

The researcher has collected personal information of the employees through questionnaire. The personal information includes name, age, department, sex, designation, religion, education, experience, type of work, mode of conveyance etc.

(ii) Age :

Majority of the workers belong to the age group of 26 to 35 years. Only 6% of the workers are in the age group of 46 to 50 years. This shows that most of the workers are young and dynamic which helps the factory to achieve greater efficiency.

(iii) Number of Dependents :

Most of the workers are having 3 to 4 persons depending upon their income. This is because the workers are from rural areas where joint family is still prevalent.

(iv) Education :

The data collected shows that 40% of the workers have obtained technical education and 36% have completed higher education. From this it can be concluded that the Kanagala factory requires qualified and technically skilled and trained staff.

(v) Length of Service :

In Kanagala factory most of the employees are having experience upto 5 to 10 years. Only 6% of the employees are having experience of more than 16 years. This shows that the factory has been started recently due to which less experience employees are more in number.

(vi) Local Employment Opportunity :

In this unit 90% of the workers are from outside area, it means other than Kanagala village. It is because the Kanagala unit requires technically skilled persons who are not available in Kanagala. So the employment opportunity for local people is very much limited.

(vii) Distance between Residence and Work Place :

The data collected regarding distance between residence and work place shows that maximum number of employees are living near to factory premises. For example, 70% of the

employees are coming within 10 kms. from the factory. This has helped the employees to attend their duty timely.

(viii) Mode of Conveyance :

90% of the employees are coming to the factory by K.S.R.T.C. Bus arranged by the management. This shows that this mode of conveyance is more convenient to the employees.

(ix) Method of Wage Payment :

All the employees in Kanagala unit are paid according to time wage method of wage payment. All are paid on monthly basis except casual labourers who are paid daily wages.

(x) Classification of Workers :

There are 361 permanent employees. Out of 361, 21 employees belong to officer category, 58 employees are in administration, 22 are supervisors, and 260 are the workmen. Earlier workmen were classified into unskilled, semi-skilled, and skilled. But now they are categorised as Grade I, II, III and IV. There are six main departments and each department is headed by a Deputy Manager. Deputy General Manager is the top executive officer of Kanagala unit.

(xi) Wage Structure :

Wages in Kanagala unit of H.L.L. are paid according to time wage system on monthly basis. Wages are fixed as per the Memorandum of Settlement between the management and the employees' unions. The agreement was signed on 19th August, 1991 and was made effective from 1.10.1988 to 30.9.1993; for a

period of five years. 76% of the employees are getting wages between Rs.2000 to 3000. 16% of the employees are getting wages between Rs.3000 to 4000. Only 4% of the employees are getting above Rs.4000. The employees get wages after various deductions. For example, provident fund, life insurance, recovery of loans, income-tax, professional tax, etc.

(xii) Dearness Allowance :

The employees of the Kanagala unit of H.L.L. get two types of dearness allowances (a) Fixed Dearness Allowance - with a view to ensure certain minimum monetary benefit to the employees a fixed dearness allowance system has been introduced with effect from 1.10.1988. For different pay scales different rates of fixed dearness allowance are fixed. These rates change according to the change in the pay range on account of the increment or promotion.

(b) Variable Dearness Allowance - The employees also get variable dearness allowance and the rate of dearness allowance depends on All India Consumer Price Index. As and when the Central Government revises the rates of dearness allowance to the industrial employees, the revised rates will be made applicable to the employees of the Kanagala unit of H.L.L. also.

(xiii) Other Allowances :

The employees of Kanagala unit receive other allowances such as conveyance allowance, leave travel allowance, travelling allowance, night shift allowance, attendance bonus allowance, H.R.A., etc. Most of the employees are not satisfied

with the existing allowances and they have suggested some other types of allowances such as allowance for child education, festival allowance etc.

(xiv) Bonus :

The employees of this unit get bonus as per the Bonus Act. The rate of bonus varies from 8.33% to 20%. The officers do not get annual bonus but they are eligible for production incentive bonus.

(xv) Incentive :

The employees receive various types of incentives such as medical reimbursement, conveyance allowance, canteen subsidy, uniform, shift allowance, subsidised interest on housing loan, vehicle loan etc.

(xvi) Retirement Benefits :

The employees of Kanagala unit have retirement benefits such as Provident Fund, Gratuity and Employers Contributory Provident Fund.

