CHAPTER III

QUALITY OF WORK LIFE PRACTICES OF THE MAGNESITE COMPANIES

3.1. Introduction

Magnesite industry places a predominant role in Indian economy. Bauxite, dolomite, fluorite, gypsum, limestone, mica, sterlite and magnesite account for 90 per cent of industrial minerals. Magnesite is the carbonate of magnesium. Raw magnesite can be obtained from earth and sea, and it can be directly put into the production of mosaic, tiles, electrodes, and it amounts to only 2 per cent of total resources produced. Remaining 98 per cent of the raw magnesite is consumed by the calcinations industry in which they are transformed into light calcined magnesite, fused magnesite and dead burnt magnesite which are used in refractory, animal feeds, exichloride cements and various other industries. Magnesite mineral ore is an essential raw material for manufacturing refractory materials used by steel industry. In India about 98 per cent of magnesite consumption is accounted for refractory industries. India accounts for 4 per cent of world’s production of magnesite. China, North Korea and Soviet Union have comparatively four times more than India. Of the three, China is the market competitor of India. This is a rare mineral available in Salem region of Tamil Nadu state and also found in other states like Uttarakhand, Karnataka and Jammu and Kashmir. One of the world’s best magnesite deposits occurs
in the state of Tamil Nadu. The magnesite reserves in Tamil Nadu are about 73 million tonnes. The major deposits occur in Salem, Namakkal, Coimbatore and Erode districts of Tamil Nadu. Magnesite of Salem region is relatively low in calcium oxide and high in silica content. Salem magnesite reserves are famous worldwide for its cryptocrystalline structure, which is best suited for manufacturing refractory bricks. The major Salem district based players in this field are Tamil Nadu Magnesite Limited, a state government organization; SAIL Refractory Company Limited, a government of India undertaking; and Dalmia Magnesite Corporation, a private undertaking.

3.2. Profile of the Sample Units

A brief description of the select magnesite companies is given below.

3.2.1. SAIL Refractory Company Limited

The Salem refractory unit of Burn Standard Company Limited became a wholly owned subsidiary of SAIL with effect from December 16, 2011. The unit has now been renamed as SAIL Refractory Company Limited. In 1976, the Government of India took over Burn Standard Company Limited as a subsidiary of Bharat Bhari Udyog Nigam Limited under the administrative control of the Ministry of Heavy Industries. Soon after, Burn Standard Company Limited underwent a modernization and expansion programme in order to meet the growing demand of high quality
basic refractories in the modern steel plants of SAIL and other private sector steel processors of non-ferrous, cement and glass industries. Since refractory material is a critical input required for iron and steel plants based on the basic oxygen furnace route, SRCL’s merger with SAIL is expected to go a long way in ensuring mutual benefit and growth. SRCL, located in Salem, Tamil Nadu, has an installed capacity of 1500 MT per month for production of calcined magnesite, 1200 MT for basic bricks, 500 MT for mag-carb bricks, 3000 MT for bulk and monolithics, and 2000 MT for dunite. Endowed with 1718.30 acres of leasehold mining land spread over three locations, SRCL’s estimated quantum of magnesite reserves is about 10 MT and about 9 MT of dunite. The open cast mines are adequately equipped with heavy earth moving machinery. SRCL has a workforce of 362 skilled employees. Surrounded by greenery the SRCL Township boasts of advanced recreational and community facilities for its residents. SRCL’s range of products includes:

- Magnesite bricks
- Magnesite chrome bricks
- Chrome magnesite bricks
- Magnesite carbon bricks
- Bulk and monolithics
- Dunite and dunite fractions
- Ground calcined magnesite
SRCL’s products are used by all SAIL steel plants, Rail Wheel Factory, Metal & Steel Factory, Bharat Heavy Electricals Limited, Hindustan Copper Limited, JSW Steel Company Limited, etc.

