Personnel management has a great relevance to public sector undertakings, in view of their large size and complexity of the organization. There is also a need to manage the human resources efficiently as the success of any organization largely depends upon the quality of personnel and the extent to which they are motivated. Personnel management acquires a special significance in this context.

The enactment of the Industrial Disputes Act in 1947 gave further impetus for rudimentary installation of the machinery to look after the labour in achieving managerial and spiritual satisfactions. With the expansion of industries under the changing technology the activities of labour showed variation. "These activities, were classified into three main areas, namely, labour welfare, industrial relations and personnel administration, managed by welfare, labour and personnel officers respectively."2

These realisations proved as a dynamic factor for improving the functioning of a PU. There are two important personnel functions - management and operative. The former formulates the ways of exercising authority and the latter to have effective supervision and utilisation. The management functions include planning, organization, direction and control, whereas the


operative functions include procurement and development. A brief elaboration of the component parts of the two functions is discussed here. Planning refers to the determination of a personnel in advance; organization to the designing of the structure of relationships among jobs, personnel and physical factors; direction is the motivation, actuation or command; control is the management function concerned with the regulation of activities in accordance with the personnel plan formulated on the basis of an analysis of fundamental objectives. The principal operative function is procurement, which refers to the procurement of proper kind and number of personnel necessary to accomplish organization goals. This involves manpower planning and recruitment, selection and development of right men for jobs in the organization; development has to do with the increase of skill, through training and other suitable means; compensation is the adequate and equitable remuneration of personnel for their contributions towards the organization's objectives; integration is concerned with a reasonable reconciliation of individual and organizational interests; and maintenance refers to sustaining and improving the conditions that have been established.

The personnel functions are carried out by the personnel and administration division in HPP and administration division in HTL. This chapter systematically analyses the incorporation of the two divisions in HPP and HTL, the factors influencing changes

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in the organization structure and the trend of organizational development. It also does a detailed study of personnel functions - management and operative - carried out by both PUs i.e., implementation of personnel policies for recruitment, selection, training, promotions, welfare, wages and salary, industrial relations. It also evaluates the morale from the attitude of personnel towards the implementation of personnel policies in HPF and HTL, and is correlated with other factors to analyse its effectiveness. It also analyses the percentage rate of change of employees cost, to find out the weighted percentage rate of change. This is required for the estimation of total weighted percentage rate of change of factor inputs.

ORGANIZATIONAL DEVELOPMENT

The personnel and administration (P&A) division and administration division in HPF and HTL respectively, were initially concerned with the implementation of personnel policies. They also monitored the progress of the scheme with suitable co-ordination of key components. HPF established P&A division to perform personnel function which was headed by the personnel manager and assisted by six officers entrusted with industrial relations, training and development, welfare, public relations, security and medical, as indicated in figure 3.1.1.4

The above organization structure of P&A division of HPF in 1967 shows the importance of various personnel functions in

1960s within the country, because the basis for designing the organization structure was taken from the past experiences and was found suitable to the concerned organization. The organization structure of P&A division in HPF signifies that decentralisation principle was adopted to have effective co-ordination and control. The organization structure underwent innovations and was now headed by the senior personnel manager and P & A division now comprised five departments - staffing, security, training and development, industrial relations and medical. Each of the functions was entrusted to deputy personnel manager, the security officer, the personnel officer, the public relations officer and the chief medical and family planning officer respectively as shown in fig. 3.1.2. The innovations signify the momentum gained by personnel functions in HPF, which led to organizational development on functional basis. The approach of HPF was towards labour-orientation.

The increase of labour unrest in HPF, which was similar to the other PU's, led to the recognition of personnel management as a staff function and gave it the highest importance. The department dealing with it was now modified to incorporate with necessary expertise to deal the complexities arising due to disharmony in the management - labour functions. The departments were evolved to deal with industrial engineering, labour relations manpower planning and other functions for increasing harmony, and effectiveness in dealing with these aspects. It emphasised mainly
on the industrial relations and remarked that the officer-in-
charge of personnel matters should be accorded a status of
importance to facilitate this function. The P&A division was
strengthened to control the haphazard procurement of manpower
and facilitate other operative functions.

Similar to that of HPF, HTL established administration
division with the basic groupings of various personnel functions.
The administration division is headed by a manager and comprises
five departments - labour welfare, security, staffing, and other
personnel functions. The labour welfare department is headed by
senior welfare officer, subordinated by the officer-in-charge
cultural services and two welfare officers to assist in implement-
ing labour welfare programmes. The department dealing with per-
sonnel functions is headed by the senior personnel officer, flanked
by two personnel officers, each performing different functions as
shown in figure 3.2. The distinct feature of administration divi-
sion in HTL is that it also includes the sales department which is
headed by the deputy manager (sales). The administration division
in HTL is multifunctional and a more innovative division than that
of HPF.

The study reveals that the functional base in both the P&A
in HPF and administration department in HTL is the same. The

5 Committee on Public Sector Undertakings, Personnel Policies
and Labour-Management Relations in Public Sector Undertakings,
17th, Fifth Lok Sabha (Action taken in CPU, 5th Lok Sabha, 36th
Report).

basic grouping revolves around procurement (employment), development (training), compensation (wage and salary, administration), integration (labour relations), and maintenance (safety and employee services). The exact breakdown has shown variation in both PUs, which reveals the effect of various factors namely, labour relations, quality of personnel, ability of personnel and top management philosophy regarding the role of personnel.

The organizational development in both PUs shows variations in their approach adopted. The efforts were made to increase the job-satisfaction and to augment control over the rising complexities due to poor management–worker relationship, and the changes carried out in the organization structure in both PUs were on the basis of guidelines issued by the GOI from time to time.

The P&A division and administration division of HPF and HTL have the following functions to perform: (1) Evaluating methods of recruitment, selection, training, promotion and education of employees. (2) Fixing terms and conditions, of employment remuneration, working conditions, amenities and services. (3) To use effectively the facilities provided for joint consultation between employees and employers. (4) Projecting present human resources for future forecasting needs.

The present work now undertakes an in-depth study of personnel functions from manpower planning to maintenance function in both PUs. The data presented in two-way tables has been analysed on the basis of attitude of the employees in HPF & HTL
towards personnel policies.

MANPOWER PLANNING

The foremost management function is the planning and procurement of the employees in HPP and HTL. The planning of human resources is a continuous and important process to ensure that the right number of people and right kind of personnel are present at the right place at the right time, are capable of performing the job efficiently to achieve the organizational goal. The manpower planning in HPP and HTL plays a role of evolving techniques to fulfill the functions, which are: (1) inventorying the existing human resources (2) projecting present resources for future and also comparing the anticipated future position, against the needs forecasted previously. (3) Planning the necessary activities, such as, recruitment, selection, training and development, transfer, promotion, motivation and compensation to meet the future manpower requirements.

The fundamental objective of manpower planning is to evolve techniques for planning and controlling the procurement of manpower resources. The manpower plan is prepared systematically and helps to predict the manpower requirements for the future production plans in order to achieve the optimum work-load per employee. All these seldom relate to the corresponding


improvements in productivity and the nature of organizational development.

The initial absorption of manpower in both PUs was on an ad hoc basis in order to have control over the jobs formulated in the functional areas. The main aim of both PUs was to straight away take over the production by acclimatizing the personnel with their production processes.

To control the irregularities in the manpower absorption, both PUs, on the basis of guidelines issued by GOI, established industrial engineering departments (IEDs). The committee on public sector undertakings made three recommendations with respect to IED in PUs. IEDs were set up for carrying out time and motion studies, work measurement, manpower planning, job evaluation and application of PERT techniques. 9

The IEDs in both PUs were made responsible for projecting human resource utilisation in the future. Both PUs adopted the principle of short-range manpower planning, for correct estimation. The manpower planning process in HPF and HTL shows variations, but follows systems approach. In HPF, the process of manpower planning is initiated by the personnel manager, on the reports received from the maintenance engineer. This report is sent to the IED for conducting a study to evaluate the work-load per employee in the areas where the manpower is required. The

9 Committee on Public Sector Undertakings, "Production Management in Public Undertakings," 67, Fourth Lok Sabha, (Action taken in CPU, V Lok Sabha, No.9).

results of the study are analysed and the report is returned to the personnel manager, who sends it to the maintenance engineer for his review. The maintenance engineer, if satisfied, then calls for a meeting with IED and P&A division, to fix the standards for the posts, and the final report is forwarded to managing director for his approval. The organizational structure of IED in HPL has a manager (industrial engineer), who is assisted by three assistant managers for compilation of survey reports. This is shown in figure 3.3.

