



## **Critical Analysis of Role of Management in Overall Development of Labourers Working in IndoRama Industry, Nagpur – A Case Study**

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### **ABSTRACT**

The present paper has been written in the specific context of understanding the industrial workers' world with special reference to their socio-economic, physical and mental welfare. The study also gives insights into our understanding of the industries in general and workers in particular. Since long, workers in the industries have been going through many problems and issues like unhealthy working conditions, safety and security, low wages, more hours of work etc. The studies like the present one have the importance of developing certain insights helping the researchers and the social scientists to understand the intricacies of the theoretical as well as practical issues and problems involved in the process of labour welfare. At the same time the present study would give an insight into the various initiative and measures are being taken by the management to promote welfare and overall development of the labours.

### **INTRODUCTION**

Historically, the socio-economic condition which the workers have gone through gives an incisive understanding on the nature and structure of human society. Industrial revolution that took place in the latter half of the eighteenth century had brought a rapid change in social, economic, demographic and technological aspects of human society. Industrial revolution defines the transformation of society from a predominantly rural and agrarian society to sophisticated urban and industrial society based on manufacturing and industry. With the rise of industrialization, urbanization and modernization the entire society witnessed and experienced a new, modern and more sophisticated lifestyle. Industrialization has changed every aspect of human life



drastically and at the same time it also put some adverse effects in the society in general and economic structure in particular. The capitalistic economic structure in the western society started to control the means of production. Hence, labours in the industry were facing multiple problems like low wages, minimum hours of work, health issues, and safety issues in the industrial setting. Hence, the concept of labour welfare came into existence. Now a day's utmost importance is given to labour welfare in industry.

As far as India is concerned it is the seventh largest country in the world and stands second in the most populous countries in the world. India has more than 50% of its population below the age of 25 years and 65% of the below the age of 35 years. It is expected that, in 2020, the average age of an Indian will be 29 years, compared to 37 for China and 48 for Japan; and, by 2030, India's dependency ratio will be just 0.4.<sup>1</sup> The above mentioned data show the strength of Indian demographic structure. India has the second highest number of workforce in the world<sup>2</sup>. So the important characteristic of the population of a country is the quality of its workforce. According to the United Nations, Labour force is "An economically active population"<sup>3</sup>. Till date India's majority of people living in rural areas and majority of the population depend on agricultural activities. A significant percentage of our GDP is generated out of agricultural activities. But India's approach towards its economy had changed in the year of 1991, when we faced major economic crisis. As a result we adopted the New Economic Policy in the year of 1991. This policy had laid down the foundation of Indian industrial setups. More and more people are fascinated to the lifestyles of modern urban life and started migrating from the rural areas to urban areas in the search of job and a better quality of life. Like modern western society India also has had different issues relating to the labour force. So in order to control the issues in the industry, the government has taken multiple steps by implementing different Laws

<sup>1</sup>.Basu, Kaushik. India's Demographic Dividend: BBC News, 25 July 2007.

<sup>2</sup>. The World Fact Book. Central Intelligence Agency, 2017.

<sup>3</sup>. Department of Economic and Social Affairs, United Nations. Handbook on Measuring Economically Active Population and related characteristics in population Census, 2009.



and Act with the objective to do the welfare of the workers working in the industry. Workers in the industry unlike any physical commodity have conscience, emotion, thoughts, ideas etc. So the workers cannot deal with the same way as the product and commodity. Workers wholehearted participation in the industry is the utmost need of the hour. The entire output of the industry depends on the quality of its workers and to what extent the workers are physically, mentally, emotionally involved in the process of production. Keeping this mind the Management in the industry is also giving much more importance to labour welfare. Hence, different welfare activities are being implementing by the industry.

### **Concept of labour welfare**

The concept of Labour welfare in India is of recent origin. Historically Indian economy has been heavily depended on agricultural activities. Under the British rule India did not have any strong economy policy; hence, labour welfare in India was a distinct goal. Even after independence Indian economic policy was influenced by the colonial rules. In this regard JRD Tata, the pioneer of industrial revolution in India once stated that “I cannot decide how much to borrow, what shares to issue, at what price, what wages and bonus to pay, and what dividend to give. I need even the government’s permission for the salary I pay to the senior executive”.<sup>4</sup> However, gradually with the passage of time India’s economic policy became stronger and welfare of the labour became the focus point of government as well as industry.

