

Wage v/s Efficiencies

II. Impact of the emergency period

George Benjamin¹

¹*C/M-24, VSS Nagar, Bhubaneswar-751007, Orissa, India.*

(Dated: August 29, 2005)

Effect of discipline imposed by the period of emergency: We can very well study about the effects of the period of the emergency on such "wage and efficiencies" from the figures which are furnished herewith (Table I). Here this is quite pertinent to say that "discipline" is also a key factor responsible for raising "efficiencies" of the workers.

"Employee attitude" is of high concern, when the efficiency factor is considered with relation to the productional output. The "Labour productivity index" itself is a factor, which is solely an outcome from such factors as manpower and financial provisions. The labour productivity index is based on the cost of production and this "cost of production" is a related factor with "manpower", total annual wages or emoluments per worker. The declaration of emergency at the end of June 1975 by the government created among the steelman at Rourkela as elsewhere, a new sense of awareness of their responsibility towards the nation, generated a vigorous sense of self confidence and ushered in an era of disciplined industrial culture.

To have more proof about the results of the emergency period an extract in the magazine, viz. Rourkela special of SAIL News, Vol. 3, No. 4, March 5-20, 1976. "Another brilliant fruit of the half year disciplined working is evident in the figure of man hour loss on labour trouble. A figure which stands stagnant at 'nil' right from the month of July, 1975 due to the various measures taken in the wake of emergency and in keeping with the new mood of the officers and workers of Rourkela steel plant to ensure regularity and punctuality in attendance. The incidence of absenteeism has been cut down to 12.41 percent from an earlier average of 16.61 percent. Further, overtime figures have been brought down from 16.06 percent of wages in the month of June 1975 to 7.34 percent of wages in November 1975."

Next, we may ponder also to the following view of "Mr. Benedict Cost, who had his article viz. Steel-Our New Hope published in the Illustrated Weekly of India, March 14 – 20, 1976. "I met the man who has brought about this transformation. Mr. M. A. Wadud Khan was picked up by Mr. Kumaramangalam to lead SAIL. I talked also to the chief executives of India's major steel plants in the public sector. They all seemed overjoyed that the era of strikes is over. "We were victims of workers agitation", said one of them. "People now work harder because they get more money for better production ...workers also participate in the management of the plants and help take far reaching decisions to improve their working. "This year we will have a record performance", they claimed.

"The chairman of SAIL affirmed that the new climate has been brought by the emergency". "We took positive steps last year to overcome the stagnation that had set in. We are now producing seven million tonnes and the plants are growing at a rate of 16 percent, a year. We are making a profit of Rs. 480 million. Last July our production went up by 20 percent in a single month. This trend will continue - we are therefore confident that we will produce one million tonnes more than in the previous year.

Grievances for wage has a basic relationship with the productional output. This is undoubtedly a fact that grievances that occur out of wage dissatisfaction has a strong impact on the productional achievement which is a consequential effect related with the rise in efficiency standard. That's why, the rate of production falls in the year 1971 – 72 in comparison to the other years of the Rourkela Steel Plant and recently (and that's why) the production rate increased much above the standard in the year i.e., February 1976 (when Rourkela Steel Plant observed the 10 MT Tonne economy) in comparison to the previous years. So, by this we may establish an automatic co-relations with efficiency, grievances for higher wage and the productional output which are intensively co-related and mixed strongly with each other.

From the table II, we can know the productional differences from the years 1971 – 72 to the years 1974 – 75 and 1975 – 76. This productional differences are basically due to the settlement of grievances and enhancement of different financial facilities (both having its direct and indirect effect) in course of the proceeding of the events and onward progressive years passed in the life of the Rourkela Steel Plant.

In the financial year 1971 – 72, the production of saleable steel was 5,97,453 tonnes. It jumped to 7,64,829 tonnes in 1973 – 74 which was followed by 7,35,586 tonnes in 1973 – 74 and 8,11,927 tonnes in 1974 – 75. Though the target or 1975 – 76 has been fixed at 1 million tonnes, the same has been exceeded.

