

A RESEARCH PAPER ON MANAGEMENT PRACTICES ADOPTED BY THE MANUFACTURING INDUSTRY AND ITS IMPLICATIONS ON THE WORKFORCE

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ABSTRACT

The automotive industry is undergoing rapid changes; millions of electric vehicles are expected to hit the roads in the next decade, the fuel will be replaced by electric current and hence different services are expected to grow rapidly. The change is expected right from manufacturing through refueling, repair maintenance, and a number of other allied services. It needs to step with this changing scenario the provider requires to replace. The most vulnerable element to change is the workforce. With the advent of the Fourth Industrial Revolution (4IR) some manufacturers might find solace in their continuous quest of increasing productivity while keeping desired profits by way of automation and digitization but still there exist a substantial number of manufacturers who face the challenge which is almost as old as manufacturing itself. And the challenge is how to achieve lasting productivity gains from labor-intensive operations. To meet the challenge of productivity the seemingly obvious solution for the manufacturers is termed swapping labor for capital, which means adopting automation capital and trying to reduce the labor force. But in reality, despite having the availability of sophisticated machinery at lower cost, when compared to using digital and analytics technologies in supporting the people replacing them proves more productive. In emerging economies, providing employment that reduces poverty and strengthens social stability is considered to support the people with new technologies and methodologies that prove more profitable. The highlighting factors have again emerged prominently that the companies must be ensuring that workers feel safe; the feel safe factor must be the highest priority. Providing a protective environment may not be enough to persuade every worker to come back to factories, particularly those workers who have seen better prospectus in the industrially advanced areas and dreamt of providing better future for their children and also juggling responsibilities to care for children and families that may have been disproportionately affected by the pandemic. (Gomez, 2021).

This paper attempts to explore the journey taken so far by the management practices for the workforce, in light of the various legal and managerial provisions in shaping the automobile industry in Pune.

Keywords: Human Resources, Human Resource Management practices, Employee Engagement, Training & Development, Contract Labour.

Introduction

If a look back is given at the Journey of workforce management so far, it starts with defining the term 'Management'. According to Gomez-Mejia, Barkan, and Cardy (Luis, 2008), management in all business and human organization activity is simply the act of getting people together to accomplish desired goals and objectives. So, it is to be said that management is managing people. Human resources are the focus of the management. In different, management can also refer to the person or people who perform the act(s) of management. Therefore, both those who manage and are managed are the focus of management, in addition to the functional activities such as planning, organizing, staffing, leading or directing, and controlling, which are conducted by a group of one or more people or entities for the purpose of achieving organizational objectives. (Dessler, 2009)

According to the comprehensive study to trace the historical development of Human Resource Management undertaken by Ruth Tubey, Kipkemboi Jacob Rotich, and Alice Kurgat, the selection of tribal leaders in prehistoric times had consistent methods. The evidence is also there that the Chinese were using employee screening techniques as long ago as 2000 BC to 1500 BC, and the Greeks were using the apprentice system. (Ruth Tubey, 2015). The primary focus of all these management practices must be the concern for the successful completion of the desired task. The same is continuing today also with changed words like productivity and profitability. The quest to achieve optimum productivity in the workforce is a strategic quest.

Every nation strives hard to keep a balance between ensuring individual companies' productivity, economic stability by way of productivity, and the welfare of citizens. If companies want to become the most productive and profitable, they will try to minimize the cost of employment and become harsh in putting workers to the task. Profitable companies naturally enhance the economic condition of a nation by way of an increase in exports and tax revenues but if these companies will reduce the wages of employees, the employees will have less spending power and an overall adverse effect will be there on the economy. On the other hand, the harsh practices of getting work done reduce the well-being and quality of life of the workers. So, to have a win-win situation in this, The Indian Government created awareness in the general public about a role model of the developing world and portrayed that India was far behind compared with other countries in economic growth. The first Prime Minister, Late Pandit Jawaharlal took initiative to make a policy to establish and develop the industrial sector in India. After 1948 Industrial policy and norms were fixed. The Government of India prepared a plan to develop the Industrial sector and introduced related rules and regulations to develop the sector. The second Industrial policy resolution 1956 supported industrial growth in India. This policy divided two sectors: public and private. All the basic and infrastructure industries necessarily are provided by the government. This was mainly done to develop the economy and the low-profit industries are kept in the public sector like Irrigation, post, telegraph, railways, ordnance, electrical generation and distribution, transport, mining, aircraft and ammunition, coal, steel, oil, refining chemical and fertilizer, drug, pharmacy, textile, export-import trade food procurement, banking, Insurance, etc. (Sontakey, 1987), these industries in the public sector had to follow the rules and regulations established by the government to a great extent, thereby providing all welfare measures to the employees but they failed to establish a healthy work culture among the employees.