3.2.2. Dalmia Magnesite Corporation

Founded in 1935, Dalmia Cement (Bharat) Limited has grown to become one of India’s largest cement producers, and exports its products around the globe. Dalmia Cement was the first company in South India to obtain ISO 9002 certification, and has recently obtained ISO 14001 certification. In 1994, the company diversified into sugar production, which now makes a significant and growing contribution to its Rs.30 billion annual revenues. Capitalizing on the entrepreneurial opportunities that came in the wake of independence, Dalmia Cement (Bharat) Limited went into organizing the magnesite resources of the company by forming Dalmia Magnesite Corporation in 1957 under its proprietorship. Dalmia Magnesite Corporation is located at Vellakkalpatty, 10 kilometers away from Salem city. It is engaged in excavating magnesite mineral and production of dead burnt magnesite, monoliths and magnesia carbon bricks. The magnesite required for production is obtained from Chettichavadi Jaghir mine, which is an open cast mine. The magnesite obtained from this mine is magnesium carbonate, which is cryptocrystalline white in colour. The Chettichavadi Jaghir mine is one among the notable mechanized mines of the country.
It uses sophisticated technology and trained manpower for the enhancement of the recovery rate of this precious non-redeemable resource of the country. Dalmia Magnesite Corporation is a mineral based industry and is completely dependent on magnesite ore. The total mining area of Dalmia Magnesite Corporation is about 575 hectares. To rationalize operation, the company went in for horizontal integration by starting its own production of calcined magnesia and olivine sands offering its customers a wide base of related products. Two rotary kilns have been installed in the factory. The installed production capacity of the rotary kiln in 1957 was 100 tonnes of magnesite per day. In May 1973, this installed capacity was increased to the extent of 72000 metric tonnes per annum. In 1986, Dalmia Magnesite Corporation installed a “beneficiation plant” first of its kind in India. Dalmia Magnesite Corporation has a team of qualified service engineers who would be available for after sales service. On account of Dalmia Magnesite’s strengths of quality and consistency, most of the major steel makers in the large, medium and small sectors depend on Dalmia Magnesite Corporation for their total need of dead burnt magnesite, monoliths, and magnesia carbon bricks. Dalmia Magnesite Corporation’s products are despatched to almost 50 companies in India and many integrated and mini steel plants in Middle East Countries.
3.2.3. Tamil Nadu Magnesite Limited

Realizing the necessity for preservation and exploitation of such rare mineral, the Government of Tamil Nadu formed Tamil Nadu Magnesite Limited popularly known as “TANMAG” in January 1979. From the raw magnesite produced from mines, the company is producing dead burnt magnesite, lightly calcined magnesite, ramming mass, fettling material, etc. TANMAG mineral reserves would be available for about next 75 years. TANMAG has open cast and semi-mechanized mines and employs well qualified and experienced mine personnel. The recovery of magnesite from blasted earth is about one in fourteen. After picking the magnesite, the remaining waste material is removed by mechanical operation using heavy earthmoving equipment. TANMAG’s crude magnesite production capacity is in the range of 75000 to 100000 tonnes. The mined magnesite ore is used for captive consumption for manufacturing dead burnt magnesite and lightly calcined magnesite and other products. TANMAG manufactures lightly calcined magnesite, also called caustic calcined magnesite in its shaft kiln division having 5 numbers of vertical shaft kilns. The installed capacity for calcined magnesite is 19500 tonnes per annum. Raw magnesite is calcined in shaft kiln using furnace oil as fuel at a temperature in the range of 1000° C to 1100° C to produce chemically reactive grade, which is highly reactive in nature. TANMAG manufactures dead burnt magnesite in its most advanced rotary kiln with an installed capacity of 100 TPD and
30000 tonnes per annum commissioned during December 1985. The raw magnesite is sintered at a high temperature of 1750°C using furnace oil as fuel to produce dead burnt magnesite.

3.3. QWL Practices of the Select Magnesite Companies

Human Resource Department

Human resource department is established in every organization under the charge of an executive known as human resource manager. He is first of all an executive requiring essentially the same executive qualities as the other executives. Though human resource manager is a staff officer in relation to other departments of the enterprise, he has a line authority to get orders executed within his department. The human resource manager performs managerial as well as operative functions. Since he is a manager, he performs the basic functions of management like planning, organizing, directing and controlling. He also performs certain operative functions of recruitment, selection, training, placement, etc. that the other line managers may entrust to him.

