CHAPTER II

RECRUITMENT, PROMOTION, TRAINING, WAGES
AND WELFARE FACILITIES

In this chapter we shall study the formal aspects of personnel management. Starting with the organization of the Personnel Department, we shall go on to examine recruitment, promotion, training, wages and welfare facilities.

Informal aspects of wages, welfare facilities, promotion etc. will be discussed in later chapters. Since the focus of the study is labour, only a brief mention will be made in regard to managerial positions.

ORGANIZATION OF THE PERSONNEL DEPARTMENT

In RS(I)L the Personnel Department had under the overall charge of the Personnel Manager. The department was divided into two wings — the main personnel wing and the factory wing.

The main personnel wing was looked after by the Assistant Personnel Manager and the Senior Personnel Officer I. The Department of Assistant Personnel Manager mainly dealt with union matters, industrial court cases and welfare of the employees of general administration. The Senior Personnel Officer on the other hand, kept a record of the officers and the general administration. He also dealt with recruitment of the Class III and Class IV employees.

The factory wing, under the charge of the Deputy Personnel Manager, looked after the welfare of all the workers in various

1. For organization chart of the Personnel Department in RS(I)L see Appendix 2.1
factory divisions. Each block of the factory had a personnel officer. He kept record of the workers and tried to settle their grievances in consultation with the head of the block.

In ITI the personnel management functions were looked after by two officers: the Industrial Relations Manager (under the General Manager, Production), and the Administrative Manager (under the General Manager, Technical).

The personnel functions under the Administrative Manager were further sub-divided between the Personnel Manager and the Senior Administrative Officer. The Personnel Manager looked after the recruitment and welfare of the employees, while the Senior Welfare Officer kept the records of leave accounts, promotions, disciplinary actions, grievances and labour turnover.

The functions of the Industrial Relations Manager were to look after conciliation, union management meetings and the Joint Consultative Councils.

RECRUITMENT

Recruitment, both in HE(I)L and ITI, was through a written test and interview. However, in ITI standardised aptitude and trade tests were used for recruitment to different jobs.

Sources

The main media of information about the recruitment in HE(I)L and ITI were (a) employment exchanges and (b) advertisements in the newspapers.

In HE(I)L 37% and in ITI 10.6% of the respondents had come to know about their jobs through Employment Exchanges, while 67%

2. For organization chart of the Personnel Department of ITI see Appendix 2.2.
of the employees in ITI and 20% in HE(I)L came by this information through newspapers.

**TABLE 2.1**

<table>
<thead>
<tr>
<th>Sources of Recruitment</th>
<th>Number recruited</th>
<th>HE(I)L</th>
<th>ITI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Employment Exchanges</td>
<td>72 (37.0)</td>
<td>19 (10.6)</td>
<td></td>
</tr>
<tr>
<td>2. Contractors</td>
<td>9 (4.7)</td>
<td>N11</td>
<td></td>
</tr>
<tr>
<td>3. Friends</td>
<td>25 (14.0)</td>
<td>14 (7.7)</td>
<td></td>
</tr>
<tr>
<td>4. Co-workers</td>
<td>5 (2.1)</td>
<td>4 (2.2)</td>
<td></td>
</tr>
<tr>
<td>5. Newspapers</td>
<td>39 (20.0)</td>
<td>121 (66.9)</td>
<td></td>
</tr>
<tr>
<td>6. Industrial Training Institutes</td>
<td>34 (18.0)</td>
<td>N11</td>
<td></td>
</tr>
<tr>
<td>7. Others</td>
<td>7 (3.7)</td>
<td>32 (12.3)</td>
<td></td>
</tr>
</tbody>
</table>

The above table shows that the traditional method of recruitment through contractors was not important in these two plants. The HE(I)L management also tapped the Industrial Training Institutes for the purpose of recruiting skilled workers.

**Preference to Local People**

Following the guidelines of Government of India for the recruitment to the public enterprises, it was expected that both in HE(I)L and ITI the low ranking posts would be filled up locally. Table 2.2 shows the percentage of local people (belonging to the concerned state) in HE(I)L and ITI during 1969-74. The number of persons employed from Madhya Pradesh in HE(I)L, increased from 49.9% in 1969 to 59.6% in 1974. This shows a progressive increase in preference given to the local people in HE(I)L. In ITI, on the other hand, more than 70% of the total employed were from Karnataka.

