

**WORKERS' PARTICIPATION IN MANAGEMENT
- A CASE STUDY OF KERALA MINERALS AND
METALS LIMITED (KMML), CHAVARA**

By
ANJALI. S. KUMARY



PROJECT REPORT
Submitted in partial fulfilment of the
requirement for the degree of

Bachelor of Science in Co-operation & Banking

Faculty of Agriculture

**COLLEGE OF CO-OPERATION, BANKING & MANAGEMENT
KERALA AGRICULTURAL UNIVERSITY**

VELLANIKKARA, THRISSUR - 680656

KERALA, INDIA

2004

Declaration

DECLARATION

I hereby declare that this project report entitled "**WORKERS' PARTICIPATION IN MANAGEMENT - A CASE STUDY OF KERALA MINERALS AND METALS LIMITED**" is a record of work done by me during the course of project work and that it has not previously formed the basis for the award to me for any degree/diploma, associateship, fellowship or other similar title, of any other university or society.

Vellanikkara,

Anjali . S. Kumary
Anjali . S. Kumary
(98-05-08)

ROYAL
REGINA
BORNEO

Certificate

CERTIFICATE

Certified that this project report entitled "**WORKERS' PARTICIPATION IN MANAGEMENT - A CASE STUDY OF KERALA MINERALS AND METALS LIMITED**" is a record of project work done independently by **Ms Anjali .S. Kumary**, under my guidance and supervision and that it has not previously formed the basis for the award of any degree, fellowship or associateship to her.



Shri. M. Mohanan

Assistant Professor (Spl. Grd.)

Department of Rural Marketing Management

College of Co-operation,

Banking and Management

Kerala Agricultural University

Vellanikkara, Thrissur

Vellanikkara

CERTIFICATE

We, the undersigned members of the Viva-Voce Board of **Ms Anjali .S. Kumary**, a candidate for the degree of B.Sc. (Co-operation and Banking) agree that the project report entitled **“WORKERS’ PARTICIPATION IN MANAGEMENT - A CASE STUDY OF KERALA MINERALS AND METALS LIMITED”** may be submitted in partial fulfilment of the requirement for the degree.



Dr. Molly Joseph

Associate Professor and Head
Department of Rural Banking & Finance Management
College of Co-operation, Banking and Management
Vellanikkara
(Chairperson)



Shri. M. Mohanan
Assistant Professor (Spl. Grd.)
Department of Rural Marketing
Management,
College of Co-operation,
Banking and Management
Vellanikkara
(Guide)

Smt. P. Shaheena
Assistant Professor,
Department of
Development Economics,
College of Co-operation,
Banking and Management,
Vellanikkara
(Examiner)

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Design of the Study

Chapter I

DESIGN OF THE STUDY

1.1 Introduction

The issue of workers' participation in management, has attracted the attention of scholars as well as research bodies all over the world and on this subject, prolific writings have appeared initially in the United States and Europe. Substantial intellectual activity on the subject of worker's participation in management has also been generated, among other countries like Israel, Japan, Yugoslavia, Poland and India. The significance of the subject stands considerably enhanced since industrial organizations, being the centres of the growing workers movements all over the world, have paved an influential factor in the formation and shaping of social forces. In this process, participation has emerged primarily as a device and a philosophy of workers movement all over the world. The concept of participation now embodies within itself relentless effort of mankind throughout the history to seek meaningful interactions with people with whom they work and to enhance the sense of being in control of their environment.

Participation of workers in management of affairs at work-place has come to be viewed as a process of sharing knowledge and skill and thereby enhancing the overall competence of the parties involved, the benefits of which include, increased productivity,

improvement of morale and motivation, and a greater sense of well-being for the employees.

The main objectives of Worker's participation in management include:

- (i) To promote increased productivity for the advantage of the organization, workers and society at large;
- (ii) To provide a better understanding to employees about their role and place in the process of attainment of organizational goals;
- (iii) To satisfy the workers' social and esteem needs;
- (iv) To strengthen labour management, co-operation and thus maintaining industrial peace and harmony.
- (v) To develop social education for effective solidarity among the working community and for tapping latent human resources.
- (vi) An ideological point of view to develop self management in industry.
- (vii) An instrument for improving efficiency of the company and establishing harmonious industrial relations.
- (viii) To build the most dynamic human resource.
- (ix) To build the nation through entrepreneurship and economic development.