The introduction of proper human resource management in the magnesite companies has become necessary, as the conditions of the economy have changed considerably requiring the introduction of new technology. In recent years, realizing the importance of human resource management, many organizations have started streamlining their
organization structure by creating the human resource department for performing the human resource functions. In the select magnesite companies, the human resource managers, who are the immediate superior to the human resource departments, perform human resource functions such as recruitment, selection, training, fixation of pay, promotion, transfer, welfare facilities, maintenance of employee records, employee grievances, performance appraisal, and maintenance of employee discipline, and places amendment proposals to the various laws relating to the service conditions of the employees from time to time.

**Human Resources Strength**

The various categories of employees that are found in the select magnesite companies are broadly categorized into regular, probationary, temporary, casual and apprentices or trainees. A regular workman is one recruited for a regular post, has completed his probation therein and whose name has been entered in the records of the select magnesite companies as such and who has been given a letter of regular appointment signed by the management. A probationer is provisionally employed on probation in the post to ascertain his suitability and fitness and not completed the prescribed or extended period of probation in the post. The period of probation for workman is one year. A temporary workman is engaged for work, which is of essentially temporary nature likely to be finished within limited period.
A casual workman is one whose employment is of a casual nature and on day-to-day basis. An apprentice is a learner who may or may not be paid an allowance during the period of his training. The magnesite companies maintain service records for every workman containing particulars regarding his date of birth, qualifications, date of employment, punishments or commendations if any, leave and such other particulars. The category-wise strength of employees of the select magnesite companies as on 31\textsuperscript{st} December 2010 is given below.

**TABLE 3.1**

<table>
<thead>
<tr>
<th>Companies</th>
<th>Executives</th>
<th>Supervisory Staff</th>
<th>Workmen</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRCL</td>
<td>37</td>
<td>27</td>
<td>298</td>
<td>362</td>
</tr>
<tr>
<td>Dalmia</td>
<td>27</td>
<td>49</td>
<td>368</td>
<td>444</td>
</tr>
<tr>
<td>TANMAG</td>
<td>22</td>
<td>67</td>
<td>346</td>
<td>435</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>143</td>
<td>1012</td>
<td>1241</td>
</tr>
</tbody>
</table>

Source: Extracted from the records of the select magnesite companies

**Wage and Salary Administration**

The typical impetus to work is to earn a living. In spite of the importance gained by the other factors, compensation plays a greater role in employees’ satisfaction. Compensation package includes all other fringe benefits and social welfare programmes. It is fundamental, therefore, that
the quality of work life is affected by how well this aim is achieved. What level of earnings is adequate for a particular individual is the most relative of all aspects of the quality of work life. The compensation given to the employees should be sufficient to sustain himself and his dependants. There are three major requirements of a sound pay system. They are inclusiveness, comprehensibility and adequacy. While designing salary structure in any organization, the factors like the ability to pay, labour costs, job requirements and ability to retain the employees, cost of living, competitive conditions, government regulations, etc. have to be taken into account.

Pay scale of the employees is revised once in every 5 years in the select magnesite companies. The factory employees of the select magnesite companies were engaged in overtime work. Subject to the provision of the law for the time being in force, all workmen shall be liable to work overtime, whenever required by the management. Rates for wages for overtime shall be governed by the provisions of the Factories Act, 1948 which is applicable for the time being in force as amended from time to time, and where no statute is applicable, the wages/pay for overtime shall be in accordance with the rules framed by the management of the select magnesite companies. Besides pay, the select magnesite companies provide various allowances to their employees such as variable dearness allowance, house rent allowance, leave travel allowance, washing allowance, night sight allowance, educational allowance, conveyance allowance, etc.
**Working Conditions**

An employee spends most of his working time in the workplace. As such he has every right to expect that the environment of the workplace should be conducive to do work. The workplace should be free from noise, pollution, high temperature, excess heat, humidity, etc. The employer must accept the responsibility of providing pleasant and healthy working place for the employees as the condition of the work place has direct bearing on the productivity of the employees. It is widely accepted that workers should not be exposed to physical conditions or hourly arrangements that are unduly hazardous or detrimental to their health. Employees who spend a lot of time at their workplace consider the physical working conditions an important factor. Absence of such good conditions may result in ailments, which in turn frustrates the employees who may develop stress. A physical condition at work place which is the second home for employees is thus an important factor in measuring quality of work life. Legislation, union action, and employer concern have worked continuously to raise the standards of satisfactory working conditions, some aspects of which include reasonable hours, physical working conditions, age limits, etc. The select magnesite companies are kept in the purview of the Factories Act, 1948 and Mines Act. As per the provisions stated with regard to working conditions in the above said Acts, the select magnesite companies are maintaining congenial working conditions.
Opportunity for Growth and Development