In HTL, each of the heads of the production and non-production departments places future requirements of personnel for various grades, after reviewing the work load per employee and in relation to the expected growth. IED carries out a sample survey to validate the forecasts made by the functional departments, and sends the report to the administration department, for formulation of the educational and experience standards for the jobs. The IED in HTL consists of an industrial engineer, and is associated with the chief inspector, who actually conducts the surveys and assists in compiling the survey reports. This department acts in co-ordination with the production division.

The IEDs of both PUs are (1) to assist, counsel and press the operating management to plan the human resource according to their production plan and to achieve the objectives, (2) to collect and summarise data in total organizational terms and to assure consistency with the long range objectives, (3) to provide the
research necessary for improving the job standards and higher labour productivity, (4) to have effective manpower and organizational planning for timely replacement and to systematize even growth.

The IEDs of both PUs assimilate statistical records for formulating a list of personnel to be retired, transferred or promoted, resigned and dismissed. The major areas where the personnel requirement is sought are profit and cost centres, higher work load. The external factor which had an effect on the manpower absorption in both PUs was the government regulations.

The figure 3.4 shows the steady trend of the employees absorbed from 1961 to 1982 in HPF and HTL respectively. It shows that HPF and HTL were established with 156 and 105 personnel which increased to 2,878 and 1,994 in 1982 respectively.\(^{10}\) The entire period has been divided into four sub-periods for easy assessment of manpower absorption in each period and the influence of the factors. The table 3.2 reveals that the manpower absorption rate was highest with 91.20 percent and 98.0 percent from 1961 to 1966 in HPF and HTL. This was due to the adhoc absorption of manpower for immediate manning of the jobs formulated earlier in the production divisions and other important areas. In the following block of year (1967 to 1972), the manpower rate was 61.25 percent and 46.24 percent, which decreased to 5.09 percent and 21.70 percent in HPF and HTL respectively. From 1977 to 1982

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the manpower rate increased 31.60 percent and 19.45 percent respectively.

With the analysis of the trend of manpower absorption rate in both PUs during the four sub-periods, the effect of various factors can be assessed. Table 3.2 shows that the manpower absorption was steadier in HTL rather than in HPF. The increase of 61.25 percent in manpower from 1967 to 1971 in HPF reflects the decentralisation principle being adopted for organizational development, for higher efficiency and effectiveness. From 1972 to 1977 there was a marginal increase in the manpower, which demonstrates that the IED on the basis of its studies was able to even out the overstaffing areas to uplift the deficient areas highlighted during the production scheduling and control of other functional aspects.

The manpower absorption rate in HTL envisaged a similar trend as that of HPF. The absorption rate gradually decreased from 94.0 percent to 19.45 percent in the four sub-periods. The establishment of the IED helped HTL to control the irregularities and regulate systematic requirements of manpower from 1972 to 1982. The other reason for systematic growth of manpower is the adoption of centralisation principle to effect organizational development in HTL. The government regulations were the main external factor to cause changes in manpower absorption rate. These regulations mostly emphasized on the higher absorption of manpower in order to solve the unemployment problem. The technology change had no
effect in absorption rate due to its non-application and as it remained constant in the last two decades.

The trend in the manpower absorption in both PUs suggests that no systematic approach was adopted initially which resulted in overstaffing in HPF. The PUs reflect the low insight and low managerial capabilities to highlight the procurement of manpower according to the production targets. GOI instigated them in 1970 to take steps to regulate manpower absorption mainly in the profit and cost centres for increasing the productivity and efficiency.

RECRUITMENT

Once the determination of human resource requirements has been made, the recruitment and hiring processes are initiated. The recruitment is either internal (from within) or external (from outside), and is carried out as per the guidelines issued by the GOI to PUs. To have a detailed study of the recruitment procedures adopted by both PUs, it is essential first to divide the entire staff into four categories - A, B, C and D. Category 'A' comprises officers and supervisors, category 'B' is a group of skilled workers in production and administrative branches. Category 'C' has drivers and category 'D' unskilled and semi-skilled workers.

The internal recruitment is made by selecting employees working in the two PUs and generally signifies an upward displacement of the concerned employee within the hierarchy of the
organization. The external recruitment is made by adopting one of the following ways - campus recruitment, through advertisements in newspapers etc., and notification of the vacancies to the employment exchange.

Both PUs followed the guidelines laid down by GOI, which stressed the following points:\footnote{11} (1) unskilled workers should be drawn from the locality where the PU is located, (2) all efforts to be made to recruit persons displaced from the area acquired for the project, specially the scheduled castes and tribes, (3) next preference to be given to those who have been retrenched by other PUs, (4) skilled workers, clerks and other non-technical staff, with basic qualifications and experience, will be recruited with the same preferences as that of non-skilled workers, (5) middle level technical and non-technical posts, having higher starting salaries, equivalent to class I junior officers scale in GOI are to be filled on all-India basis, the merit and other qualifications being the principal criteria, (6) higher non-technical posts should be filled from the candidates available in the industrial management pool,\footnote{12} failing which the posts be advertised on All India basis, (7) all higher technical posts are to be filled from the persons recruited either by the advertisement on all-India basis or by personal contact, (8) all applications received along


with the list sent by the employment exchange with the names of the candidates with suitable qualifications should be screened, and appointments should be made by the selection committees, which will have the representatives from the state government, (9) for appointments in the higher and middle level posts, at least one representative of the state government, preferably a state government official who is on the board of directors, should be included in the selection committee, (10) ad hoc appointments, if made should be brought to the notice of the selection committees.

The above mentioned guidelines issued by the GOI, restricted both PUs in making appointments in the middle management levels. Recruitments were also subject to the employment exchanges for filling up all the posts carrying a basic salary of less than Rs. 500. In 1978, PUs were issued further instructions to make recruitment for the posts carrying the scale of pay, the maximum of which is less than Rs. 800 through national employment services. For appointments to categories 'C' and 'D' the posts were filled through the employment exchange. GOI issued another notification on 25 December 1974 stating that the disabled ex-servicemen should also be accorded along with the retrenched employees of other PUs. A formal directive was issued earlier for making reservations compulsory for scheduled caste (SC), Scheduled tribe (ST), physically handicapped and ex-servicemen as shown in table 3.3.

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PUs were also instructed to give considerations for the above mentioned categories by relaxing the terms - age, qualifications, experience and other standards of the preliminary screening as well as in final selection.

The recruitment procedure in both PUs shows disparity but reveals that it has gradually developed to acquire standard principles and norms best suited to the present conditions. The vacancies in the officer grades were filled initially on the basis of technical qualification or relevant experience in that particular field. In accordance with the guidelines issued by GOI, both PUs stressed the need for procuring personnel for the higher levels in technical and non-technical branches. The non-technical posts were filled by the candidates available in the industrial management pool and technical posts through advertisements. This was done to attract the personnel with higher technical knowledge and relevant experience so as to co-ordinate the complex functions and to undertake innovations. The vacancies were advertised in the newspapers to call the suitable candidates. From 1972 the trend shifted towards academic institutions - technical and non-technical for drawing candidates for the posts in the junior level of management. This is known as the campus recruitment. The advantage of this process is the economy in the selection procedure and the employers have the opportunity to get an idea of the course content which the candidate has undergone and becomes easy for screening them for final
selection. The selection is based on the standards formulated for the jobs approved by the management.

The vacancies in the supervisory cadre are filled by laying more stress on their experience rather than on technical qualifications. Initially both PUs recruited personnel having relevant experience in that field, which was designed in order to shoulder the responsibility entrusted to the incumbent. The study reveals that 60 percent of the non-executives in the higher pay scales in HPF and the personnel in technical branch of HTIL are promotees. This shows that the non-executives were the local aspirants and there was no stress laid on other aspects, but partially on their experience and technical qualifications. In due course of time the pattern of recruitment also changed due to the technological innovations which demanded higher level of skill to handle the job specifications. The recruitment took formal shape by incorporating the principles and procedures set by the GOI. The recruitment in both PUs is finalised on the results of various tests—written, practical and interview. In the above mentioned sequence of tests the interview was the first type of test used for selecting the employees in both PUs. This was to procure manpower at the earliest for the jobs highlighted in functional areas.

