



CHAPTER

FINDINGS AND SUGGESTIONS

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The Principal aim of this study is to enquire the wages and wage incentive schemes adopted by Mysore Paper Mill Ltd. Bhadravati, District Shimoga, Karnataka.

An attempt is made to study the wages & wage incentives by analysing the statistical information collected from different aspects and components of the wage incentives from the records maintained and Annual Reports prepared by Mysore Paper Mill Ltd., Bhadravati and an interview with the senior personnel manager, head of the departments and the workers. Informal questionnaires have been prepared and used for eliciting the views of the workers and employees. In this chapter, it is proposed to give to conclusions of the study and to make some suggestions to increase the rate of wage and rate per unit of the incentives.

5.1 FINDINGS

The following are the findings and conclusions regarding the concept of wages and wage incentive schemes. These conclusions are based on collected data.

1. PERSONNEL DATA OF THE WORKERS

In this personnel data the researcher has focussed his attention on various important matters which are directly or indirectly affect the wages and wage incentives. In personal data regarding Name, Age, Sex, Education, length of service, Housing Accomodation, Mode of conveyance, Leave facilities are included.

(a) Age :-

It is observed that the majority of the workers of this paper factory i.e. 66% belong to the age group between 31 to 50 years. Only 9% of workers are above the age of 50 years. Economically speaking the management of this paper factory have succeeded in maintaining matured and dynamic human resources. The persons in the age group of above 50 years are regarded as disabled to work economically. But the number of workers, belonging to this age group, in this factory, are less in number which is good from the point of view of productivity.

(b) Education :-

The data collected revealed that the majority of the workers have obtained education secondary and higher secondary level i.e. 48% of the workers, 17% have achieved

primary education. 18% have obtained technical education and only 11% have obtained college or degree education. Very few workers i.e. 6% have obtained no education at all.

It can be concluded that this paper factory has succeeded in recruiting trained and qualified staff.

(c) Length of service :-

The data also brings out clearly that majority of the workers of this paper factory are having experience of less than 10 years in paper factory whereas 35% of total work force is well experienced. This shows that the management of this paper factory has maintained the experienced staff. The rate of labour turnover is less and this paper factory prefers experienced workers. This means that organisation's personnel policy is sound and organisation prefers young blood while recruiting the workers.

(d) Housing Accomodation :-

The Mysore Paper Mill Ltd., Bhadravati has built up colonies for workers and employees, staff and officers. Those respondents are living on factory site for whom

factory has made housing accomodation. The preference is given to senior workers and family-holders. The house rent is minimum.

During the course of interview, it is observed that the housing accomodation is not sufficient taking in to consideration, the large numbers of workers i.e. 56%. The workers are demanding the house accomodation and it should be considered by the management of this paper factory.

(e) Mode of conveyance :-

The majority of workers i.e. 34% of this paper factory are using their own bicycles and 26% of workers having their own auto-cycles, 10% of workers are coming by State Transport Bus.

34% of workers are coming by bicycles that means they are from local area. This data also focused attention on the fact that the factory is utilising the local man power. And 30% of workers are coming by walk that they are living on the factory site and coming from much nearer villages around this factory.

(f) Leave facilities :-

The workers of this paper factory are very much conscious about the leave facility. 59% of the workers are satisfied about the leave facilities available and 14% of the workers are not satisfied about the leave facilities available, mainly because of their private work. It is also observed that all of the workers enjoy fully the right of leave which increases the total rate of absenteeism.

2. WAGE RATE SYSTEM

Workers in the Mysore Paper Mill Limited paid as per time rate system except the ~~piece~~ rate system in the finishing departments. This system does not provide financial incentives to increase production because the inefficient workers in the factory will receive the same wages as they are given to efficient workers.

However the workers are paid according to time rate system, the record of an individual worker's output is not maintained in the factory. Therefore, the officers find it difficult to determine the efficiency of each workers for the purpose of promotion.

3. WAGE GRADES :

The workers in this paper factory are placed in 6 grades according to the nature of job. Workers get different wage payment depending upon their grades. The rate of wages for per month are fixed for each grade by using the job evaluation technique. This technique proved to be useful in eliminating wage inequalities among the workers of the factory.

4. WAGE STRUCTURE :

The Mysore Paper Mill Ltd. Bhadravati is a very good paper factory providing many good opportunities, of people living in this area. The researcher is glad to say that it is paying more than need based minimum wages defined by the minimum Wages Act, 1948. They are paying well according to the decisions given by the various State and Central level committee, appointed to consider the demands of the employees in the paper industries. But in these days of inflationary pressure, the wages of employees in paper industry seem to be very low. The basic wages are fixed by the committee for operative clerical and supervisory grades. The union demands that the elements that determine

the cost of living index number must be changed.