With the growth of the private sector, most of the players started utilizing various practices to develop healthy work culture among the workforce and motivating them with rewards, so for some duration, there was a time in the Indian private industrial sector when both the management of industry and the workforce were working for the common goal of achieving optimal productivity and profitability. Then a time came when the private industries started running after profitability by way of employing coercive management practices and performance-based compensation. During this period a term evolved called strategic HRM practices under which the Human Resource Department became a strategic unit and conferred with a substantial contribution to profitability.

Literature Review

With the growth of this private sector in urban India, rural-to-urban migration started. A major reason for the shift from rural is the low wages in rural areas and higher wages in urban jobs. (Roy, 2020). The research by Dr. Sayantani states that the Indian internal migrant workers support the economy of many states substantially. They move to urban areas mainly to fill the gap in wages and education between rural and urban areas. Urban cities attract people from rural areas in search of employment, better living standards, and education for children. One of the major factors of attraction is tap water availability in urban areas. The migrants are getting attracted to the urban areas in quest of fulfilling their dreams but in reality, the cities provide employment opportunities but are unable to provide their migrants with decent living conditions. As per Census 2011 in manufacturing in urban areas, 38% of the male workforce is composed of migrant workers, with a similar share in modern services. They move to urban areas and live in makeshift shacks, in extremely disadvantaged conditions. It is also observed that people do migrate due to a lack of local options. The ones with higher education levels might migrate due to pull factors but the ones belonging to the lower strata of the population are usually pushed to migrate. Most of these migrant workers are victims of Strategic Human Resource Management practices. (Alu 2020)

The provisions of the contract labor act in India under which most migrant workers fall strives hard to ensure the dream of having a win-win situation among profitability for Industry, economic growth to the nation, and better living standards for the workforce. The rules and regulations vis-à-vis management practices of the industry have to play a very crucial role in the changing scenario of having balance among productivity, profitability, economic growth, and living standard of the workers. The main objective of the Contract Labour (Regulation and Abolition Act, 1970) act is to provide a proper solution to the establishment so as to ensure a win-win solution. From 10th February 1971, the act was enforced. This act applies to the establishments in which twenty or more workers are employed or were employed on any day of the preceding twelve months as contract labor and also to every contractor who employs or who employed on any day of the preceding twelve months twenty or more workmen. (Agrawal, 1998). But the act shall not apply to establishments in which work of an intermittent or casual nature is performed. In Case any dispute comes across with an establishment regarding the intermittent or casual nature of work. State Government consults with the Central Government and after that, the state government takes a decision that will be final and binding to the party. Sometimes for an

establishment, the work is done for more than one hundred and twenty days in the preceding twelve months or more than sixty days of work of seasonal character, this will not be considered intermittent work.(Jain 1998) Such interpretations are regarded as the so-called ‘grey areas’ of implementation of the act to safeguard the interests of the organizations. Similar grey areas are being used by the workers through their unions to safeguard their respective interests.