Tables 3.4.1 and 3.4.2 show the emphasis laid on the various factors at the time of interviews in HPF and HTIL

respectively. This further analyses the type of interview technique adopted in both FUs, which are basically two types - "direct" or "non-direct".\footnote{17}

Table 3.4.1. reveals that the emphasis was laid on the academic qualifications (30.70 percent) followed by the technical qualifications (25.2 percent) and the practical aspects (24.4 percent). The least potent factor for selecting the employees was the personnel background (4.9 percent). The employees who joined HPF when it just started production, considered the interview just a formality (13.0 percent) and were non-directed and informal. It further shows that 35.1 percent of junior executives, more than half of non-executives and 13.5 percent of middle executives were selected on their academic qualifications. There was a marginal emphasis on personal background, as the job descriptions stressed on technical qualifications and relevant experience in that particular field. It shows that the technical qualifications outweigh the experience marginally. Nearly one-third of the non-executive emphasised on technical qualifications being the criteria for their selection, while 33.3 percent on academic qualifications and 30.3 percent practical aspects. The main criterion for selecting junior level executives was academic qualifications as 48.14 percent support their views towards this, followed by practical aspects (18.5 percent) and technical qualifications. Nearly half of the middle executives who are technically/academically qualified laid stress on practical aspects.

Table 3.4.2 shows that 46.25 percent and 35.0 percent of the total employees in HIL considered the emphasis was laid on the technical qualifications followed by the practical aspects respectively. The jobs in HIL needed technically qualified personnel who are competent to undertake the specified jobs. Those who were selected on the technical qualifications comprised 72.90 percent of non-executives, 18.90 and 8.20 percent of junior and middle level executives. The practical aspects also had an impact in the selection of the employees as indicated by 82.14, 14.55 and 3.58 percent of non-executives, junior and middle level executives. The academic qualifications did not play any role in giving aid to the employees in their selection. It seems that the interviews were structured and direct in HIL, and it shows that the pattern is similar in all three levels of executives. Only 10.0 percent of the total employees in HIL considered that interviews were just a formality.

Tables 3.5.1 and table 3.5.2 show the educational standards of the employees which further indicates the potentialities of the selection pattern in HFP and HIL respectively. It shows that the employees are more educated in HFP than in HIL. The employees in HIL are technically qualified which points out that the emphasis would obviously be on this factor only.

On the basis of the analysis of the emphasis laid on the various factors at the time of interviews, it is easy to formulate
the overall ranking given by the three levels of executives in HPF and HTL. Table 3.6. indicates that in both PUs, the non-executives were selected on the basis of technical qualifications, followed by academic qualifications and practical aspects in HPF, and practical aspects and personal background in HTL. In the case of junior executives the academic qualifications followed by the practical aspects and technical qualifications were emphasized in HPF, whereas the emphasis in HTL was on technical qualifications and practical aspects. The least potent factor in case of junior executives was the non emphasis on the theory and personal background in HPF and HTL respectively. There is a disparity in the emphasis laid on selecting middle executives. The basis was practical aspects followed by academic and technical qualifications in HPF whereas technical qualifications was preferred in HTL. The overall ranking shows that the main criteria for selection was academic qualifications followed by technical and practical aspects in HPF, whereas potent factors were technical qualifications followed by practical aspects in HTL.

The chi-square test reveals the dependence/independence of various factors listed in the questionnaire. The interviews laid emphasis on the technical qualifications, but was independent of other factors in HPF as revealed in table 3.7.1. The interviews were dependent on technical qualifications and practical aspects and were independent of other factors in HTL.
as indicated by the table 3.7.2. This implies that HPF laid emphasis on all the factors, whereas HTL has fixed norms and emphasis, therefore, is laid on either of the two—practical aspects or technical qualifications.

With the growth of the two PUs, and labour unrest, modifications in the personnel policies were carried out. New tests and selection methods were recommended to be adopted by both the PUs. The trade test often called was designed for the posts in the technical grades for getting the suitable candidates to shoulder responsibilities and capable of performing the jobs independently. The scheme for management trainees which envisaged the direct appointment of the candidates to the junior executives posts, was considered in 1975.

ATTRACTION OF JOB

It is the motivating force which led the employees to join the present jobs in HPF and HTL. This indirectly signifies the importance of both PUs and the tendency of the employees for being attracted by various factors—monetary benefits (pay), security of job, promotion prospects, foreign training, national outlook of the PU, challenging job, location of the industry, as both HPF and HTL are located at two different places. The motivators were selected on the basis that these are the chief wants of the employees which induce them to perform and gain job-satisfaction. 18 The employee compensation mainly attracts

and retains the qualified personnel in the organization and also motivates them to achieve higher levels of performance.  

The analysis of each of the factors can help in formulating the ranking of each of the levels of executives under consideration in HPF and HTL. More than half of the total employees did not lay stress on the foreign training as being a motivating factor whereas only 8.1 percent considered it as their fourth priority. The national outlook in the present study means the recognition of concerned PU within the State/country. Only 8.9 percent of the total employees attached importance to the national outlook factor which has induced them to join HPF.

The monetary benefits i.e., pay, helps in satisfying physiological, security and egoistic needs of an individual. The ramification of the data reveals that 45.5, 34.6, and 28.7 percent of non-executives; 29.6, 22.2 and 11.1 percent of junior executives; 33.3, 10.0, and 20.0 percent of the middle level executives gave first, second and third preferences respectively. This directly signifies that the monetary factor is being the motivational factor and is therefore the product of valence and


The promotion system in HPF gave the impression to the employees who joined in 1960s of career development at a faster pace as it is still in the development phase. In this context 13.8, 26.8 and 21.1 percent of the total employees gave first, second and third preferences. This implies that the majority considered this factor as the second best. 10.6 and 28.7 percent of non-executives; 33.3 and 37.0 percent of junior executives; 10.0 and 40.0 percent of middle executives gave first and second preferences.

The security of job/service refers to the non-involvement of risk of losing the present job due to the current threats from technological change. The underlying need of security of job is also higher in the present study. Nearly 28.5, 18.7 and 18.7 percent of the total employees joined HPF on their first, second and third preferences in comparison with the other factors. As the risk involved in losing the job is higher in the private organizations, the employees mainly non-executives consider that the job in HPF is safer. Nearly 40.4, 28.7 and 23.6 percent of non-executives; 22.2, 14.8 and 22.2 percent of junior executives; 20.0 and 30.0 percent of middle executives gave first, second and third preferences respectively.

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The emphasis was not laid much on the challenging job and the location of HPF. The overall ranking evaluated on the above analysis is as shown in Table 3.8. It shows that the non-executives considered pay and security of service as the most potent factors, junior executives promotion prospects and pay, middle executives national outlook and pay. The overall ranking shows that the pay (monetary benefits) and the promotion prospects are most potent factors whereas national outlook and foreign training least.

The study reveals that the motivational force which induced personnel to join HTL has similar trend as shown in HPF. 12.2 and 25.6 percent of the total employees considered foreign training and national outlook of HTL were least potent motivational factors, as the employees considered that there was very little scope of foreign training in HTL. It seems that employees laid low emphasis on the national outlook which instigated them to join HTL. The employees also considered that it being a public sector undertaking, the facilities provided will be more and there will be certainly scope for their career development. There is an indication that the employees emphasized more on pay or monetary benefits than on other kinds, to fulfil their physiological and egoistic needs. 36.6, 26.8 and 18.3 percent of the total showed their preferences in that order. 37.1 and 27.4 percent of non-executives and junior executives gave first priority, whereas one fourth of the middle executives considered it as third priority for taking up jobs in HTL.
The promotion system is considered to be an effective force in increasing the level of individual performance within the present environment. 22.5 percent of non executives and 44.4 percent of junior executives laid emphasis on the promotions as it being the motivational force in second and third priority respectively. The middle executives gave a distorted view regarding its validity of being an effective motivational force. In the ranking order the security of service gets a slightly lower place in HTL as the data reveals that it is considered to be as the second (25.6 percent) priority. It further reveals that 29.0 percent of non executives and 41.6 percent of junior executives laid emphasis on this factor. The challenging job and the location of HTL in Madras city were considered to be least potent factors. The overall ranking shows that the first three preferences of non executives in HTL are similar to that of HPF, whereas it differs in the case of junior executives, which considered the pay and the national outlook of the organization as the most potent factors. There again the overall attitude of personnel in HTL laid stress on the monetary benefits and security of service. The least potent factors are national outlook of PU and foreign training as shown in table 3.8.