Welfare is types of support intend to ensure that members of a society can meet basic human needs such as food and shelter<sup>5</sup>. Welfare also comprises the extension of basic facilities like health, education, training and others to the weaker section of the society. According to the International Labour Organization “Worker’s welfare should be understood as meaning such services, facilities and amenities

<sup>4</sup>. Das, Gurcharan (2002). Indian Unbound. New Delhi: Penguin Random House Publication, Gurugram, Haryana, India.

<sup>5</sup>. Encyclopedia Britannica. Social Welfare Programme.



which may be established to enable persons employed in them to protect their work in healthy, congenial surroundings”.<sup>6</sup> The Labour Investigation committee of the Government, of India mentioned that “For our part we prefer to include under welfare activities anything done for the intellectual, physical, moral and economic betterment of the workers, whether by the employer, by the government or other organizations, over and above what is laid down by the law or what is normally expected as a part of contractual benefits for which the workers may have bargained”.<sup>7</sup> Labour welfare is simply the extension and application of welfare activities to the industrial setting. The labour welfare in the industrial setting are include housing , medical and educational facilities, facility of rest and recreation, good nutrition, cooperative societies, creches, holidays with pay, social insurance measures, sickness and maternity benefit schemes, provident fund, bonus, gratuities, pensions, family pensions and other facilities improving the moral of the workers.

### **Concepts and definitions of Management**

Industries in a larger context are considered as manufacturing units which give utmost importance to the process of production. So in the process of production the role of both human as well as material resources are considered to be very important. In fact, the success of any industry depends on the way in which its human and material resources are dealing with. The workers, particularly in a manufacturing unit are working within an environment of specialization, mechanization and reutilization, which in many ways put impact on their thoughts, emotion, attitude and even on their overall personality. In this perspective, it is highly essential that an effective management body should look after the interest of the workers and maintain good formal as well as informal relationship with workers. This would lead an environment in which a good and healthy relationship can be maintained between the workers and between two workers and management as well.

<sup>6</sup>. International Labour Organization, AsianRegional Conference Report II, 1950, Page No 3.

<sup>7</sup>. Report of Labour Investigation Committee, 1946. Page No 24



According to Harold Koontz and Heinz Wehrich<sup>8</sup>, Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims. Management is the process of Planning, organizing, coordinating, and controlling both human resources and material resources with the view to achieve maximum output. Management is a multidimensional process that manages an industry, managers, workers and working environment. Management functions are not limited to managers; every member of the organization has some management and reporting functions as a part of their job.

### **Objectives of the Study**

Following are the specific objectives of the proposed study

1. To know the socio-economic status of the workers working in Indo Rama industry.
2. To study the nature and type of labour welfare activities conducted by the IndoRama company for its employees
3. To study the mechanism preferred by IndoRama Company to undertake labour welfare activities.
4. To analyze and determine the impact of labour welfare activities carried out by the company with respect to performance of the employee and their working style.
5. To evaluate the impact various labour welfare programs in the attitude of employees working in IndoRama company.
6. To conduct critical analysis of the role of welfare initiatives in overall development the labourers working in IndoRama company.

### **Hypotheses of the Study**

Hypothesis is a preliminary and tentative explanation or postulate by the researcher of what the researcher considers the outcome of an investigation will be.

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<sup>8</sup>Heinz, Wehrich, Mark. V.Cannice and Harold Koontz.(2013) "Management: A Global, Innovative and Entrepreneurial Perspective, McGraw-Hill Publications.



1. The IndoRama Company follows a mix project approach for undertaking labour welfare activities for its employees
2. The IndoRama Company uses a holistic approach to plan and carry out labour welfare activities.
3. The labour welfare activities of IndoRama Company have made positive impact on the performance of the employee and their working style.
4. The labour welfare activities of IndoRama Company have resulted in positive attitude of employees towards their work.
5. The labour welfare activities of IndoRama Company have resulted in overall development the labourers.