Evolving dynamic HRD strategies also boost the quality of work life of the employees. Human resource development philosophy strongly believes that the workers involved in the process of work are the best qualified to bring about improvements in their area of work. An employee provided optimum degree of freedom in work can improve him on the job which gives him immense satisfaction. Periodic discussions with the employees, calling for suggestions, and framing work groups like quality circles help employees in improving their capabilities on job. Proper training through various methods not only at the beginning but from time to time also helps employees to improve their capabilities.

For updating skills to meet technological and social changes and to keep all individuals in effective condition, a number of short duration “in-house programmes” are conducted. Employees in certain key result areas are selected and sent for attending training programmes conducted by various outside institutes to gain advanced and latest knowledge. This has helped them to achieve two pronged motivation strategy of updating individuals’ knowledge and skills, besides helping employees acquire additional inputs of updated knowledge through interaction with their counterparts. The management of the select magnesite companies prescribes from time to time the guidelines for promotion indicating the eligibility of posts, channel of promotion, basis for promotion, the rules relating to ranking and seniority for
the purpose of promotion. For promotion from one post to next higher, a candidate must have the number of years of experience prescribed by the management. In SRCL and TANMAG, they follow seniority basis, whereas Dalmia follows seniority cum merit basis for promoting their employees.

Social Integration of Work

According to Walton, a satisfying identity and self-esteem is influenced by five characteristics of the work place namely, freedom from prejudice, egalitarianism, upward mobility, supportive work groups and community of feelings, and interpersonal openness. Freedom from prejudice, egalitarianism and upward mobility are the steps to be necessarily taken by the management. Though the initiative is to be from management, the employees also should give their complete support and co-operation to make the efforts of management a success. Such association of labour and management at various levels would lead to increase in productivity for the general benefit of the enterprise, the employers and community, giving employees better understanding of their role in the working of the industry and in the process of production, satisfaction of the urge of self-expression in employees leading to industrial peace. The employees of the select magnesite companies are consulted before taking major decisions affecting their normal employment. Besides, the select magnesite companies have constituted various committees to maintain cordial relationship with the employees.
Constitutionalism

A member of a work organization is affected by many decisions that are made on his behalf or about his status in the organization. But in unorganized employment, there may be wide variations in the extent to which the organizational culture respects personal privacy, tolerates dissent, adheres to high standards of equity in distributing organizational rewards, and provides for due process in all work related matters. These aspects of constitutionalism are key elements in providing quality of work life. Bias on part of management, lack of privacy, improper process of discipline, etc. tamper the constitutionalism of an organization. Though employees consider work place their second home, they may not want to disclose or discuss their private lives at work place. As such management should take steps to maintain its employee’s privacy unless he himself comes out with his problems, where the management can offer some counseling or any other help. The select magnesite companies provide considerable room for the work constitutionalism such as establishment of quality circles, forming of various committees, etc. in order to sustain better quality of work life.

Work and the Total Life Space

The very purpose of worker being at work place is his work. As such work itself is of great importance. Satisfactory work can influence the employee’s quality of work life immensely. A challenging work which
utilizes the capabilities of employees plays an important role in quality of work life. Right person for right job is the motto gaining importance. An individual’s work experience can have positive or negative effects on other spheres of his life, for example, his relations with his family. Prolonged periods of working overtime can have a serious effect on family life. Also, frequent transfers are required; there are psychological and social costs when families are uprooted from their networks of friends, acquaintances, and local affiliations. But, even beyond that, the more direct relevance of work to the total life space is best expressed by the concept of balance. Likewise, advancement and promotion do not require repeated geographical moves. When a person invests enormous time and energy in work at the expense of family, it is unclear whether this pattern is a cause or symptom of deficiencies in the family situation. Sometimes the employing organization is imposing demands that seriously affect the employee’s ability to perform other life roles such as spouse or parent. In other cases, however, these demands are in fact largely self-imposed to escape the responsibilities and strains of family roles. The employees in the select magnesite companies are balancing their work with life due to flexi work schedule of the magnesite companies. Therefore, it is not the problem to the employees of the select magnesite companies.
Occupational Stress