The chi-square test further proves the independence/dependence of various factors on attraction of service/job in HPF and HTL, given in table 3.9.1 and table 3.9.2 respectively.
The chi-square test indicates that as there was no specific emphasis laid on any of the motivational factors, therefore none of the motivational factors shows dependence on the attraction of employees towards seeking jobs in HPF as analysed in table 3.9.1. The chi-square test reveals that foreign training, pay prospects and promotions were the main factors on which the employees were attracted towards HTI for taking up jobs as analysed in table 3.9.2.

TRAINING

The final phase of the procurement function is induction, but immediately after induction and usually combined with it, is the function of developing the employee's ability to do the job with greater efficiency. Training enriches the employee with basic and changing techniques employed in production process and administration. The viability of an enterprise depends to a considerable extent on the skills of employees. The training programmes attach greater significance towards increasing the productivity, heightened morale, reducing supervision, reduced accidents, increased organizational stability and flexibility. The purpose of training is to achieve the objectives, develop professionalism and allows them to tailor the instruction of


their needs. 24

The training programmes were evaluated with the progress of both PUs, on the recognition of basic needs of converting the skills of huge segments of employees towards achievement of the objectives. The training programmes for the non-executives, junior and middle executives also varied in both PUs. The training imparted is of two types – induction and in-house. Induction training refers to the initial training provided to the employees on their admission to an organization. The object of such a training is to familiarise the incumbent with the working environment of the organization and the job assigned. 25 The in-house training is to impart skills to the employees for applying new techniques and be conversant with the changing technology.

The effectiveness of the training programmes in HFF has been analysed in table 3.10.1. It shows that one third of the total employees did not receive any training in HFF. This is because the employees who were absorbed initially on adhoc basis were directly routed to their respective jobs without any training as the training programmes were also not formulated. It further shows that those employees who joined after


1970 were given some kind of training, which 34.1 percent of the total employees consider as excellent, 22.7 and 8.1 percent considered the type of training received was repetition and were waste as it did not evolve new standards of training to what has been already undertaken by them. The ramification of the data further shows that the personnel who did not receive any training comprised 62.30, 30.20 and 7.0 percent of non, junior and middle executives. Only 12.80 percent of the non executives considered it as a mere waste of time and money.

Table 3.10.2 shows much disparity in the implementation of training programmes. 61.10 percent of the total employees in HIL did not receive any kind of training, out of which 76.78, 19.17 and 4.25 percent are non executives, junior and middle executives respectively. The employees who received the apprentice training and who were absorbed in non executives grade, generally showed that the training programmes were excellent, as it imparted basic skills. The employees with technical/academic qualifications or with appropriate work experience considered it as repetition (9.10 percent) and waste of time and money (3.90 percent). There were no training programmes specially designed for the junior and the middle level executives. These executives were required to take up responsibilities directly in the matter of advice and controlling inhibiting factors for gaining maximum efficiency in the feasible production process.

The induction training received by the employees reveals...
that maximum weightage was given to the practical or work experience. The employees in both PUs were rather dissatisfied over the nature and scheduling of the training programmes. The training received was repetitious and of low standards in few areas. Only 14.40 and 13.32 percent of the total employees in HPF and HTL considered that the training programme laid emphasis on theory, whereas 19.80 and 12.88 percent insisted on both practical as well as theoretical aspects respectively, as shown in table 3.11. Out of the 10.80 percent of middle executives, 7.20 and 3.60 percent received practical and the combination of the both aspects, whereas in HTL 3.22 percent received the theoretical training. This may signify that the complexities in the production processes in both PUs, demanded higher degree of professionalism and aptitude for undertaking the jobs.

Both PUs did not administer in-house training programmes to impart knowledge of changing technology and to increase their leadership qualities. These training programmes were usually meant for junior and middle executives in both PUs. HPF implemented managerial development programme for the junior executives, but proved worthless as no emphasis was laid on certain intricate points.

PROMOTION

The opportunity for advancement is considered to be fundamental to the progressive organization and a major factor
for job-satisfaction of an employee. The internal mobility, refers to a change in the nature of job, roles, status, responsibility, and pay - laterally or vertically - in the organization structure. It comprises (1) promotion, (2) transfer, and (3) demotion. Promotion is the upward placement of an individual in an organization with increased responsibilities, status and income, whereas transfer does not involve these changes. The promotion policies set up by GOI serve as guidelines for HPP and HTL to promote employees in various grades. The objectives of promotion system are - to give recognition to the employee's performance; to increase individual and organizational effectiveness; to promote job-satisfaction; to build loyalty, morale and a sense of belongingness in the employee; and for giving opportunity for his career development.

A corporate policy on promotion helps to state formally the organization's broad objectives, and to formulate both the manpower and individual career plans. One of the first requirements of a promotion policy is a statement of the ratio of internal promotions to external recruitment of each level. The second is to identify the network of related jobs, and the promotional channels of each job, taking into account job relatedness.


opportunities to interact with higher placed executives to foster job learning and the qualifications - both academic and work experience - required. This process helps in identifying promotion channels and creation of new jobs/vacancies.\textsuperscript{28} The vacancies in the higher grades arise due to the following factors – internal mobility, job evaluation, expansion programme of the industry, organization development and government regulations.

Initially, in both PUs, the promotions were given to the employees who fulfilled the minimum requirements of the posts in higher grades. To control the overstaffing and enhancing effective supervision IEDs in both PUs were entrusted to evaluate jobs in order to ascertain the relative worth of each job through an objective evaluation. The promotions in both PUs are of three types – within the departments, inter-department and of a particular trade in particular shop. The bases for promotion in both PUs have disparity and also shifted towards merit system.

HFIF adopted seniority of the employees as a major criterion for promotion in 1962, and was based on the guidelines issued by GOI. The trend shifted in 1970, when the employees union emphasized on adoption of merit system, which was again modified to a balanced approach of seniority - cum - merit

system. The merit system had more drawbacks than what that surfaced in the implementation of seniority system. This led to the shifting of the bases towards a balanced approach, and also affected the frequency of the promotions. Table 3.12.1 shows the disparity in frequency of the promotions in HPF. It reveals that the maximum of promotions obtained by the employees in the last two decades averages only five. Out of 21.87 percent of the junior executives, only 7.50 percent received five promotions. It further reveals that only 7.39 and 1.62 percent achieved four and five promotions respectively, whereas 27.65 percent did not receive a single promotion, and 25.52, 18.56 and 4.78 percent received two, three and four promotions. Excepting 3.70 percent of the junior executives, all others received one (11.10 percent), two (37.0 percent), three (25.90 percent), four (14.80 percent) and five (7.50 percent). Nearly half of the middle executives obtained two promotions and 30.0 percent three. The data reveals that maximum of 29.98 and 21.10 percent of the total employees achieved two and three promotions respectively.

When the frequency of promotions is analysed against the number of years of service in HPF, it shows that the employees with 16-20 years of service received the maximum of five promotions. 25.11 and 1.62 percent of the total employees with less than five years of experience and 6-10 years did not avail a

single promotion. The maximum promotions obtained by the employees are only two as shown in table 3.12.2. The employees with more than twenty years of service are only 5.67 percent of the total employees, out of which 3.24, 0.81 and 1.62 percent obtained two, three and four promotions respectively.

HTL also adopted seniority as a principal criterion for promoting employees in 1962. Seniority list of employees was compiled on the following principles: (a) Seniority is recommended by selection and promotion committees for promotees as per their merit, (b) Seniority is given to internal candidates for open recruitment, unless interviewed by the appointing and promotion committees. The other yardstick for granting promotions in HTL is the minimum three years of experience in one grade. The selection committee recommends the list of eligible candidates to the appointing authority for approval. Table 3.13.1 shows that out of non executives 8.05 percent did not avail a single promotion, whereas 24.15, 35.42, 27.55, 3.22 and 1.61 percent availed one, two, three, four, and five promotions respectively. The junior and middle executives could not achieve the maximum of five promotions in HTL as compared to that of HPF. Out of the junior executives, 18.75 percent were devoid of promotions while the remaining achieved promotions to a maximum of three (25.0 percent). The frequency of promotions in middle executives shows disparity as only one-third received

only one whereas 66.67 percent four. The overall frequency of promotions suggests that 32.97 percent achieved two and 25.70 percent three.