#### Methodology of the study

The universe of the study comprised all the employees working in the IndoRama industry including the male and female workers, skilled, unskilled workers, contractual workers, permanent and temporary workers and all the functionaries associated with IndoRama industry.

#### Scope and importance of the study

The present study has been undertaken in the specific context of understanding the industrial workers' world with special reference to their socio-economic, physical and mental welfare. The study also gives insights into our understanding of the industries in general and workers in particular. Since long, workers in the industries have been going through many problems and issues like unhealthy working conditions, safety and security, low wages, more hours of work etc. The studies like the present one have the importance of developing certain insights helping the researchers and the social scientists to understand the intricacies of the theoretical as well as practical issues and problems involved in the process of labour welfare. At the same time the present study would give an insight into the



various initiative and measures are being taken by the management to promote welfare and overall development of the labours.

#### Sample of the study

The sample of the present study consisted of 120 respondents from the research universe by employing both purposive and simple random sampling criteria of sample selection. Both the samples adopted in the study shared the characteristic elements of probability and non-probability, the two basic categories of sampling designs in social research. In order to select the sample the researcher identifies four different types of categories purposively under which the entire workforce of the industry can be distributed. These three heads are Permanent employees, contractual workers and daily wage workers. The sample size of the present study comprised 120 respondents selected at the rate of 40 from each one of abovementioned three different heads selected purposively by the researcher. The researcher adopted the lottery method of simple random sampling for selecting the 40 sample under each heads mentioned above.

#### Design of the study

The researcher employed both exploratory and descriptive patterns of research design in the present study. The exploratory nature of the design was warranted in order to explore the actual functioning of the IndoRama industry vis-à-vis the welfare activities undertaken by the industry management for the welfare of the employees. The design was again thought to be adopted to know how the approach and action of the industry put impact on the overall development and welfare of the employees. The descriptive research design enabled the researcher to properly examine the characteristics of the sample in terms of the socio-economic conditions, mental and physical health conditions, the level of satisfaction and motivation among the employees of the respondents. All these above mentioned description of the sample



helped the researcher to critically analysis the impact of the Industrial welfare activities for the overall development and welfare of the employees.

#### Sources and methods of data

The data employed in the present study comprised both paper and people sources. When the paper sources of data, known as the secondary data, were gathered from District Industrial Centers (DICs), MSME, Maharashtra, IndoRama industry records, etc, the people source of data, known as the primary data, were collected from the respondents, i.e. the workers working in the IndoRama industry. The primary data were collected mainly through the structured interview method. However, the structured interview method was also supplemented by the unstructured interview as and when it was felt by the researcher. Moreover, the interview method also helped the researcher to elicit necessary information directly from the respondents. The facility of direct rapport being a characteristic element of the interview method enabled the researcher to get quick replies from the respondents to facilitate his work of data analysis, interpretation and report writing.

#### Conclusion and Expected outcome

In the present study on “Critical Analysis of Role of Management in Overall Development of Labourers Working in IndoRama Industry, Nagpur – A Case Study”, the researcher looks at the welfare of the workers in IndoRama industry, Nagpur by examining various parameters of employee’s welfare. The parameters of labour welfare as understood in the context of the present study include education, socio-economic status, financial security, the working environment in which working are working, the basic facilities & amenities provided to the workers, decision making and satisfaction level of the workers, promotion and incentive policy of the industry etc. The present study is based mainly on the empirical data collected from a sample of 120 respondents consisting of 40 permanent employees, 40 contractual employees and 40 daily wage earners. The overall observation and findings of the present study leads us to conclude that the welfare activities undertaken in IndoRama industry,





Nagpur have brought about certain changes in the in the socio-economic and overall development of the employees. The company is implementing a mixed approach in order to achieve its goal and objectives without compromising the welfare of the workers. Though the company is trying its best to provide a better quality of life to its employees, but there are certain points where the company needs improvement. One of the major aspect in this regard is the workers participation and decision making ability. It is really a big challenge for the company to involve the entire workforce in the decision making process; the company should develop some mechanism through which maximum workers can participate in the decision making process. Another lacuna which the researcher identifies are the issues of daily wage earners. The government as well as different industrial organizations should come forward to protect the interest of the daily wage earners.

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