(xvii) Leave :

The permanent employees of Kanagala factory enjoy leave facility. The factory workers will have 6 days of casual leave, 1 day earned leave for 14 days of attendance and 12 days of half pay leave. The supervisory, administrative staff and officers have 12 casual leave, 30 days of earned leave and 20 days of half pay leave in a year.

(xviii) Accidents and Compensation :

In Kanagala factory there are no major accidents. Minor accidents have occurred to the employees and the rate was only 12%. These accidents were compensated for with free medical aids.

(xix) Workers Participation in Management :

The employees of Kanagala unit participate in management in the form of Work Committee, Shop Council, and Suggestion Scheme. There is no Copartnership and no Joint Management Council. The employees have no representation on the Board of Directors also.

(xx) Holidays :

Every employee of Kanagala unit enjoys a weekly holiday. In addition to that the employees enjoy holiday on important national and festival occasions. Workmen who work on holidays get overtime wages as per the agreement.

4.3 Suggestions :

With a view to make the wage and salary administration more effective in the Kanagala unit of H.L.L., the researcher would like to put forth the following suggestions.

(i) Revision of Wages and Salaries :

Employees of the Kanagala unit of H.L.L. are paid basic pay, fixed dearness allowance and variable dearness allowance. As per the Memorandum of Settlement wages and salaries are revised once in five years. But the researcher feels that



these days of high rate of inflation the revision period of five years seems to be too long. So it is suggested that the revision should take place once in 3 to 4 years.

(ii) Other Allowances :

The employees of the Kanagala unit of H.L.L. are getting D.A., Conveyance Allowance, Travelling Allowance, Night Shift Allowance and House Rent Allowance. The researcher would like to suggest here that the employees should be paid allowance for children education and festival allowance. These allowances will help the employees to improve their conditions of living.

(iii) House Rent Allowance :

The Kanagala factory of H.L.L. is located in Kanagala village where the rate of H.R.A. is low. But majority of the employees are residing in Sankeshwar and Nipani where house rents are very high, hence it is suggested that the employees should be paid a reasonable amount of H.R.A.

(iv) Bonus :

Employees of this unit are paid bonus as per Bonus Act ranging from 8.33% to 20%. In addition to this they are being paid Productive Incentive Bonus. But the officials of the unit are not paid the annual bonus, hence it is suggested that the officials also should be paid the annual bonus.

(v) Trade Unions :

In Kanagala unit of H.L.L. there are four registered trade unions. Taking into consideration the size of the unit

and the number of employees, the number of trade unions are more and therefore their bargaining strength is less. Hence it is suggested that the number of trade unions should be reduced to one or two in order to improve their bargaining power.

(vi) Housing Facility :

There are no housing facilities to the employees of Kanagala unit. Therefore, majority of them are residing in rented houses at Sankeshwar and Nipani. For the welfare of the employees, the management should provide housing facilities to all the employees either by constructing houses near the factory premises or encouraging the workers to organise a co-operative housing society.

(vii) Bank Facility :

There is no bank facility in the factory premises. The employees have to go to either Sankeshwar or Nipani for banking transactions which cause lot of inconvenience to them. Hence an extension counter or a branch of a nationalised bank should be opened in the factory premises.

(viii) Postal Facility :

There is no post office in the factory campus. For postal service, the employees have to go to Kanagala village nearly 2 kms. from the factory. Hence a branch post office should be opened in the factory campus.

(ix) Conveyance Facility :

The Management has provided bus facility from Nipani to

factory and from Sankeshwar to factory. This facility is made available only during the factory shifts periods. Therefore, the management should increase the frequency of bus service so that this facility would be more convenient to the employees including the casual workers.

(x) Medical Facility :

There is only first aid centre in the factory premises, but there is no full fledged dispensary with a qualified medical officer. Hence it is suggested that there should be well-equipped dispensary for the benefit of the employees.

(xi) Educational Facilities :

There is no school nearby the factory. So the children of the employees have to cover a long distance for their education. Therefore, a suggestion is made to open atleast a primary school in the factory campus for the benefit of the children of the employees.

(xii) Recreational Facilities :

There is a recreation club but there are no recreational facilities like reading room, radio and T.V. rooms etc. These facilities should be provided so that the workers can utilise them during their rest time.