According to the wage structure of this paper factory, the workers are paid according to the time rate method. Wages are paid monthly. It is found that 58% of the workers are getting wages and salaries between Rs. 1100 to Rs. 1500 per month. 35% of the workers are getting wages above Rs. 2000 per month, their length of service and education in which they are placed. On the account of provident fund, Insurance, family pensions, house rent, Income tax, recovery of Loans Instalment etc. The respondents are of the opinion that the wages should be linked with the cost of living and production capacity of the paper factory and not with the production made by them.

It has been strongly demanded by the workers, during the course of interview that they should get more i.e. Rs. 1600 pef month for even unskilled workers. 18% of the workers are of the opinion that they have their wages adequate and the 82% of the workers are of the opinion that their wages are not sufficient.

5. DEARNESS ALLOWANCE

It is one of the big segment of total amount of wages and salaries. This paper factory is paying dearness allowance to all the workers and employees according to the consumers price index number declared by the Central Government. There are two types of dearness allowances, first fixed dearness allowance which remains fixed and second is variable dearness allowance which varies with the increase or decrease in the consumers price index number from time to time.

As for computing the consumer's price index number, the committee recommendations and the prices of 1969 should be taken into account. The union demands that the elements which determines the cost of living index number be changed. Now the rate of fixed dearness allowance and variable dearness allowance as per categorisation as on 1-10-1989 shall be as follows:-

TABLE NO. V-1

Pay range	Fixed D.A. Rs.	Variable D.A. Rs.	Total D.A. Rs.
Up to Rs. 480	105-00	658-15	763-15
Rs. 481 to 500	110-00	658-15	768-15
Rs. 501 to 550	115-00	658-15	773-15
Rs. 551 to 650	125-00	658-15	783-15
Rs. Over 650	130-00	658-15	788-15

From the above table, we may conclude that although this paper factory is observing strictly the rules and circulars issued by the Central Government, regarding payment of dearness allowance. The Trade Union leaders demanded that the method of computing consumer price index must be changed because of the needs of workers and employees.

6. BONUS

Bonus is generally regarded as monetary incentive. It is only by virtue of monetary incentives that the workers can satisfy their fundamental requirement of food, clothing and shelter, according to their sweet well. It

has been well recognised by Govt.of India and it had fixed rate of bonus by making amendments in the payment of Bonus Act 1965 as 8.33% whichever is higher subject to a maximum of Rs. 750 in accordance with the decision of the Govt.of India to this effect. This paper factory is paying bonus at the rate of 8.33% per year from 1985-86 onwards.

The Bonus is calculated on the total amount of payment or wages received during the last year excluding the amount of without pay leaves by an individual workers. The Bonus is paid before Divali Festival every year.

It is clearly observed and concluded from the response 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 paper factory. In short this paper factory is paying satisfactory bonus.

7. OTHER ALLOWANCES

The workers are demanding strongly an increase in the night shift allowance and house rent allowance etc. these workers are not provided with housing facilities.



During the course of interview and questionnaire, it is observed that workers are demanding late night shift allowance, house rent allowance as early as possible. But immediate steps must be taken in this regard as early as possible. The demand of working allowance to factory workers must be considered.

8. TRADE UNION

In the case of this factory, it is better to say that spirit of trade union is too much developed as most of the workers i.e. 97% are members of the trade union. This union is affiliated to the Indian National Trade Union Congress. The union affiliated to INTUC has the influence on the majority of workers.

9. WAGE INCENTIVES

This factory introduced financial and non financial incentive schemes to induce the workers to work more and more. This factory paying wages, salaries, bonus and ex-gratia 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 participation at shop level, no delegation of authority, no prize system of good work, no return on investment of workers. The paper factory is providing welfare activities under factories Act, 1948 but they are insufficient.

10. WAGE INCENTIVE PLANS

The best known wage incentive plans are the Halsey Premium Plan, the Tylor's differential piece rate plan, the Emerson Efficiency plan. Each of these plans has its advantages. The Mysore Paper Mill Limited has not adopted any of the above plans. The above plans have been modified from their original form to meet real conditions and have introduced as individual incentive and group schemes.

11. OPINION OF THE WORKERS ABOUT FACTORY & MANAGEMENT

74% of the workers are expressed their good opinion and they satisfied with the welfare facilities provided by the factory like drinking water, canteen, lunch room, library and news paper, medical facilities, consumer co-operative stores etc. But the same workers have expressed that there is no rest room for exchanging their uniform

dresses to civil dresses. But it is observed and also supported by most of workers that the management of the factory provides a vehicle free of charge as and when it needs. It means majority of workers have good opinion regarding the factory.

It is also found that 87% workers expressed their good opinion regarding the working conditions of the factory. But 13% workers are not satisfied with the working conditions which ultimately results in less number of turnover or absenteeism.

5.2 SUGGESTIONS

The following suggestions may be of great use and value for improving the working of the Mysore Paper Mill Limited, Bhadravati.