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TABLE 2.2
Table showing percentage of local and outside employees in HE(I)L and ITI

<table>
<thead>
<tr>
<th>Year</th>
<th>HE(I)L</th>
<th>ITI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percentage of employees belonging to M.P.</td>
<td>Percentage of employees belonging to Karnataka</td>
</tr>
<tr>
<td>1968</td>
<td>N.A.*</td>
<td>70.1</td>
</tr>
<tr>
<td>1969</td>
<td>49.6</td>
<td>N.A.*</td>
</tr>
<tr>
<td>1970</td>
<td>50.4</td>
<td>70.95</td>
</tr>
<tr>
<td>1971</td>
<td>52.0</td>
<td>70.93</td>
</tr>
<tr>
<td>1972</td>
<td>54.6</td>
<td>70.95</td>
</tr>
<tr>
<td>1973</td>
<td>57.9</td>
<td>72.1</td>
</tr>
<tr>
<td>1974</td>
<td>59.6</td>
<td>71.8</td>
</tr>
</tbody>
</table>

*Not available

The table clearly shows that preference for local people was larger in ITI than in HE(I)L. Bangalore being an industrial town, workers with required skill were easily available while in Madhya Pradesh, which was a comparatively backward state, the availability of skilled workers was limited.

Seeing the position of employment in different categories in HE(I)L, in June 1974 about 32% of the officers, 54% of Class III and 72% of the Class IV employees belonged to M.P. In ITI, on the other hand, during 1968-74 Kannadigas outnumbered the non-Kannadigas in all the categories from the officers to the Class IV staff (for table see Appendix No. 2.3).

Although more than 70% of the posts in ITI were occupied by the Kannadigas, they still remained irreconcilable to the 30% minority. There were cases of beating and stabbing of the people from outside. In 1973, one "outsider" manager was stabbed by a
Kannadiga employee, leading to the termination of services of 13 Kannadigas. This intolerance on the part of the local people of Karnataka in ITI was a noticeable feature.

Assessment of the Recruitment Policy

Workers, trade union leaders and managerial personnel in HE(I)L and ITI were asked whether they were satisfied with the recruitment policy. About 42% in HE(I)L and 48% of the workers' sample in ITI considered the selection method of the company to be fair. However, 32.5% in HE(I)L and 14.4% in ITI did not believe in the fairness of the selections. Other respondents in the two plants were either not aware or reserved their opinion.

As regards trade union leaders, one out of 17 in HE(I)L and 8 out of 13 in ITI were satisfied with the recruitment policy. Among managerial personnel, the proportion of those who approved it was 12 out of 19 in HE(I)L, and 7 out of 14 in ITI.

PROMOTION

Promotion policy has always had a very significant bearing on labour-management relations because the prospect of promotion to a higher cadre constitutes an important incentive to workers. Also it serves to fulfill a natural aspiration of the workers. While the higher rate of pay has its economic gains, the higher status has profound psychological satisfaction of personal triumph and gratification. Dissatisfaction with promotion policy is reported to have been responsible for a number of disputes.

Bases of Promotion

In HE(I)L, in the case of the technical staff, promotion was on the basis of merit, with seniority as one of the factors, while in ITI, the criteria of promotion for them were seniority
and fitness. Promotion of non-technical staff in both the plants was on the basis of seniority-cum-suitability.

Promotion of supervisory cadres in HE(I)L was on the basis of merit. Seniority was one of the factors to be taken into consideration, but not the only factor. In ITI, on the other hand, promotion to the ranks of assistant supervisors and officers were made on the basis of seniority-cum-merit. Thus in the matter of promotion in HE(I)L, merit was given more weight, while in ITI, seniority was the major factor determining the promotion of workers.

During 1971-73 a large number of promotions took place in both the plants. The management in HE(I)L introduced time-based promotions in the year 1972. Employees with ten years of service were promoted subject to the "suitability reports" of the supervisors. In 1973 the ten-year period for promotion was further reduced to seven years. During 1972-73, 14% and in 1973-74 about 31% of the employees of the factory were promoted.

In ITI, the management upgraded the posts of about 11,600 workers during 1971-73. This was done under the job evaluation scheme, and the aim was to make jobs in ITI comparable to those in other factories.