In the fast changing world of today, no individual is free from stress and no profession is stress free. As organizations become more complex, the potential for and amount of stress increases. These are inevitable consequences of socio-economic complexity and to some extent its stimulating causes as well. There is no escape from stress in modern life. At the same time, normal work stress among the employees is necessary to carry out their routine work smoothly in the work place. Occupational stress is a mental or physical tension or both emerged from related occupation and its environment comprising persons and objects from within and outside the work place which results in absenteeism, turnover, accidents, low productivity and service efficiency, lack of motivation and initiative, job dissatisfaction, alienation and disruption of the smooth functioning of the organization. The select magnesite companies are organizing regular health check up, health screening camp, yoga classes and meditation for employees for making them physically and mentally fit.

Workers’ Participation in Management

The modern thinking on management is based on considering workers not merely as wage earners, but also as equal partners in the production process. They should be given the opportunity to participate in the management of the enterprise. Their views and suggestions should be
given due consideration while taking decisions by the management. It is rightly suggested that the management of industrial units will be smooth and efficient if workers are associated with the management. Political democracy will remain formalistic and legalistic if it is not supplemented by industrial democracy. The employees of the select magnesite companies are consulted before taking major decisions affecting their normal employment. In the select magnesite companies, workers’ participation in management is initiated through unit/shop council, works committee, canteen managing committee, safety committee, and educating/training trade union leaders.

**Grievance Handling**

There are many factors in industry that make a worker unhappy and dejected. A grievance is the embryo of more serious trouble to come because accumulation of minor grievances may lead to major explosions. Therefore, prompt and effective handling of grievances is the key to industrial peace. The grievance machinery involves three stages in the select magnesite companies. In the first stage, the aggrieved employee presents his grievance to his immediate superior concerned. The grievance is looked into and a reply is given to the aggrieved employee at the earliest. If the employee fails to receive a reply to his grievance within the stipulated period or if he is not satisfied with the reply, he may take up the grievance to the second stage viz. the head of the department. The head of the
department looks into the grievance in consultation with all concerned, including the immediate superior and may also give a personal hearing to the aggrieved employee, if necessary. After examining the grievance thoroughly, the head of the department gives a suitable reply to the aggrieved employee. If the employee is not satisfied with the reply received at second stage, he is free to take up the grievance at stage three, which consists of a bipartite committee with representatives from the management and the recognized union. In addition, opportunities for airing the grievances with Chief Executives of the select magnesite companies are being offered for speedier action in the matter of resolving the grievances.

**Social Relevance of Work**

The employees feel a need to relate their work socially. For example, those in service-oriented organizations who directly relate their jobs socially and can gain immediate recognition in a group are most satisfied. As such social relevance of the work of each employee is very important in measuring his quality of work life. The socially beneficial roles of the employing organization and the socially injurious effects of its activities have increasingly become salient issues for employees. Organization seen not to be acting in a socially responsible manner will cause increasing number of workers to depreciate the value of their work and careers which, in turn, affects their self-esteem. Since the select
magnesite companies are supplying essential products to the society, their employees feel that their work is socially relevant and have social respect.

3.4. Summary

In this chapter, an attempt has been made to review the quality of work life practices of the select magnesite companies. In the select magnesite companies, the human resource manager is a competent authority and performs various human resource functions. The employees of the select magnesite companies are providing an opportunity to develop their potentials for achieving business goals. With a view to identify the areas, which require to be improved at various levels in the select magnesite companies, a performance appraisal system has been introduced. The select magnesite companies are kept in the purview of the Factories Act, 1948 and Mines Act. As per the provisions stated in the said Acts, the select magnesite companies are maintaining congenial working conditions. The employees of the select magnesite companies are consulted before taking major decisions affecting their normal employment. The select magnesite companies invite registered trade unions to discuss matters kept in the purview of collective bargaining. To conclude, irrespective of companies in terms of capacity, they have implemented the 11 quality of work life practices, which are considered in this study.