The production of CAN Fertilizer was 1,84,408 tonnes in 1971 – 72 followed by 1,96,390 tonnes in 1972 – 73, 1,84,323 tonnes in 1973 – 74 and 2,45,107 tonnes in 1974 – 75. At length though the target for 1975 – 76 was fixed at 3,00,000 tonnes, the same also seems to be exceeded.

Taking into account table II, when the "production" increased by 27.18 percent, the increase of "productivity" was confined within the limit of 10 per cent, with the effect of the increased "manpower". Now, by considering the increased rate of payment per employee, we see that the labour cost also goes on increasing. In case of saleable steel such an increase is more than 10 per cent.

So, it is evident that a majority of disputes in an industrial concern are mainly due to the following two factors, viz. (i) emoluments (ii) manpower.

The word "emolument" is a subjective factor based on different financial objectives and out of such objectives, "wage consideration" is the most important factor. Industrialization is hence productional achievement and is always borne out of from the inter-related factors "Wage and efficiency" are not only quite inter-related amongst themselves but also inter-dependent with each other. So, in order to achieve our projected aim by having the due productional outturn, we must regulate such inter-dependent and inter-effective factor in a way which would well suit our purpose of a sound achievement.

Now, a study of the human element at Rourkela one has to consider the following point such as the management attempt for framing better service conditions, solving of the employees grievances introduction of the principles of discipline since the period of emergency and finally a steadfast aim towards achieving a standard productional target.

Table III is a clear-cut proof that the effects of emergency was incidentally reflected in the resulting years of 1975-76 and 1976-77 and we see that this figure of "manhourloss" was reduced almost to 'nil' in the year 1976-77. Hence the factor "discipline" should be considered as one of the vital factors of promoting efficiency standard of the employees. The efficiency of the employees can be measured in terms of the capacity utilization. As per our discussion the same relates to the case of the Rourkela steel plant, we see that the process of such capacity utilization vary from year to year and this process of variation is due to variation of their efforts in order to take up work for considerable productional purpose.

TABLE I:

	1972-73	1973-74	1974-75	1975-76	1977-78	Percent Change in 5 years
Labour productivity index (for works and administration)	50	42	41	49	55	+10%
Wages per employee (including gratuity, P.F. & social amenities) Rs.	6658	7153	9118	10583	10906	+63.8%
Manpower (works & administration)	25156	26476	26663	27705	27455	+9.1%
Production of ingot steel +1/4 saleable pig (tonnes)		1194452	1092441	1090917	1310897	+27.18%

Source: The Executive, Volume XIV, Annual Number, September 1978.

TABLE II: A comparison of the production of main products 1971-72, 1974-75 and 1975-76 (upto December 1975)

Period	Oven pushed	Hot metal	Ingot steel	Saleable steel	C.A.N.
1971-72	96954	969614	822676	597453	185408
1974-75	101009	1202624	1065743	811927	245107
1975-76 (Upto Dec. 1975)	85863	990521	904202	729733	213898

Source: SAIL news, Vol. 31 No. 4, March 5 - 20, 1976, Rourkela.

TABLE III: MAN HOUR LOSS ON ACCOUNT OF LABOUR UNREST

1973-74	1974-75	1975-76	1976-77	1977-78
52873	22094	1306	Nil	110866
(The year 1977 – 78 indicates a steep rise)				

TABLE IV: FIGURES RELATED TO THE GRUMBLES RECEIVED AND THE DISPOSAL OF SUCH GRUMBLES

OF SUCH

With a specific reference to the period of emergency

Year	Grumbles received during the year	Disposal of the grumbles during the year	Balance at the end of the year including the grievance carried forward from the previous year	Percentage
1971 ..	979	915	321	90%
1972 ..	626	770	177	120%
1973 ..	552	552	177	100%
1974 ..	536	536	177	100%
1975 ..	385	508	54	132%
1976 ..	528	460	-	87%
1977 ..	357	333	-	93%
1978 ..	285	253	-	89%
1979 ..	193	229	-	118%
1980 ..	230	248	-	108%
1981 ..	121	135	-	111%
1982 ..	133	122	-	92%