Assessment of the Promotion Policy

The workers were asked, "Do you feel that an honest man can make progress in the factory?" About 57% of the respondents in HE(I)L and 43% in ITI said that no honest man could make progress. To further know the views of workers about the factors that influenced promotion, they were asked the question, "What counts most for promotion?" Various alternatives were given to them and they were asked to tick two alternatives in order of importance.
TABLE 2.3
What counts most for promotion?

<table>
<thead>
<tr>
<th>Factors</th>
<th>HE(I)I</th>
<th>ITI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers giving 1st priority</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workers giving 2nd priority</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workers giving 1st priority</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workers giving 2nd priority</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rank</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Merit                      | 34     | 6   | 4   |
2. Seniority                  | 35     | 137 | 1   |
3. Political influence        | 1      | 2   | 5   |
4. Personal favour of managers| 108    | 25  | 2   |
5. Influence of trade unions  | 7      | 1   | 6   |
6. Better training            | 3      | 3   | 3   |

First priority was given a score of two and second priority a score of one. Ranking was done on the basis of pooled weighted scores.

It was found from the above table that in HE(I)I the personal favour of the managers as a factor leading to promotion, was given the first rank; the second rank was given to seniority and the third to merit. Most workers interviewed in HE(I)I felt that in matters of promotion the management favoured those workers who were obedient and not loyal to the union, and who performed personal jobs for supervisors.

In ITI, it is remarkable that the first rank was given to seniority as a factor of promotion (see table 2.3). Seniority as a basis of promotion has the advantage of objectivity, and it obviates suspicions of subjective bias and personal favour. As compared to HE(I)I a smaller number of people in ITI said that the favour of the management was responsible for the promotion. That was given the second rank in the sample. The third rank was given to better training and the fourth to merit.
It may be mentioned that 10 out of 20 management representatives interviewed in HE(I)L and 11 out of 24 in ITI were highly or moderately satisfied with the policy regarding the promotion of workers.

**TRAINING**

**Training Before Joining the Plant**

A large number of posts of skilled and semi-skilled workers in HE(I)L were filled from outside. Generally, applicants who already possessed some technical training were recruited. In ITI, on the other hand, workers were generally recruited as learners (category 7(a)) and were promoted to "semi-skilled" or "skilled" posts. No minimum technical qualifications had been prescribed for recruitment as learners, the minimum educational qualification being 8th class (middle).

In this study, 89 (46.5%) of the workers' sample in HE(I)L and 35 (14%) in ITI said that they had some training before joining the plant. Eighty-four workers in HE(I)L and 11 in ITI had received training from Industrial Training Institutes. Out of the total workers who received training before joining the plant, a large majority (84 in HE(I)L and 26 in ITI) said that training had proved helpful to them. Fifty-nine of the respondents in HE(I)L and 24 in ITI said that it helped them in the present job. However, seven workers in ITI felt that the training was not useful to them, as they were not employed in the trade in which they had been trained.

**Post-Entry Training**

**Types of Post-entry Training.** There were different programmes of post-entry training in both the plants. In HE(I)L, for officers and supervisors there were graduate apprentice course and technical apprentice course respectively. In ITI, officers were called probationary assistant engineers during the training period. For
Joining as supervisors there were two types of training in ITI: (a) apprentice grade B and (b) apprentice grade C.

In HR(I)L, before one could join as a semi-skilled worker (grade Rs. 140-4-168-5-183) he had to work as an apprentice for two years. They were called trade apprentices. Till 1965, trade apprentices used to be absorbed as B grade artisans (grade Rs. 180-6-210-7-230). After 1965, however, the trade apprentices were absorbed as C-II artisans.  

In ITI, before joining as semi-skilled workers (category 6(a) grade Rs. 115-5-130-6-154), they had to undergo a year's training. For the first six months a worker had to attend the training school and for the remaining six months he had to remain on the job in which he had to serve. During the training period they were called learners (category 7(a)).

Both in HR(I)L and ITI development courses for workers, supervisors and management personnel also existed. The duration of these courses varied from one month to one year.

Out of the total workers interviewed 86 (43.8%) in HR(I)L and 106 (53.6%) in ITI said that they received training after joining the factory. The different types of training which workers received in HR(I)L and ITI are shown in the following tables.