1.2 Need and significance of the study

For generating and sustaining motivation among people at work in a more democratic manner, organizations in our country and abroad have come to realize that areas other than health or economic factors are required to be explored, i.e., workers participation in management, by which employees are provided with a greater say in what and how they do and a greater sense of belongingness. They are assigned jobs or tasks which are made professionally challenging and interesting. Thus a participative style of management in which employees at all levels are involved in decision-making process has been held by many researchers as a logical approach of directing work force.

Workers participation in management prepares the ground for peaceful and co-operative relations by promoting common interest in industry. It affords a self realization at work and meets the psychological needs of workers at work by eliminating to a large extent, any feeling of futility, isolation and consequent frustration, that they face in normal industrial setting. Workers participation in management is expected to democratise the industrial milieu and ensure egalitarianism in the process. The participation incorporates acceptance of responsibilities by workers. As they become party to the decision-making, the workers have to commit themselves to ensuring the implementation. Thus one can see the increasing importance of workers participation world wide, not only as a

matter of right but as an inevitable ingredient for enhanced production and improved production relations in industries.

The study focuses on the workers participation in management of Kerala Minerals and Metals Limited. Workers participation is required in the growth of the organisation. In this respect, it is worth to conduct such a study in this area of workers participation in management.

1.3 Objective of the study

The objective of the study is, to assess the level of workers participation existing in Kerala Minerals and Metals Limited (KMML) located at Chavara, Kollam.

1.4 Methodology

1.4.1 Location of the study

The study was conducted in Kerala Minerals and Metals Limited (KMML), Chavara, Kollam.

1.4.2 Sampling

The sample comprised of non-managerial staff of KMML. The study was done by conducting a survey among the sample respondents. The sample size is 112 which forms 10% of the total of non-managerial staff of the organization.

1.4.3 Data collection

Both secondary and primary data were collected for the study. Secondary data collected from various publications of the company is used in studying the organizational profile. Primary data collected through interviews among the employees using a pre-structured interview schedule is used to analyse the workers participation in the company.

For the study of workers participation, the researcher constructed a set of statements based on extensive review of literature and discussion with experts. After testing the validity, through judges rating, 20 statements which reflected the workers participation, were used for the purpose of the study. The responses were collected in a five point scale ranging from strongly agree to strongly disagree as follows.

Response

Strongly agree	-	SA
Agree	-	A
Undecided	-	UD
Disagree	-	DA
Strongly disagree	-	SDA

1.4.4 Analysis of the data

Simple mathematical tools like average, percentage etc. were used for the analysis of the data. The workers participation scores

were found out based on the collected responses. The scores assigned to each responses are as follows:

Strongly agree	-	5
Agree	-	4
Undecided	-	3
Disagree	-	2
Strongly disagree	-	1

The scores obtained were made into indices by using the formula as follows.

$$\frac{\text{Total score obtained}}{\text{Total maximum score}} \times 100$$

For the interpretation of workers participation the indices obtained were categorized as poor, average, good and excellent. The classification of indices is as follows,

Classification of index

Index	Category
Upto 30	Very poor
31-50	Poor
51-70	Average
71-90	Good
91 and above	Excellent

1.5 Limitations of the study

The study is based on one organization only, by which the result cannot be generalized. It was done in a short span of time. So there is time and resource constraints.

Review of Literature

Chapter 2

REVIEW OF LITERATURE

The concept of workers' participation in management is considered as a mechanism where workers have a say in the decision-making process of an enterprise. The concept of workers' participation in management crystallises the concept of Industrial Democracy, and indicates an attempt on the part of an employer to build his employees into a team which work towards the realization of a common objective.

2.1 Review of literature

Paylee (1975) observed that workers' participation officially inspired and almost imposed an unenthusiastic and even unwilling management without adequate preparation was found to fail. Workers cannot participate effectively unless they are mentally and intellectually equipped for it.

Ahuja (1988) opined that there is also a need for direct involvement with the workers, who are directly dealing with the problems and thus can be made responsible for implementation of such decisions. This is the core philosophy of participative management. A participative situation leads to a higher degree of involvement of the employees with the enterprises. It will act as a morale booster. By participating in the decision making, workers will feel psychologically satisfied since they think that their voice is

being heard. Workers' participation in management will lead to information improvements. They will have better understanding and their resistance to change will be reduced.