In Canada, different types of short-term employment are made available to have a win-win situation. Seasonal work programs, migrant worker programs, and fixed-term contracts are examples. The Russian federation has decided that all contract laborers are protected by a labour code. Establishments can recruit laborers for any core or peripheral work for a maximum of five years. It is important that there is no wage difference between the principal employer and the contract labor. The Swiss labor laws are flexible for contract laborers. But it prohibits a continuous contract without a break. The establishment cannot use labor for long-term tenure. In Switzerland, contract labor can be employed in any capacity. They are paid at par with the regular employees and covered by social security. In Ghana, contract labor has a maximum tenure of six months. A Sri Lankan organization can't use contract labor for the core activity. Both Ghana and Sri Lanka have covered their contract labor under the social security act. The organizations also need to follow the provisions of the National Minimum Wages Rate. (employers). in the United States of America, there are no restrictions for a period of employment. Contracting firms have a significant role in contract labor in the USA. The workers can be hired directly or through staffing agencies. Clerical, labor, education, IT and healthcare industries recruit temporary workers.

Research Question:

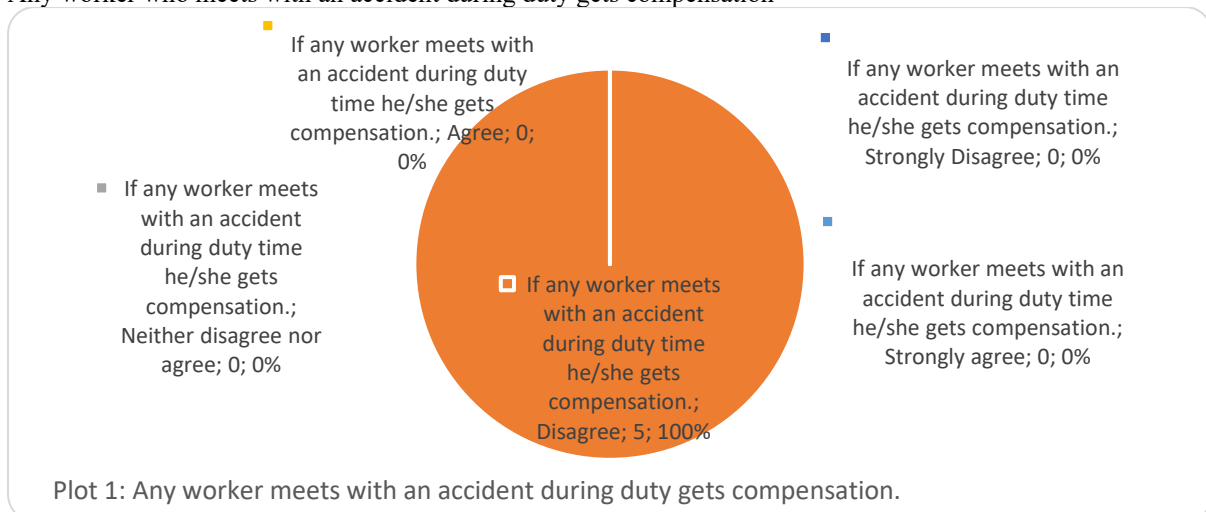
1. Who are the violators of the rulebooks in the automobile sector in Pune?
2. What can be the possible solution to promote a win-win situation which may result in profitability for Industry, economic growth for the nation, and better living standards for the workforce?

Research Methodology:

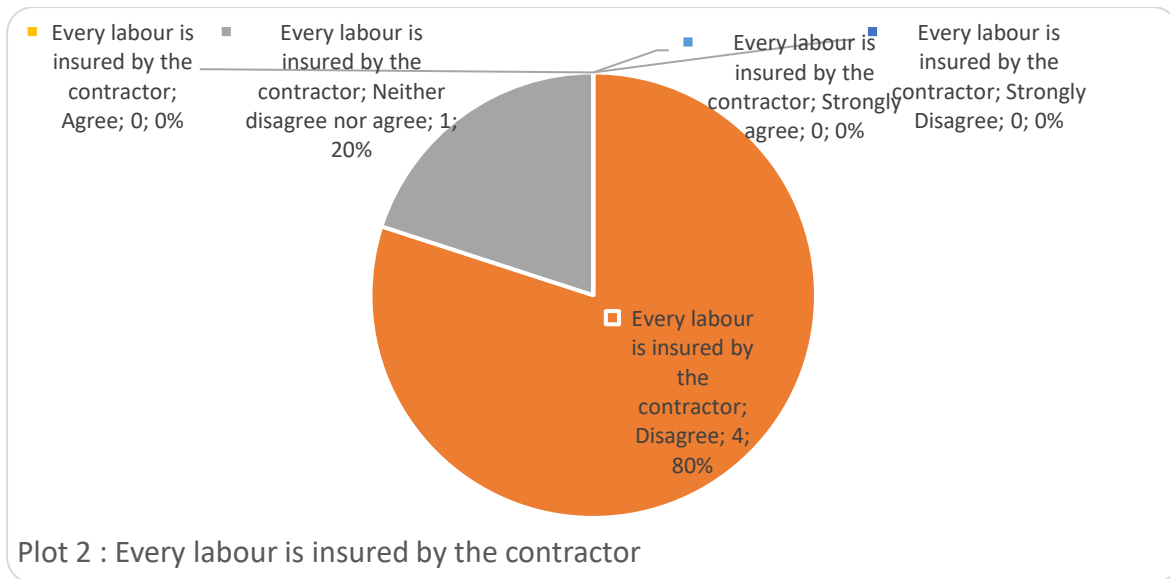
The study is exploratory and descriptive in nature. Exploration of literature, reports, and opinions of stakeholders constituted the secondary source of data. The survey of workers, managers, labor contracting agencies, and enforcing officers with the help of a structured, closed-ended questionnaire constituted the primary source of data. The primary source of data is used to identify the violators of rules and regulations whereas the secondary source of data is used to suggest the framework for the achievement of the win-win situation into having profitability for Industry, economic growth for the nation, and better living standards for the workforce.

Data Collection:

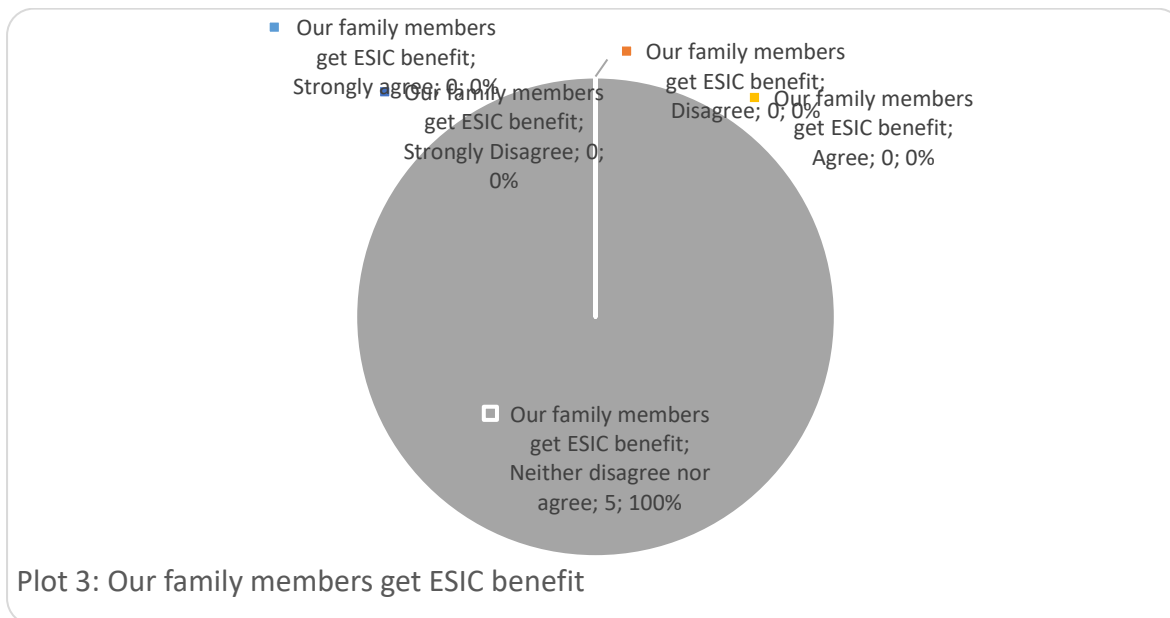
Any worker who meets with an accident during duty gets compensation