1. ADEQUATE WAGES

The majority of the workers (i.e. 82%) are of opinion that their wages and salaries are inadequate. Therefore a detailed wage survey should be carried out in the light of fair, living or minimum wages.

2. BICYCLE ALLOWANCE

In addition to basic wages and D.A. the workers are paid bicycle allowance Rs. 15/- per month with effect from 1-3-1986. But the majority of the workers (i.e.34%) opinion that the dissatisfaction of this allowance, in order to that the researcher can be suggested, it will be better to increase the amount of Bicycle allowance from Rs. 15/- to Rs. 25/- per month, so that the workers are able to maintain better attendance.

3. HOUSING ACCOMODATION

Out of 220 workers, 96 workers are provided with housing accommodation on factory site. The housing facilities are inadequate considering the number of 124 workers. The factory have to provide housing accomodation to those employees who are length of service, seniority and attendance basis. The factory can make use of its ample space for establishing a worker's colony. For this purpose the factory can seek loan through various financial institutions and Housing Development Finance Corporation. In this way the management of the factory has an opportunity to increase the number of local workers.

4. EDUCATIONAL FACILITIES

The paper factory is not providing educational facilities to all the workers and to their children. But extending support, co-operation and providing various facilities to the other educational institutions on the factory site. It is strongly suggested that the Management should take immediate steps to avail of the facility of the Government granting no grant base colleges. This paper mill should start no grant technical college like other paper factories. It will help the paper factory to achieve the trained and educated labour force, from they are around it.

5. NIGHT SHIFT ALLOWANCE

The management should take care of unnecessary misunderstandings between the workers and the management. For example- The workers are of the opinion that the night shift allowance is higher for the officers than the workers.

6. WELFARE FACILITIES

As most of the workers expressed their negative opinion about washing and uniform facilities provided by

the factory. The Management think over to properly provide those facilities to the workers.

Rest of the welfare facilities are quite good. The Management must think over to maintain the continuity in providing these facilities for a long time.

7. REST ROOM FACILITIES

The rest rooms are necessary in each and every department of the factory. The need of rest room is very much essential to the workers for changing their dresses from civil to uniform. Researcher suggested that the paper factory should provide rest room facilities for the workers in each and every department of factory.

8. MEDICAL FACILITIES

The present medical facilities should be improved. Since from this research, it was found that the factory hospital is badly requiring an orthopedician. It is also found that the other facilities of the hospital like the ratio of number of beds to the workers is very low.

9. BONUS

The Bonus payment prevailing in the factory is reasonable and satisfactory since five years. The Company declared dividend and provides to the workers in the rate of 8.33%. It should be continued and try to increase to some extent in future. Only demand of attendance bonus and other allowances be considered by this paper factory.

10. BASIC WAGES AND DEARNESS ALLOWANCE

The workers of this factory are paid basic pay plus fixed dearness allowance and variable dearness allowances. The basic wages are fixed and dearness allowance is paid according to the consumer price index.

In these days of inflationary pressure, the wages of workers seem to be very low. It is observed from the interview of the manager that it is beyond the capacity of the management of this factory to pay higher wages. So it is suggested that here the Government authorities should take immediate steps to revise the wage scales of the workers. The dearness allowance is paid according to the consumer price index number declared by the Central Government. Because of the inflationary pressures the trade union always demands the change in the components of wages.

11. WORKER'S PARTICIPATION IN THE MANAGEMENT

Worker's participation in the management is the best intensive to inspire the workers to promote their efficiency. The company should give a due participation to its employees in management to reduce the intensity of labour problems. To enhance the efficiency of the workers and to maintain good industrial relations, the workers participation in the management is the best tool.

12. WELL PREPARED INCENTIVE SCHEMES

Incentive schemes are beneficial to both the workers and employers. Due to the application of incentive schemes, workers will get more remuneration and the employers will get the advantages of increased productivity.

The researcher suggested that, it is necessary for the factory to introduce the following types of incentive plans:

- 1) Merric's Multiple piece rate plan.
- 2) Emer Son Efficiency plan.
- 3) Co-partnership system.

13. MAN POWER PLANNING OF MYSORE PAPER MILL LIMITEDBHADRAVATI

Like any other Management, the personnel Management also needs planning and the factory lacks systematic and scientific planning of man power. Among the workers 17% of them are having a mere primary education and about 18% are having technical education. Therefore the factory needs training facilities which can help the workers to improve their working capacity and thus increase the productivity.

14. HEALTH AND SAFETY MEASURES

Health and safety measures introduced in the factory are not sufficient and satisfactory. Since the dust in the plant, noise of the machines, improper ventilation and natural lighting will no doubt undermine the health and efficiency of the workers in the long run. Therefore, the management should take necessary initiation to intensify suitable health and safety measures in the factory.

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