Mamoria and Mamoria (1990) were of the opinion that workers' participation is a system of communication and consultation either formal or informal by which employees of an organization are kept informed about the affairs of the undertaking.

Gangadhara Rao *et al.* (1991) pointed out that it is an old saying that the management must change and workers must work, the realization that workers must have a sense of participation and involvement in the process of management is the core of industrial relations. Industrial accord is indispensable for continued economic progress. A co-equal relationship between management and labour built around mutual trust and confidence is vital for national development. In order to ensure harmony between management and workers, the first step is to associate workers in the managerial decision-making process.

Asdhir (1993) opined that the essence of participation is power sharing between workers and management exactly like the cake is divided and the size of share each get is considerable. The most significant is the qualitative change it brings about in the attitudes of parties, so that it gives way to stable work relationship. It has the goal of changing the organisational set up and production by transferring management function to workers, so that management becomes self-sufficient.

Michael (1995) pointed out that participation must be a process in which every employee of an organization involves himself in the affairs of the organization wherever she or he is competent primarily improving his own.

Aswanthappa (1997) opined that participates namely management and operatives must have clearly defined and complimentary objectives. And the objectives of one party should not work at cross purpose with the objectives of another. The success depends on suitable participate structure and a change of heart on the part of employees, which may take a long time. To expedite this, some sort of legislative action is necessary.

David and Stephan (1998) pointed out that organisations that are able to acquire, develop, stimulate and keep outstanding workers will be both effective and efficient.

Premkumar and Ghosh (1999) pointed out that workers' participation in management is rather a wide term and has got different meaning to different people. Some use this to mean participation at the Board of Directors level and some interpret it as participation of workers in the affairs of the industry. One explanation for this is that the concept of workers' participation has emerged from concurrent developments in social sciences and social and political ideology. The former stress the need for participative management in order to manage the human side of enterprise more efficiently to achieve the organizational goals by integrating individual goals with organizational goals. The social

and political ideologists aim at achieving social power for workers through participation in the absence of which worker always stands to be exploited. However, real participation needs involvement of the workers in the decision-making process in its totality. True and effective employee association in management of industries holds the key to maximizing productivity through cordial industrial relations oriented towards quality service to the community.

Syamchand (1999) conducted a study on workers' participation at Carborandum Universal Ltd. Edapally. He found that workers' participation in management in the organisation is existing at a good level. The study revealed that employees in the organisation are capable of participating in the management of the organisation and the employees have a positive attitude towards the existing participation in management.

Sarkar (2000) opined that workers' participation in Management is a concept shrouded with so much vagueness that for different people it has different meanings. For management, it is joint consultation prior to decision-making. Management experts and executives look upon it as a tool for improving the overall performance of an enterprise. For them, it means that workers are given an opportunity to take part in those decisions which affect their wages, their working conditions, their very jobs, and this participation paves the way to harmonious industrial relations in an atmosphere which is conducive to increasing productivity and efficiency.

Manju (2001) conducted a study at Videon Industries Ltd. and found that, there exists a very good participation of workers in the organisation. Both the managerial and non-managerial staff had the view that good or excellent participation of workers exists in the organisation.

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Organisational Profile

Chapter III

ORGANISATIONAL PROFILE

3.1 Introduction

India is having a vast area of coastal region, which is richly endowed with mineral deposit. The geological survey of India, pointed out the presence of monazite in the coastal sands of Kerala. Besides Kerala, it is also found in the regions of Tamil Nadu and Orissa, and so well-established mineral industries are present there.

Kerala possesses a rich and extensive mineral deposit which lies along the seashore between Thottapalli and Neendakara. It is popularly known as the 'Chavara Coast', and it is also known as the 'Black Gold-Mine of Kerala'. The deposit consists of the minerals like illmenite, zirconium, monazite etc.

3.2 Genesis

M/s F.X. Pereira and Sons (Travancore) Private Limited was the pioneers who established the first full fledged minerals separation industry in the year 1932, using the dry separation process. The dynamic Indian entrepreneur, late Shri. J.E.A. Pereira, a man of vision and foresight, constantly tried to improve the mineral separation technology and for this purpose, he experienced with latest ideas available, even before they had been

fully developed in the technologically advanced countries. But some of these experiments were costly. So the company took huge loans from the state government and other financial institutions. But later, due to managerial problems and labour strike, the company underwent lock out. Considering that as a social problem, and potentiality of the rare earth minerals like monazite, illmenite, zircon etc. government took over the management of the company in January 1956. From 1956 to 1971, the company was run by the Industries Department of Kerala under the name 'FXP Minerals'. In 1971, the ownership of the company was transferred to the state government. The firm was fully taken over by the state government in 1972 and was renamed as the "Kerala Minerals and Metals Limited (KMML)". The company took over the assets and liabilities of the FXP-Minerals.