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4. The management took this step because the jumps between B-grade and supervisory posts were very few. As it was very difficult to promote all the workers to supervisory ranks, there were many cases of stagnation in the B grade. By providing C-II grade to trade apprentices the management could avoid this problem.

5. A majority of workers who did not get training belonged to unskilled category or ministerial staff for whom no training programme had been prescribed.
TABLE 2.4
Types of training of the Respondents after joining (HR(I)L)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Types of training</th>
<th>Number of workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Three months</td>
<td>14</td>
</tr>
<tr>
<td>2.</td>
<td>Six months to one year</td>
<td>11</td>
</tr>
<tr>
<td>3.</td>
<td>Foreign</td>
<td>2</td>
</tr>
<tr>
<td>4.</td>
<td>Trade Apprentices: C-II</td>
<td>5</td>
</tr>
<tr>
<td>5.</td>
<td>Trade Apprentices: B Grade</td>
<td>45</td>
</tr>
<tr>
<td>6.</td>
<td>Others</td>
<td>3</td>
</tr>
</tbody>
</table>

TABLE 2.5
Types of training of the workers' sample after joining (ITI)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Types of training</th>
<th>Number of workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Learners (No time spent in the training school)</td>
<td>6</td>
</tr>
<tr>
<td>2.</td>
<td>Learners (less than one month in the training school)</td>
<td>25</td>
</tr>
<tr>
<td>3.</td>
<td>Learners (one month to three months)</td>
<td>13</td>
</tr>
<tr>
<td>4.</td>
<td>Learners (six months)</td>
<td>31</td>
</tr>
<tr>
<td>5.</td>
<td>Learners (one year)</td>
<td>12</td>
</tr>
<tr>
<td>6.</td>
<td>Apprentices</td>
<td>7</td>
</tr>
<tr>
<td>7.</td>
<td>Others</td>
<td>11</td>
</tr>
</tbody>
</table>

Out of 36 respondents in HR(I)L 45 joined as B grade apprentices, while 25 workers had had training ranging from three months to one year. Two workers also went abroad for further training.

In ITI, 6 out of 106 respondents said that they started production from the first day of their joining, while 33 remained learners for less than three months and 31 remained learners for
for six months. Workers in ITI were supposed to remain learners during the first year of their service. However, the data show that some workers were asked to produce even before the expiry of their training period.

Assessment of Training Facilities. In HR(1)I, out of 86 respondents who received training after joining the plant, 68 considered it useful and eight said it was moderately useful. Ten respondents considered it only slightly useful or altogether useless.

In ITI, about two thirds, that is 67 out of 106 respondents, considered their training useful. However, 45 of the respondents said either that it was of very little use or that it was useless, while three did not reply. It appears that several workers in ITI were not satisfied with the training facilities provided by the management. One worker said, "We are called learners but we learnt nothing". According to a management representative "The training programme in ITI is nil".

In HR(1)I, 17 out of 19 management personnel, and in ITI 9 out of 14, said that the training provided to workers after joining the plant was adequate.

REVISEIONS OF WAGE STRUCTURE

In India 37% of the disputes in 1961 and about 40% of the disputes in 1975 were due to workers' dissatisfaction with wages and bonus.

The management of HR(1)I and ITI had revised the grades of their employees several times during the period from 1961 to 1975.
1974. The management of ITI revised the grades of employees in 1961 and the HE(I)L management implemented recommendations of the Second Pay Commission in 1965 with retrospective effect. Delay in the implementation of the award of the Second Pay Commission was one of the major reasons for the large number of strikes in HE(I)L during 1961-64.

The ITI management also revised the pay scales of employees in 1968 in accordance with the Satya Narayan Sinha award. An increment of Rs. 1 for each year of completed service was granted to each worker in service on October, 1964.\(^7\)

The wage structures were revised both in HE(I)L (1969) and ITI (1970) in accordance with the Wage Board Award for Engineering Industries.\(^8\) Similarly, grades were further revised in 1973, in the two plants, following the recommendations of the Third Pay Commission.