Table 3.13.2 ascertains that 33.28 and 48.80 percent of the total employees in HTL with the experience of 11 to 15 years and 16 to 20 years received higher number of promotions. 32.0 and 25.60 percent of the total employees received two and three promotions respectively. 2.56 percent of employees with less than five years of service in HTL could achieve only one promotion, whereas 5.12 and 2.56 percent of the employees with 5 to 10 years of service obtained one and two promotions. The disparity in the promotions directly indicates that other factors were also considered in promoting the employees to higher grades. Majority of the promotions were given to the employees in manufacturing and workshop divisions in HPP and HTL respectively, and the least in R&D and personnel and administration divisions. Further these variations indicate that the promotions were given to the employees with qualifications and relevant experience. 72.50 percent of the employees with technical qualifications obtained maximum number of promotions as compared to 27.50 percent with non-technical qualifications in HTL. Out of the technically qualified, 30.96 percent achieved two promotions, 27.52 percent three and 5.16 percent four as compared to 40.50 percent of non-technical with two and 18.0 three.

It is estimated that 64.2 and 67.1 percent of the total employees showed fairness in the promotion system, whereas 27.6 and 30.5 percent were dissatisfied in HPP and HTL respectively.
The basis for granting promotions initially was seniority in both PUs, but HPF acquired merit system whereas HTL maintained the old system. The factors which generally form the bases of promotion system were formulated to assess the relevance of these factors on promotions in HPF and HTL.

Table 3.14.1 reveals that 27.6 and 30.1 percent of the total employees gave first and second ranking to experience, whereas 19.5 and 12.2 percent, 11.4 and 11.4 percent, 11.4 and 12.2 percent, 13.8 and 26.8 percent, 15.4 and 4.1 percent, 1.6 and 1.6 percent to length of service, hard work, academic qualifications, technical qualifications, good relations and new inventions respectively. 26.8 and 22.0 percent of the total employees consider technical and academic qualifications as second and third potent factors, whereas 7.3 and 25.2 percent consider length of service and new inventions as the least potent factors in HPF. It reveals that good relations also play a major role in promoting employees, as 68.0 percent of the middle executives consider it as their prime choice.

The bases for promoting non-executives, junior and middle executives also show changes. Table 3.15 gives the analytical view of the rankings given by the three levels of executives in HPF. It reveals that 30.2 percent of non-executives considered experience as the prime factor on which their promotions are adjudged, whereas 19.7 and 27.9 percent considered hard work and new inventions do not play a role in promotions. The first
three factors for junior and middle executives are similar to that of non executives, but differ in considering the factors which are least potent in the promotions. The good relations and new inventions do not play any role in promoting the junior and middle executives.

The factors which affect the promotion system in HTL are analysed in table 3.14.2, which reveals that 41.5 percent of the total employees lay stress on the length of service as their prime choice, followed by 29.3 percent on experience and 36.6 percent technical qualifications. Hard work, good relations and new inventions do not play a role in the promotions as 25.6, 15.9 and 48.8 percent of the total employees consider them as least potent. Table 3.15 gives the analytical view of the importance of these factors separately for non executives, junior and middle executives. It further shows that there is a disparity within the levels of executives and to that of HPF. It reveals that 40.3 percent of non executives considered that the length of service was the sole factor in granting promotions, whereas hard work and new inventions did not play any important role. The first three factors - length of service, experience and technical qualifications - are similar for top and junior executives in HTL. Nearly a two third of middle executives considered good relations with superiors gives aid for higher promotions followed by the length of service and experience. The overall consideration is centred on the length of service
and experience of the employees in HTL.

The bases for promoting non-executives are experience, technical qualifications and academic in HPF, whereas they are length of service, experience and technical qualifications in HTL. Similar variations are recorded in the case of junior executives in HPF and HTL. The stress laid by the middle executives is as follows – technical qualifications, experience and length of service in HPF; good relations, length of service and experience in HTL.

The chi-square test further proves the dependence/independence of various factors on promotion in HPF and HTL. Table 3.16.1 analyses that the departments to which the employees are attached in HPF do have an effect on promotion system. The pay scales on which they are working also show dependence. The promotion system in HPF is independent of other factors. The chi-square test analyses that the pay scales and the departments to which the employees are working in HTL have an affect on promotion system. Apart from these two, the experience and the length of service also show dependence on the promotion system in HTL as revealed by table 3.16.2. The remaining factors do not affect the promotions in HTL.

WAGE AND SALARY ADMINISTRATION IN HPF AND HTL

A special feature of FU labour relation is total centralisation in decision-making with reference to wages and fringe benefits. A sound compensation package encompasses factors
like adequacy of wages, social balance, supply and demand, fair comparison, equal pay for equal work, and work measurement.\textsuperscript{31} The concept of adequacy has two concepts - internal, which relates to fair wages concept, and external finds a relation with comparable jobs in other industries with similar requirements. GOI has enacted legislative measures to protect the wage 'earners' right and emphasises managerial obligations in this regard. The payment of Wages Act, 1936 laid emphasis on proper payment and all malpractices like non-payment in kind, rather than in cash or short measurement of the work of piece-rate workers.\textsuperscript{32} The legislation of Minimum Wages Act, 1948 seeks to avoid exploitation of workers by underpaying them for their efforts. This legislation is implemented by both central and state government in their respective spheres.\textsuperscript{33}

The wage structure adopted by both PU's was designed on the job analysis similar to that in other PU's. The National Productivity Council (NPC) conducted job evaluation analysis in BFP in 1970, to revise the wage structure for providing flexibility in deployment and enhancing opportunities to the employees for acquiring wider skills. NPC regrouped jobs of ministerial and factory into five grades with revised pay scales as shown


\textsuperscript{32} B.R. Seth, Indian Labour Laws, A Supervisor Should Know (New Delhi : All India Management Association, 1974).

\textsuperscript{33} Ibid.
in figure 3.5. The pay scales increased by 2.5 times on an average. The wage structure adopted by HPF indicates a wide gap between the pay scales in the lower categories rather than in higher categories of non executives. On the basis of negotiations between the management and trade unions, HPF adopted a new wage structure in 1978, similar to the of GOL.\textsuperscript{34}

HTL adopted a different wage structure from that of HPF. In general there is no distinction between the ministerial and factory work in HTL. The non executives are divided into twelve categories as indicated in figure 3.6. IED conducted a survey and regrouped jobs of similar nature and increased the pay scales. The pay scales adopted in 1962 and revised in 1975 indicates that the pay scales increased 1.4 and 1.5 times in the lower and higher categories, in HTL.

The wage structure adopted by both PUs shows slight variations in the basic pay levels. Both PUs also disburse following monetary benefits:

1) **Dearness Allowance** (DA): The variable DA is Rs. 96.00 based on the average All India Consumers Price Index (AICPI) (base year 1960 = 100) of 331 points for the quarter ending December 1974 is fixed, whereas HTL fixes DA as per the All India General Price Index Number (base year 1960 = 100) with 305 points.\textsuperscript{35} HTL has also fixed the following standards for dearness allowance:

\textsuperscript{34} *Wage Settlement Act* (Ootacamund : HPF, 1975), p. 3.

\textsuperscript{35} BPE No. 2 (142)/68 - BPE (CM), 6 September 1968.
<table>
<thead>
<tr>
<th>Pay Scale</th>
<th>Dearness Allowance</th>
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<tbody>
<tr>
<td>(a) Upto and Rs. 347</td>
<td>Rs. 80</td>
</tr>
<tr>
<td>(b) Rs. 348 to 387</td>
<td>Rs. 100</td>
</tr>
<tr>
<td>(c) Rs. 388 to 447</td>
<td>Rs. 125</td>
</tr>
<tr>
<td>(d) Rs. 448 to 637</td>
<td>Rs. 150</td>
</tr>
<tr>
<td>(e) Rs. 638 and above</td>
<td>Rs. 165</td>
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2) **Compensatory Allowance**: HPF disburses Hill compensatory allowance at 6 percent of basic pay to a maximum of Rs. 75, whereas HTL disburses City Compensatory Allowance at similar rates.\(^{36}\)

3) **House Rent Allowance**: The employees not provided with quarters are entitled to have house rent allowance (HRA) at 7½ percent of the basic pay plus DA to a maximum of Rs. 200 in HPF and 15 percent of the basic pay plus DA in HTL.

4) **Night Shift Allowance**: This is given at the rate of Rs. 1.00 per night shift duty performed in HPF and Rs. 1.50 in HTL.\(^{37}\)

5) **Miscellaneous Allowance**: Conveyance Allowance of Rs. 20 per month is given to employees in HTL using bicycle to visit the factory on duty, whereas winter allowance at 6 percent of basic pay is disbursed to the employees in HPF.