KMML is a public sector company. The Government of Kerala wholly own the equity shares of the company. It is located in Sankaramangalam, Chavara, Kollam, a coastal town, 85 km north of Trivandrum at NH47, about 285 acres in area.

The Kerala, there are only two manufacturers of the Titanium dioxide (TiO_2) pigment, i.e, Kerala Minerals and Metals Ltd. (KMML) and Travancore Titanium Products Ltd. (TTPL). The difference lies in the grade of their product, ie, KMML produces rutile grade titanium dioxide pigment and TTPL produces anatase grade titanium dioxide pigment.

3.3 Units of KMML

KMML consists of two units:

- i) Mineral Separation Unit (MS Unit) at Kovilthottam.
- ii) Titanium dioxide Pigment Unit (TP Unit) at Sankaramangalam.

KMML has six processing units for the production. They are,

1) Illmenite Beneficiation Unit

Raw illmenite which is the raw material for the pigment production unit. The leached illmenite after washing and filtering is claimed at about 550 degree Celsius to remove moisture and volatile matter. The cooled calcined product is the Beneficiation Illmenite.

2) Acid Regeneration Unit

The unit is designed to regenerate hydrochloric acid from the spent leach liquor. The spent leach liquor from the pre-concentrated is processed in a spray roaster in which the liquid spray entering the hot hated by the fuel oil decomposes to metal dioxide and hydrochloric acid. The unabsorbed gases are scrubbed with water before renting to the atmosphere.

3) Chlorination Unit

In this unit, beneficiated illmenite from Illmenite Beneficiation Unit is chlorinated in a reducing atmosphere to produce Titanium

Tetra Chloride ($TiCl_4$). The metallic chloride are condensed, and purified to obtain pure Titanium tetrachloride liquid which is stored in storage vessels.

4) Oxidation Unit

In this unit, raw pigment grade of Titanium dioxide is produced by reacting pure Titanium tetra chloride with oxygen at a temperature of about $1000^{\circ}C$ in reactor; after pre-heater having suspended silica tubes to carry the Titanium tetrachloride vapour. Titanium dioxide raw material pigment obtained from this unit is slurred with water and pumped to storage tank for further processing in the pigment finishing unit. The chlorine liberated is recycling back to the Chlorination Unit.

5) Pigment Finishing Unit

The dispersed slurry from Oxidation Unit is passed through the different sub-sections of the finishing unit, sand milling and classification, treatment, drying, improvisation and scrubbing, cooling and bagging. In the treatment section, various chemicals are added to give a coating to the pigment particles.

6) Air Separation Unit

This unit has been designed by M/s. Linde France and supplied through M/s. BHPV, Visakhapattanam. The oxygen and nitrogen are required for the process in the Oxidation and Chlorination units.

The major products of KMML and its application are as follows:

- 1) TiO_2 pigment : Paint, Printing ink, Plastic, Paper, Rubber, Textiles, Ceramics.
- 2) Titanium tetra chloride: Titanium sponge/metal, Titanium salts, Titanium oxichloride.
- 3) Illmenite : Ferro titanium alloys, Welding Electrodes.
- 4) Monazite : Nuclear technology
- 5) Leucoxene : Welding electrodes, TiO_2 pigment, Titanium compounds.
- 6) Zirconium : Ceramics, Refractories zirconium metals, Nuclear technology.