**CLASSIFICATION**

**Classification of Managerial Personnel**

In ITI the managerial positions were neatly classified. There were three top positions\(^9\) and six grades.\(^10\) Each grade consisted of a large number of positions. For example, Grade 1(a) carrying a salary of Rs. 1150-50-1350-60-1710 had four positions: Chief Plant Engineer, Chief Standards Engineer, Production Manager (Stowger) and Industrial Relations Manager. In HE(I)L the

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7. However, this benefit was to be adjusted in the award of Engineering Wage Board, which was awaited at the time of its implementation.

8. For Wage Board Award also see Chapter VIII on Prevention and Settlement of Industrial Disputes and also Appendix 8.2.

9. Three top positions were (i) Chairman and Managing Director (Rs.3500-125-4000) (ii) General Manager Production (Rs.2800-100-3000) and (iii) General Manager Technical (Rs.2000-100-2500).

10. Grades were, "above Grade 1A" to "Grade IV".
managerial positions were not so neatly classified. There were 213 managerial or supervisory positions and they could roughly be said to form 25 groups, each group carrying its own pay scale.

Classification of Operatives

The operatives in both the plants were grouped in seven different categories. In ITI they ranged, in ascending order, from category 7(a) to category 1(a). In HE(I)IL they were, by and large, classified as Chargehand, A grade artisan, B grade artisans, C-I, C-II, C-III and unskilled workers. Each classification in both the plants carried a large number of positions. For example in HE(I)IL artisan grade B consisted of persons like junior inspector grade II, welder grade B, plumber grade B, Fitter grade B.

Classification of Non-Operatives

Non-operatives in ITI were neatly divided into seven categories i.e. from category 7 to category 1 — category 1 being the highest in rank. In HE(I)IL there were 211 positions of the non-operative staff (called ministerial staff) and they had about 20 grades. However, for the purpose of study they could be broadly grouped into eight categories. The top category was section leader (pay scale Rs. 280-11-324-16-420). It was followed by assistant-in-charge, upper division clerk, senior steno, junior steno, lower division clerk, daftari and peon.

11. Operatives are those who are directly involved in production activity.
12. For pay scales of Operatives in the two plants see Appendices 2.4 and 2.5.
13. For pay scales of non-operatives see Appendices 2.4a and 2.5a.
**PROFIT SHARING AND PRODUCTION BONUS**

The profit sharing bonus is considered to be one of the most effective forms of group incentive, leading as it does to the identification of the employees with the institution.

In HES(I)L, workers did not receive any bonus till 1966-67. From 1967-68 to 1971-72 workers were paid a minimum bonus in accordance with the Payment of Bonus Act 1965 and its later amendments. The workers were paid 1.67% in 1972-73 and 6.67% in 1973-74 extra as ex-gratia payments over and above the minimum bonus. Workers in HES(I)L were also paid 15% to 25% of the salary of a month as production bonus, if they achieved 95% to 105% of the annual targets.

In ITI, the amount of bonus payment increased from 6.4% in 1966-67 to 20% in 1971-72. However, the production bonus in ITI declined from Rs. 167.8 per worker in 1964-65 to Rs. 110 in 1971-72. The fall in production bonus was mainly due to the decline in overall efficiency from 103.6% in 1964-65 to 91.8% in 1971-72.

There had also been a long-standing dispute in ITI between the management and workers' union about the profit sharing and production bonus. The management's viewpoint was that either production or profit-sharing bonus could be paid to the workers, while the union wanted both types of bonus.

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14. The Payment of Bonus Act, 1965 provided that for the first six years of production no bonus is to be paid in case the factory is running at a loss. HES(I)L started production in 1961.
Incentive Scheme

Under a wage incentive scheme, an employee is paid a reward (incentive bonus) in addition to his wages by relating systematically his own effective contribution to the achievement of objectives specified by the management.

In HE(I)L, an incentive scheme for production workers was introduced by the management in March 1965, after entering into an agreement with the representative union. Since then the scheme has been progressively extended, and in 1971-72 about 90% of the industrial employees were covered by the scheme. As a result of the introduction of the scheme the operators' efficiency in HE(I)L increased to 70% - 80% from the earlier 25% - 30%.

In ITI, an incentive scheme was introduced in 1958. The scheme was revised in 1962, 1965 and 1966. However, in spite of these changes in the incentive scheme the efficiency continued to decline after 1965. In ITI indirect incentive schemes were given a little more emphasis than the direct incentive scheme. In 1965-66 the amount paid in the shape of direct incentive was Rs. 10.8 lakhs and the amount paid for indirect incentive was Rs. 12.77 lakhs, while in 1971-72 these figures were Rs. 12.24 lakhs and Rs. 12.94 lakhs respectively.