6) **Bonus**: The spate of industrial relations disputes relating to the bonus issue was sought to be ended with the

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\(^{36}\) *Wage Settlement Act (Madras : HTL, 1978).*

\(^{37}\) *Administrative Report, (Madras : HTL, 1980).*
According to the section 20 of this Act, PUs would be covered by this Act, only if in any accounting year a PU sells any goods in competition with a private enterprise and in the income from such sale is not less than twenty percent of the gross income for that year. Bonus is payable to all the employees in HPF and HTL in proportion to their basic pay upto Rs. 1600 per month.

The study reveals the following variations:

(a) HPF patronises more minor allowances as an incentive to its employees and attracts more incumbents than HTL, hence the pay scales are higher in HPF than that in HTL.

(b) There is a variation in the HKA, night shift allowance, which shows disparity on the fixed wage policy.

(c) Different bases are adopted for fixing DA in both PUs.

SOCIAL AND WELFARE AMENITIES IN HPF AND HTL.

There are other factors which have the potential to affect the performance of the employee in an organization. The attitude of the employees towards these factors can directly assess their morale.

WORKING CONDITIONS: Table 3.17.1 depicts the attitude of the

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employees towards the working conditions in HPF. It reveals 81.3 percent of the total employees are satisfied with the working conditions. Further, it reveals that three-fourth of non-executives, 96.14 percent of junior executives and 90.0 percent of middle executives are also satisfied with the working conditions. It reveals that the working conditions which include internal and the external environments, are satisfactory.

Table 3.17.2 depicts that 85.0 percent of the total employees in HTL are satisfied with the working conditions. 15 percent of the total employees are not satisfied, out of which 83.3 and 16.67 percent are non and junior executives. These employees are attached to the departments of metallurgy, casting, furnace etc. where the physical conditions directly affect their performances. Nearly 83.60 percent of non-executives, 87.50 percent of junior executives and all the middle executives are satisfied with the working conditions in HTL.

CHILDREN EDUCATION BENEFITS: As the two PUs are located in two different places, the aspects of labour welfare include benefits of children education i.e., forwarding loans for education of their children in undertaking higher studies or for school education. The degree of satisfaction in this regard is higher in HPF than in HTL. Table 3.18.1 indicates that 75.2 percent of non-executives, 78.3 and 82.8 percent of junior and middle executives in HPF are satisfied with the
children education benefits. Only 24.3 percent of the employees are dissatisfied with this benefit. In HTL the case is altogether different. Table 3.18.2 indicates that as the HTL does not have its own educational institution for children of the employees and also shows no interest in this regard. 87.30, 69.20 and 100.0 percent of non executives, junior and middle executives are dissatisfied with the children education benefits.

SAVING PLAN: The system of savings in the organization also enhances the performance of the employees when there are higher returns on their savings. The employees in both PUs are comparatively satisfied with the implementation of the savings plan. Table 3.19.1 indicates that a two-third of the total employees shows satisfaction towards savings plan, out of which 47.80, 13.90 and 6.95 percent comprise non, junior and middle executives. All the middle executives show satisfaction towards the savings plan whereas only 64.7 and 69.6 percent of the non and junior executives are satisfied.

Table 3.19.2 shows a similar trend as that of HPP. Nearly a two third of total employees shows satisfaction towards the savings plan. 70.2, 60.0 and 50.0 percent of the non executive, junior and middle executives are satisfied with the savings plan in HTL.

HOUSING SCHEMES: The housing scheme in both the PUs comprises two facets - (a) the allotment of the company quarter, and (b) forwarding of loans for construction of their houses for
their settlement. 64.5 and 61.2 percent of total employees in HPF and HTL are satisfied with the system of allotment of the quarters. Regarding, the second part of the housing scheme 67.5 and 74.0 percent of the total employees are dissatisfied in HPF and HTL respectively. Table 3.20.1 indicates that 73.17 percent of non executives, 54.17 percent of junior executives and half of middle executives are not satisfied with the housing scheme, as HPF does not forward loans for construction of the houses.

Table 3.20.2 ascertains that dissatisfaction shown by all the three levels of executives is higher in HTL than assessed in HPF. 55.9 percent of non executives, 80.0 percent of junior and all the middle executives show dissatisfaction. It reveals that both HPF and HTL have not formed reserves to forward loans to their employees.

RETIREMENT BENEFITS: The retirement benefits in both PUs include provident fund, gratuity and other savings but do not include pension. The analysis shows that employees in both PUs are at an average satisfied. Table 3.21.1 reveals that more than half of the total employees in HPF are satisfied. Further it shows that 59.3 percent of non executives, 51.8 percent and 60.0 percent of junior and middle executives show satisfaction towards retirement benefits respectively. Table 3.21.2 reveals that the employees in HTL do not have full satisfaction towards retirement benefits. It further reveals that 48.8 percent
of total employees shows satisfaction, out of which 31.7, 14.7 and 2.4 percent belong to non executives, junior and middle executives. 56.4 percent of non executives are not satisfied. This signifies that the present package of retirement benefits is not enough for the employees. They opt for the implementation of the pension programme along with the provident fund and gratuity.

PAY : The wage structure in both PUs has been dealt earlier in this chapter. The monetary benefits has a significance in influencing the performance of an employee. Table 3.22.1 depicts that 82.9 percent of the total employees were satisfied of the monetary benefits given in HPP. Nearly 82.5 percent of non executives, 77.7 percent of junior and 100.0 percent of middle executives were satisfied with the pay in HPP.

Table 3.22.2 reveals that 84.1 percent of total employees in HTL show satisfaction of the pay received by them. Nearly 62.1 percent of non-executives, 87.5 percent of junior and 100.0 percent of middle executives show satisfaction. This directly shows that both PUs administer effective wages and salary administration. The job evaluation carried out in both PUs grouped similar jobs into different categories and also increased the basic pay scales. The total of the basic pay and allowances in both PUs reveals that it has achieved the standards of motivating factor which influences the performance of employees.

BONUS : Table 3.23.1 reveals the attitude of employees
towards bonus given in HPF. It reveals that 83.7 percent of total employees show satisfaction towards bonus. Though the bonus is not given to the employees drawing salary above Rs. 1600, they show satisfaction on the bonus given in HPF. 93.0 percent of non-executives, 70.3 percent junior and 40.0 percent of middle executives are satisfied with bonus.

Table 3.23.2 ascertains the attitude of employees towards issue of bonus in HTL. It reveals that 78.0 percent of total employees shows satisfaction whereas 19.5 percent are dissatisfied. 80.6 percent of non-executives, 48.1 percent of junior and 25.0 percent of middle level executives are satisfied. As the middle level executives are not entitled to get bonus they show dissatisfaction towards the issue of bonus.

The satisfaction shown by the employees in both PUs reveals that bonus issued is at par with the government regulations and forms an integral part of the reward system in PUs.

MEDICAL BENEFITS: The employees i.e. non-executives are covered under Employees' State Insurance Scheme (ESIS), which is designed to cover three main contingencies - sickness, maternity and disablement. It excludes other contingencies such as old age and unemployment. Its application is very limited and covers only those employed in specified factories. Table 3.24.1 reveals that 81.3 percent of total employees are satisfied of the medical benefits and 17.1 percent are dissatisfied. 79.0 percent of non-executives, 81.2 percent of junior, and 90.0 percent of middle
executives show satisfaction towards medical benefits. The degree of satisfaction is much higher in HPP because of establishment of hospital capable of giving good medical aid.

Table 3.24.2 reveals that junior and middle executives are fully satisfied with the medical benefits, whereas 58.0 percent of non-executives are not satisfied with the medical benefits, as the services of ESIS are not good. They recommended the implementation of the reimbursement system of fees charged by other hospitals. 53.7 percent of total employees are satisfied with the medical benefits.

The chi-square test shows social and welfare amenities in HPP and HTL, dependent/independent of various factors. Table 3.25.1 indicates that social and welfare amenities depend on savings plan, housing scheme, bonus and medical benefits. It is independent of the remaining factors.

Table 3.25.2 reveals that working conditions, housing scheme, retirement benefits and medical benefits are dependent on social and welfare amenities in HTL. It is concluded that housing scheme and medical benefits are generally weak areas in social and welfare amenities in both PUs. The working conditions in HTL signify the varying atmospheric and physical conditions at the place of work.