3.3.1 Major customers of K.M.M.L.

The bulk of the product in KMML is consumed by industries namely,

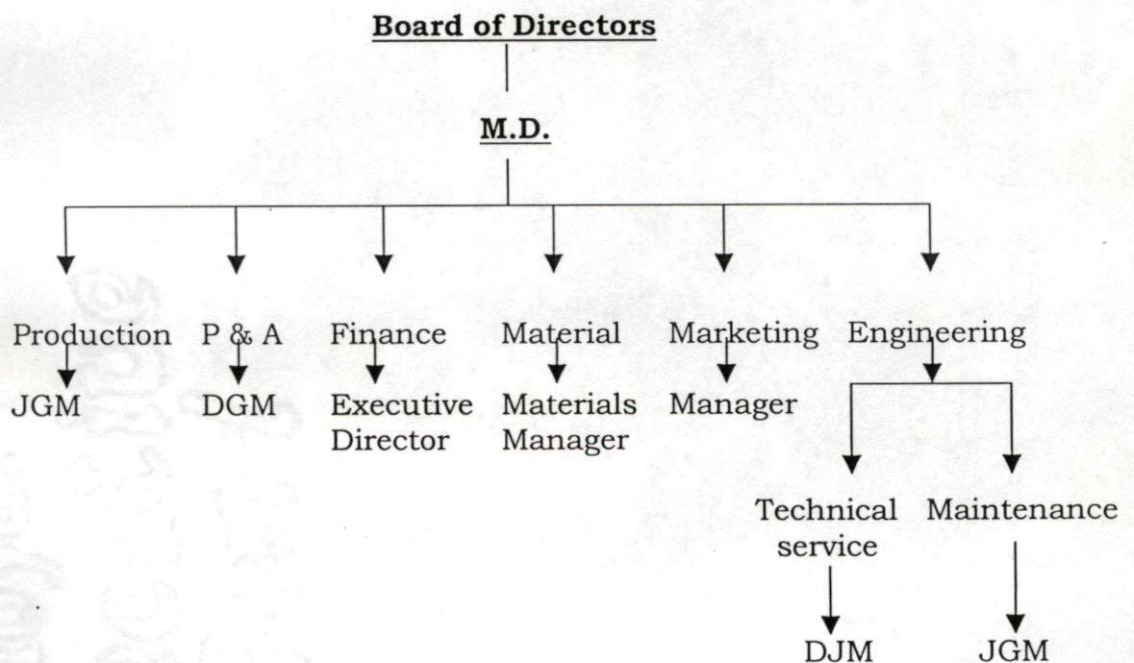
1. Asian Paints India Ltd.
2. Sudarsan chemicals
3. Hindustan Inks and Resins
4. Mega Mediates
5. Shalimar Paints
6. Indian Chemical Industry (ICI)

7. Camlin
8. Plastichemix Industries
9. Corlass Nerolac
10. Berger Paints
11. Jenson and Nicolson
12. Bilaspur Industries

3.4 Organisational Structure

Organisation is structured on functional basis. First comes the Board of Directors, then Managing Director, then the Managers of different specialized departments. Detailed structure of each department is given later.

Chart 3.1 Organisation Chart of KMML



The various departments of KMML are,

- 1) Personnel and Administration Department
- 2) Production Department
- 3) Marketing Department
- 4) Materials Management Department
- 5) Finance Department

3.5 Personnel and Administration Department

This department is concerned with the manpower management of the company and is headed by the Deputy General Manager (Personnel and Administration). Personnel department is concerned with the people's dimension in the organization. The sincerity and dedication of the employees in KMML is a major success factor. With a full fledged HRD Department, regular training and refresher courses conducted as part of the company life. Apart from the skill betterment, these courses inoculate quality consciousness, safety awareness and contribute to personality development. There are around 2100 employees in the company.