Every labour is insured by the contractor



Our family members get ESIC benefit



Findings

It is often seen that the loopholes in the acts, laws and regulations are searched for and violations are practiced by all the parties involved. The examples of violations from the establishments are:

1. Salary is not paid as per Minimum Wages Act-1948
2. The benefit of leave and public holidays is not given.
3. In many places there is no eight-hour shift but twelve-hour shifts are offered.
4. Overtime is not paid at double the rate.
5. On completion of the job the workers are removed from employment.
6. Restrooms are not available for contract labor.
7. First aid kits are not available from the workplace.
8. For regular employees uniforms are provided but contract workers are not.
9. The benefits of the Social Security act are not paid properly i.e. Provident Fund; Employee State Insurance is not paid. (Salary calculation of PF/ESI)
10. If the job is vacated, no bonus is given in the next year.
11. Canteen facilities are not available to contract labor.
12. Often the place of work is far from the place of residence. Transportation is not available.

13. Contract workers are removed before they are eligible for gratuity payment. There are very few cases in which they have received gratuity payments.
14. Contract workers often have accidents. Due to their deployment on dangerous machines or hazardous places before proper training. Also, Employers only focus on production output.
15. The toilets of contract workers are not clean.
16. The washing facility is not available in the company.
17. Payment of the Salary to the worker is not monitored by the management of the establishment.

Due to this type of exploitation, contract laborers seem to be more insecure compared to regular workers. But the violations are seen from their side also.

Examples of violations from contract laborers

1. Not reporting to work/duty on time.
2. Taking leave without informing.
3. Failure to complete the given task within time.
4. Not following Safety Instructions
5. Not attending of important training.
6. Asking for one month or fortnight salary advance before the end of the work period.
7. Leaving the work and workplace without information.
8. Misguiding new workers so that they will leave.
9. Frequently asking for a hike in salary and overtime.
10. Without doing their own work doing the work of permanent workers to please

The enforcing agencies are expected to ensure the implementation of the rules, regulations, and acts but violations are seen from their side also.

The examples of violations by enforcing officers

1. All enforcement officers do not visit the industry regularly.
2. All enforcement officers do not listen to complaints from contract laborers sympathetically.
3. Verification of payments reports of all principal employers and contract labor is not done regularly.
4. Verification of the bonus amount paid to the present and left employees is not done regularly.
5. Verification of Welfare and Health-related provisions is not done regularly.
6. The dismissal from the job cases is not properly handled.

The lawyers represent the parties in dispute they are expected to educate people about the correct usage and implementation of the rules, regulations, and acts but violations are seen from their side also.

Examples of violations from lawyers:

1. Misguiding the client
2. Projecting false benefits to clients
3. Not giving proper information about court proceedings/steps
4. Not providing the information on all acts and provisions and current changes
5. Unprofessionalism

The entire scenario is such that from all sides there is a grave threat to the healthy work culture. In such cases no wonder everyone shall find a way to push forward for their own benefits which threatens the very purpose of having a win-win situation that may result in profitability for Industry, economic growth for the nation, and better living standards for the workforce.

Conclusion

It needs time to have an ecosystem to tackle the grave situation which will lead the country to have a significant number of companies that perform better at hiring, retaining, and engaging their workers and build a substantial advantage over their competitors.

The nature of the promising ecosystem must include Growth, Inclusion, and Sustainability. It is impossible to achieve prosperity and well-being Without growth, or pay for the transitions needed for a more sustainable and inclusive economy. Without inclusion growth is impossible, the need is to reach the last person in society and provide the growth opportunity then only inclusive growth happens. Without sustainability, growth cannot be perpetual so the ecosystem must have growth, inclusion, and sustainability. (Bob Sternfels, 2021)

The natural occupational transitions of the workforce including low-wage category workers with the change in the internal and external environment have to be one of the elements of the ecosystem. Efficient resource generation and their effective utilization must be the second element of the ecosystem. The even distribution of the above two elements, natural occupational transition, and effective resource utilization is expected to achieve sustainability in this ecosystem.