TRADE UNIONS

Trade Unions are voluntary organizations of workers formed with a view to defend and advance their collective interest
either mutually or in relation to outside parties such as employers, government and other trade unions. Thus it serves as a tier of workers participation to have collective bargaining on various issues emanating from the grievances of the employees. The worker and non-management representatives (NMRE) of the HPF formed a union in affiliation with Indian National Trade Union Congress (INTUC), with an aim of providing permanent employment to the temporary workers in various departments. In 1967, Indu Employees Union emerged with the majority of workers and got affiliated to the Labour Progressive Federation of IMK. In 1968, this labour union was recognised by the State Evaluation and Implementation Committee as the sole bargaining agent under the code of discipline, 1947. The ministerial staff of HPF formed the Indu Staff Union. In 1970, Film Factory Workers’ Union was formed by dissolving previous unions. In 1972 it was bifurcated into HPF Workers Welfare Centre, in affiliation with CITU and the Indu Employees Progressive Union erstwhile Indu Employees’ Union.

The workers of HTL formed the Hindustan Teleprinters Employees Union (HTEU) in affiliation with CITU in 1964. Hindustan Teleprinters Staff Union emerged in 1969 with affiliation to

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Labour Progressive Federation of DMK. In 1978, Hindustan Teleprinters General Employees Union was formed by 23 percent of employees due to internal friction. In 1981-82 the HTEU was the only recognized union with a majority of 44 percent of the total employees.

The study reveals that the unions in both the PUs underwent many changes. The main factors for the multiplicity of unions were the inter-group frictions and the personality differences which surfaced due to the difference in opinions. The labour unions showed an inclination towards affiliation with CITU to have uniformity in their activities. 83.35 percent of employees in both PUs are in favour of a stable employees union for effective functioning.

The areas which are the causes of the employees grievances in both PUs are - promotions, social and welfare amenities, continuity of service, compensation, disciplinary action, payment, nature of jobs, superannuation, transfer and victimization. The policy issues relating to hours of work, incentives, wages, dearness allowance and bonus are beyond the scope of the grievance procedure, thus they fall under the purview of collective bargaining. The study dealt with the four factors - working conditions, benefits, job security and the pay - which are emphasized mostly by the employees unions in both the PUs. Table 3.26 reveals that the employees unions emphasized on pay (Monetary benefits) as shown by 37.4 and 45.1 percent of the total employees in HPF and HTL respectively. 5.7 and 15.9 percent of the total employees in HPF
and HTL show that the employees unions emphasized least on job security as the guidelines of personnel policies have made clear of this aspect. The employees union in HPF lays stress on improving the working conditions (28.38 percent), whereas 21.25 percent of total employees in HTL reveals that unions emphasized on improving the benefits given. This directly shows that the pay (monetary benefits) is the integral part of motivation, retention and attraction of employees in the two PUs. The modifications noted earlier in the wage structure and promulgating the increase in the pay scales show the effective functioning of the employees unions in both PUs. As the production process in HPF involves more safety measures than that in HTL, the emphasis laid by the unions on this aspect is higher in HPF than in HTL.

Employees unions in both PUs are the associated groups of non-executives below the rank of the supervisor, as they are mostly not eligible to be its member. The mode of fulfilling their demands is peaceful negotiations, as revealed by 37.0 percent and 32.4 percent of the total employees in HPF and HTL respectively. They resorted to strikes in enforcing the pay and bonus increase and working conditions, resulting in the loss of mandays. At times the mandays were lost due to the strike activities of the employees for displaying unity and strength on the call of the other unions, in certain case due to the clash of personalities and interactions between the groups.

The recognised unions have functioned in high esteem in
settling down the problems through peaceful means. This was the opinion of the middle executives. But junior and non-executives emphasized that the unions have resorted to strikes to get their demands passed by the managements. At present there are multiple unions in both the PUs, thus diluting the unity among workers and causing inter-group tensions leading to indiscipline among the workers affecting the organizational efficiency.

WORKERS' PARTICIPATION

The workers' participation in PUs was given recognition recently. The purpose was to arouse among the workers a sense of identity, belongingness and participation with a view to promote industrial harmony and maximize production. Detailing the advantages of the workers' participation, the Second Five-Year Plan (1956–51) envisaged that such a measure would help in: (a) promoting increased productivity, (b) giving employees a better understanding of their role in the working of the industry and of the process of production, and (c) satisfying the workers' urge for self expression, thus leading to the industrial peace, better relations and increased co-operation.

The Indian Labour Conference (1957), after considering the report of the study group, accepted in principle the idea

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of setting up the joint management councils (JMCs) to give equal representation of workers and management in decision making process.\textsuperscript{46} On the directives of GOI, both PUs introduced workers' participation in March 1976 by setting up shop and joint councils at shop/department and at PU levels with equal representation of workers and management.

The shop floor council (SPC) is constituted in each shop/department and its strength varies from five in HPF to six in HTL, representing both workers and management equally. In HPF, personnel division finalises the list of the workers in consultation with the recognized union after having matched both the lists, one forwarded by the department manager and the second by the recognized union. In HTL, the management finalises the names of the workers to be elected by the constituent groups through secret ballot. The chairman is nominated by the management and vice-chairman is elected from among the worker representatives in the council.

The function of the shop floor council (SPC) in both PUs is the same and aims at increasing productivity, maintaining discipline, improving physical conditions, welfare and health services, ensuring the feasibility of the communication system and other aspects related to the production scheduling and control.

In HPF, the joint management council (JMC) is headed by the chief executive along with the personnel manager as its secretary and the representatives of the management are the heads of various divisions.\textsuperscript{47} In HTL, the technical manager is the chairman of the JMC and the vice-chairman is elected from among the workers representatives. The workers' representatives are selected on consensus in HPF and are elected from SFCs in HTL.

The JMC is to deal with fixation of productivity norms for the man and machine utilisation, matters emanating from the shop floor councils which remain unresolved, awarding of rewards for creative suggestions from the workers, optimum use of the raw materials, the quality of the finished products.

Thus the councils were expected to help in achieving higher productivity and production, greater job-satisfaction, improved industrial relations, discipline, welfare and safety measures for the unit as a whole. The tenure for SFC and JMC in both PUs is two years. SFC meets once in every month and JMC every quarterly to take decisions on consensus.

The worker participation initially started by the involvement of the workers in the committees was formed in both the PUs. The following are the committees that function in both PUs.

\textsuperscript{47} Administrative Report, (Ootacamund : HPF, 1977).
(a) WORKS COMMITTEE (WC) : WC functions under the Industrial Disputes Act, 1947 to deal with the bonus and profit sharing schemes; rationalization of planning and development of the programmes; fixation of standard labour force; retirement and other benefits; retrenchment, lay-off and victimization; quantum of leave, national and festival holidays.

The functions of WC in both the PUs are similar, but vary in their set up. In HPF, WC has five members each from the workers and the management, whereas in HTL it comprises eight representatives of both sides. The worker representatives are elected in both the PUs and represent all units divided into the electoral constituencies. In HPF, the members of WC elect the chairman, vice-chairman, secretary and the joint secretary. In HTL, the industrial engineer is the chairman, the personnel manager and the welfare officer are nominated. The term for WC is six years, one-third of the total representatives retire after two years, and one of the remaining representatives after four years.

(b) SAFETY COMMITTEE (SC) : Safety committee functions in both PUs, but with variation. In HPF, SC is given importance than in HTL, and it is constituted at two levels: 48

(i) Departmental Safety Committee is constituted in all the departments of the production division with equal representation.

The manager of each of the production departments in its chairman, the deputy manager its secretary. It has an assistant manager or a section officer, a safety officer and the three representatives among the workers, nominated on their merit and aptitude. The function of DSC is to review and recommend measures for accident prevention.

(ii) Central Safety Committee (CSC) comprises a manager (engineering services) as its chairman, the safety officer as its secretary, works manager, production manager and the chairman of DSCs as members. The CSC has the powers to lay down safety measures for the departments, review and recommend measures for safety.

In HTL, SC consists of ten members, with equal representation of the management and that of workers. This committee is headed by the production manager and also comprises a safety inspector to review and recommend the safety measures to be adopted.

(c) The committees constituted with equal representation are extra-curricular in both PUs, sports and recreation in HTL and educational advisory in HPF. These committees are considered to be minor and of less significance in both PUs.