When the workers were asked whether the incentive payments made them work harder, 31% of the respondents in ITI and 12.4% in HE(I)L replied in the negative, while 83% in ITI and 58% in HE(I)L averred that incentive payments made them work harder.

The present study shows that the introduction of the incentive scheme in HE(I)L led to higher efficiency, while in ITI it was not effective. This may be because in HE(I)L the emphasis was on direct incentives and in ITI it was on group or indirect incentives.
WELFARE FACILITIES

Welfare facilities, both in HE(I)L and ITI, included housing, canteen, medical, education, transport, and social and cultural activities. These facilities were in addition to the requirements of the Workmen's Compensation Act 1923, The Employees' State Insurance Act, 1948 and the Employees' Provident Fund Act, 1952.

The expenditure on welfare items in both the plants was fairly high. The following table shows the annual per capita expenditure on labour welfare in the two plants.

### TABLE 2.6

**Analysis of Per Capita expenditure on Labour Welfare in HE(I)L and ITI**

<table>
<thead>
<tr>
<th>Year</th>
<th>Per capita expenditure on Labour Welfare</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HE(I)L</td>
</tr>
<tr>
<td>1966-67</td>
<td>1048</td>
</tr>
<tr>
<td>1967-68</td>
<td>1100</td>
</tr>
<tr>
<td>1968-69</td>
<td>1160</td>
</tr>
<tr>
<td>1969-70</td>
<td>1137</td>
</tr>
<tr>
<td>1970-71</td>
<td>792</td>
</tr>
<tr>
<td>1971-72</td>
<td>811</td>
</tr>
<tr>
<td>1972-73</td>
<td>978</td>
</tr>
</tbody>
</table>

* Not available

The table shows that per capita expenditure on labour welfare in HE(I)L declined marginally after 1968-69 and noticeably after 1969-70, whereas in ITI it steadily increased. This decline in expenditure in HE(I)L might have been caused by the loss as it had been incurring for several years.

15. For the figures of total expenditure on welfare facilities in HE(I)L and ITI see Appendix 2.6.
16. Data obtained from annual reports of HE(I)L and ITI.
CONCLUSIONS

Recruitment in both comapnies was through a written test and an interview. However, in ITI standardized aptitude and trade tests were also used for recruitment to different jobs.

In E(I)L, a majority of the employees came to their jobs through Employment Exchanges. In ITI a majority of workers said that they came to know about their existing jobs from newspapers. The contractors had contributed very little in the matter of recruitment in both the plants. A larger percentage of workers in ITI than in E(I)L considered recruitment of workers fair. A much higher percentage of workers belonging to the concerned state were recruited in ITI than in E(I)L.

It appeared from the answers of workers who were questioned that winning favour of managers in E(I)L carried greater weight in the matter of promotion of the employees than any other factor. Seniority as the basic principle for promotion was less objected to by the workers in ITI.

As compared to ITI, a larger number of workers in the sample in E(I)L had received training before joining the job. A majority of the respondents in both the plants considered that training before joining was useful. However, larger percentage of workers in E(I)L than in ITI considered their training after joining the plant useful. Workers in ITI complained that they were expected to show satisfactory production even before the expiry of their training period.

In ITI, personnel had been "meatly" classified into a few categories. While in E(I)L, a large number of categories existed. This was especially the case with managerial positions and ministerial staff.
The larger number of categories in HR(I) had an interesting result. It led to a large number of employees' associations in that organization, because each category had somewhat different interests to protect.

The wage level in the two plants was more or less similar. Both the plants implemented the awards of Pay Commissions and the Engineering Wage Board. The per capita expenditure on welfare items in HR(I) showed some decline, while in ITI the per capita expenditure on welfare items rose continuously.

In HR(I) direct incentives were more popular, while in ITI the main emphasis was on group incentives. Workers had been receiving the profit-sharing bonus in ITI since even before 1960, while in HR(I), workers could get only minimum bonus between 1967-72 as provided for a factory running at a loss. Before 1967, even this bonus was not paid.