To generate the natural occupational transition element a framework is needed. The workforce faces a period of disruption and change as they are facing today. It will be vital for the workforce to develop (1) the skills that will be in demand; (2) the flexibility and mobility needed to negotiate labour-market transitions successfully; and (3) the access to and knowledge of technology necessary to work with automated systems, including participating in its creation. Unfortunately, the lower category workforce often faces long-established and pervasive structural and societal barriers that could hinder them in all three of these areas—and has made progress toward inclusivity in work slow. The good news is that the forces of technology and innovation that characterize the automation age can also pave the way for more inclusivity in the workforce. There is a huge opportunity for private- and public-sector leaders to enable the workforce to make the necessary transitions in these three areas.(Anu Madgavkar, 2019)

The government and private sector have collaborated to facilitate the first element of natural occupational transition. They can jointly invest and implement training and reskilling by way of apprenticeship programs and by providing reskilling opportunities for those who are in middle and old age. Subsidies can be provided for getting reskilling and training programs in targeted areas. Childcare facilities including financial support for those children whose parents are going for transition in the occupation can be offered by both sectors. The private sector and universities can invest in creating digital platforms and offer MOOCS, informational campaigns, and continuous upgradation of curriculums. The efforts are going on in India to generate the first element of this ecosystem it needs to be accelerated with targeted achievements.

Inclusion is the second element of this suggested ecosystem. Actually, this is the responsibility of all present and future generations to acknowledge environmental and socio-economic aspects while taking into account the possible costs of both regulatory action and inaction. The mixed economy model adopted by India is the framework for the inclusion of all. However, the equitable distribution of wealth among all is yet a far dream. The individual urge for achievement coupled with regulatory actions from authorities and society can offer a better picture of this. A person from the lowest strata of Indian society enjoys equal opportunity in all aspects by virtue of the provisions in the Indian Constitution, the person is not denied entry into the education system, and the person is not denied grabbing any opportunity of growth because of the person's origin of any strata of the society. In such a healthy environment the person who has the adequate urge to grow can grow to any level. The ecosystem is healthy but when it comes to the question of that individual's value system of abiding by rules and regulations, the answer comes otherwise in most cases. So, the ecosystem for inclusion has to put emphasis on the development of a value system to abide by the rules and regulations. Every last individual must have the urge to follow the rules and regulations set forth.

The Government of India has initiated a framework to facilitate sustainability which is the third element of the suggested ecosystem by way of proposing a national resource efficiency policy. The Draft National Resource Efficiency Policy (NREP) envisions a future with environmentally sustainable and equitable economic growth, resource security, a healthy environment (air, water, and land), and restored ecosystems with rich ecology and biodiversity. The Draft National Resource Efficiency Policy is guided by the principles of (i) reduction in primary resource consumption to 'sustainable' levels, in keeping with achieving the Sustainable Development Goals and staying within the planetary boundaries, (ii) creation of higher value with less material through resource efficient and circular approaches, (iii) waste minimization, (iv) material security, and creation of employment opportunities and business models beneficial to the cause of environment protection and restoration

Ecosystem for Profitability to Industry, economic growth to the nation, and better living standards for the workforce.

Natural Occupational Transition Inclusion Sustainability

Figure 1: Source: Research finding
Framework for natural occupational transition



Figure 2: Source: Research finding
Framework for Inclusion in abiding by rules and regulation: Development of Value System



Figure 3: Source: Research finding

Framework for sustainability

reduction in primary resource consumption to 'sustainable' levels, in keeping with achieving the Sustainable Development Goals and staying within the planetary boundaries
creation of higher value with less material through resource efficient and circular approaches,
waste minimization
material security, and creation of employment opportunities and business models

Figure 4:

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