The study reveals that the functions assigned to these committees are similar and the decisions taken are generally

49 Ibid., p. 28.

weak in nature. Though these committees involve equal representation of the employees and the management, 62.1 percent of the total employees lay stress on the fact that their involvement is less effective and the decisions taken are the efforts of the management. The works committees in both PUs are weak and ineffective to handle the issues emanating from the employees' grievances and general functioning of the management. This has led to the establishment of the trade unions within these two PUs and informal groups causing disharmony and inefficiency. The drawbacks in the functioning of the works committees in both the PUs have led to the introduction of joint management councils for ensuring perfect workers' participation. The implementation of the new workers' participation policy in both PUs could not attract the enthusiastic workers as it also had similar drawbacks which revealed in the functioning of the works committee. The new scheme was not able to help workers to take decisions on the vital areas and issues. The management was convinced about the inherent utility of the participative management, but they were not really committed to the objectives of the workers' participation.

Table 3.27 reveals that 43.1 and 47.6 percent of the employees in HPP and HTL respectively have shown satisfaction in the functioning of the respective managements. Majority of the employees are of the opinion that both managements prove to be ineffective because they are instruments of government and are deprived of necessary powers. The functioning of the management
has improved considerably in both PUs as they took decisions in favour of labour welfare and to solve the intricate issues. This has led to call the management of both the PUs as a type of participative management.

MORALE

"The morale of an employee is the extent to which employees needs are satisfied and the extent of which he perceives that satisfaction is stemming from the total job-satisfaction.\textsuperscript{51} Thus it is a combination of attitudes towards the company, job, personnel policies and other related aspects.\textsuperscript{52} Morale can be measured by evaluating individual's attitudes through surveys using the questionnaires.\textsuperscript{53}

The study of morale of the employees in HPF and HTL was made with the help of questionnaires consisting of questions related to various facets of the personnel policies such as, welfare and social amenities, nature of the job, supervisor relationship, image of the company, factors relating towards their attraction for the present jobs in HPF and HTL, promotion system, interview techniques and the kind of training given. The researcher allocated standards for assessing their morale, the employees getting the total of their attitudes between


18 and 24 was considered as low, 25 and 33 moderate, 34 and 42 as high degree of morale. Table 3.28 reveals the distribution of the employees with varying degrees of morale. In HPF 5.7 percent of the total employees has low morale, 53.8 and 40.6 percent have moderate and high degree of morale. In HPF atleast 55.68 percent of non executives, 51.9 percent of the junior and 40.0 percent of the middle executives have moderate morale. In HTL, 62.1 percent of the total employee has moderate 12.2 and 24.4 percent have low and high morale. Nearly a two-third of junior and all the middle executives have moderate level of morale. It reveals that the percentage of employees with moderate level of the morale is lower in HPF than that of HTL.

The chi-square test shows the dependence/independence of morale on various factors in HPF and HTL. It has been analysed in Tables 3.30.1 and 3.30.2 respectively. It reveals that the promotion system, social and welfare amenities have directly influenced the morale of the employees in both PUs. In HPF it was independent of other factors, whereas in HTL it also depended on experience. It may be concluded that the promotion system and social and welfare amenities have to be improved to uplift the morale of the employees in both PUs. Hence the increase in productivity.

On the basis of distribution of employees with varying degrees of morale, average morale index was calculated for
each category of the employees in HPF and HTL as shown in table 3.29. It depicts that the average morale index of non executives is higher (2.372) than that of junior (2.333) and middle (2.200) level of executives in HPF. In HTL, the average morale index of the junior executives (2.333) is higher than that of non executives (2.156) and middle executives (2.000). The average morale indices of the middle and non executives are higher in HPF than in HTL. The morale index is the same for junior executives (2.333) in both the PUs. The overall average morale index in HPF (2.350) is higher than that of HTL (2.134).

The relationship between the morale of the employees and different behavioural aspects in both PUs is also examined.

Tables 3.31.1 and 3.31.2 depict the trend of employment expenses and its share in the real value of production for computing the total weighted percentage rate of change from 1967 to 1982 in HPF and from 1962 to 1982 in HTL respectively. The total emoluments namely, wages, salaries and other benefits amount to the employees cost.

Table 3.31.1 shows that initially the percentage increase was higher 95.08 percent in 1968. This was due to the induction of the employees on the commencement of production in 1967. The employees cost showed an increasing trend but the percentage rate of change gradually decreased 1.31 percent in 1973 and increased at an average of 20 percent from 1974 to 1978. 54

54 Annual Reports (Octacambud : HPF, 1978).
With the establishment of the IED in HPL, it was able to regulate manpower absorption and evenly disburse the overstaffing in deficient areas. The share of employment expenses in real value of production in each year was calculated. It reveals that the share of employment expenses which was 1.8027 in 1968, decreased to 0.6589 in 1969. It increased from 0.3564 in 1971 to 0.4012 in 1972, gradually decreased to 0.0686 in 1981. This signifies that stability was gained in controlling the increase of employment expenses. The average share of the employment expenses has been analysed by dividing the sum of its share of previous and present years by two. The weighted percentage rate of change of each input reveals that it was 85.71 percent in 1968, decreased gradually to 0.46 percent in 1972, increased considerably to 6.52 percent in 1973 and finally decreased to 0.65 percent in 1979.

The employment expenses in HPL has increased steadily as revealed by table 3.31.2. The percentage rate of change showed decreasing trend of 12.42 percent in 1963, increased considerably from 1963 to 1966. The increase in expenses in 1965 signifies the effect of the devaluation of the rupee in 1964 which inflated the amount. The percentage change in employment expenses is marginal - 0.12 percent - in 1972 indicating that HPL was able to limit the procurement of the manpower, which decreased the growth rate. It increased - 31.13 percent - in 1973 and gradually

decreased to 5.0 percent in 1977. The share of the employment expenses in the real value of production which was 0.2464 in 1962, increased to 0.4995 in 1963, showed gradual reduction to 0.1205 in 1966. It increased gradually from 0.1672 in 1968 to 0.5754 in 1978 after a reduction to 0.3937 in 1972. The weighted percentage rate of change of employment expenses was minus 4.63 in 1963, increased to 22.84 percent in 1964, gradually decreased to 6.25 percent in 1967 and further to 0.04 percent in 1972. Thereafter it showed variations. It increased – 10.02 percent – in 1973 and 11.85 percent in 1975 and was marginal – 3.79 and 2.05 percent – in 1976 and 1977 respectively.

The analysis mentions an opposite trend of employment expenses in HPF and HTL. The share of employment expenses in the real value of production has shown a decreasing trend in HPF, whereas it decreased in the first half and increased considerably in the second half of the total period 1962 to 1982 in HTL. This is because HTL promulgated wage increase in 1975, which inflated the amount. The trend shown by the HPF points out that it was able to control the factors leading to overstaffing and limiting the growth rate of employment expenses. The correlation co-efficient ($R = -0.805$) shows that average morale index had an effect on the average increase in the employment expenses as analysed in table 3.32.

ABSENTEEISM

The average absenteeism rate of HPF and HTL are calculated
from 1977 to 1982, and are 13.43 and 17.61 percent respectively. The analysis shows that the average morale index had a partial effect on the absenteeism rates. The reasons for the higher absenteeism rate in both PUs are physical and psychological factors. The physical factors comprise temperature, working conditions and physical fitness of an employee. The psychological factors are the outcome of the personal or group grievances in both PUs. The analysis of the monthly absenteeism rates in HPF and HTL shows that during the school vacations and in holidays, it is higher. In HPF during the months of winter season the absenteeism rate is higher due to the low physical fitness of the employees. The absenteeism rates are much higher in the silver nitrate and silver extraction departments in HPF, and foundry/metallurgy sections in HTL. This is because of the ill-effects of the working conditions.

RATE OF FLIGHT

The rate of flight in the context of the present study deals with the number of the employees seeking migration from HPF and HTL. The trend of the rate of flight was more during 1970 and 1975 due to the inefficiency in the functioning of both PUs. The other factors are - (i) for career development/prospects, (ii) lesser job satisfaction in HPF and HTL, (iii) less frequency of promotion, and lack of motivation.

The analysis shows that similar factors were influencing them to leave the present jobs in HPF and HTL, which once made
them to take up jobs in the HPF and HTL. In the last five years the average rate of flight has been 7.7 percent and 8.8 percent in HPF and HTL respectively. The correlation coefficient \( R = -1.00 \) signifies that average morale lays emphasis on the average rate of flight.

After analysing the facets of personnel policies and the attitude of employees towards interview procedure, recruitment, selection, training, promotion system, social and welfare amenities, workers' participating and lastly the analysis of morale show divergence in actual implementation of personnel policies. This chapter reveals that the personnel function is most important in HPF and HTL. The following chapter analyses the principles and procedures adopted by both the PUs in managing the production process.