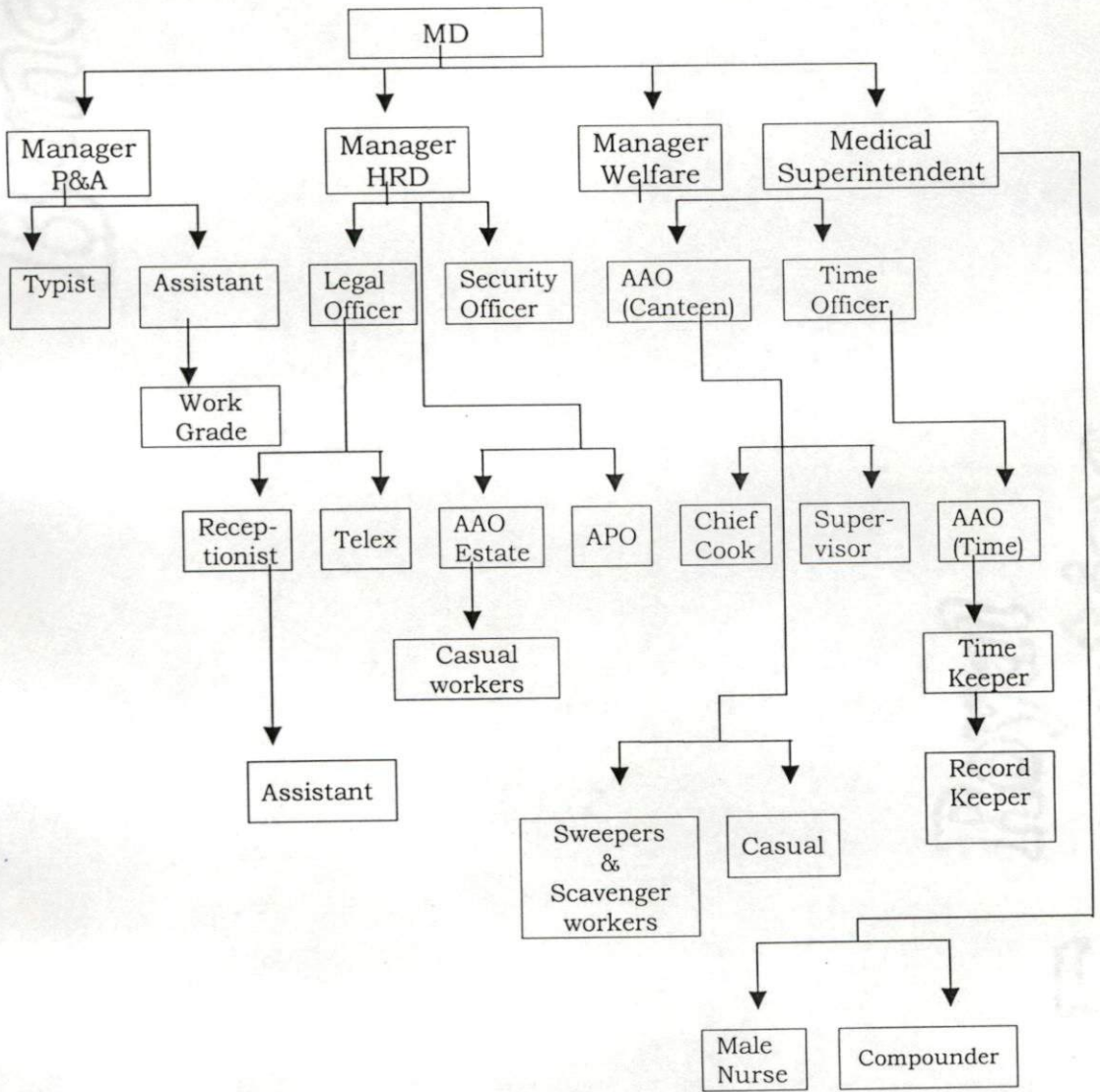
Functions

The major functions of the personnel department are as follows:

1. Recruitment and selection.
2. Training and development

Chart - 3.2

ORGANISATION CHART OF PERSONNEL DEPARTMENT



3. Promotion and transfer
4. Retirement and superannuation
5. General administration
6. Public relation
7. Labour welfare activities
8. Disciplinary proceedings.

3.5.1 Recruitment and selection

The company adopts different methods of recruitment of the staffs. For this, KMML gives ads in Malayalam and English newspapers published from Kerala and other states of South India.

Procedure for recruitment adopted by KMML

1. The vacancy in workmen category, it is notified to the concerned employment exchange.
2. In the case of staff category, selection is based on Public Service Commission.
3. For recruitment in managerial and professional post, applications received with respect to the advertisements in newspapers are considered. Details furnished by Technical Employee's Exchange is also considered.
4. Those people in and around the company who were evacuated for the expansion purpose of the company will also be given

job in the company. Recruitment to vacancies is done by a committee set up by the Board of Directors with not less than three members and at least one of them being a government representative.

The major sources of recruitment are:

- a) Kerala Public Service Commission
- b) Technical Employment Exchange
- c) District Employment Exchange
- d) Through advertisement in newspapers
- e) Notification in the company's notice board.

3.5.2 Training and Development

Training is important to employees to optimize their skills and efficiency and to improve quality, productivity and human relations on a continuing basis.

Training procedure covers induction training, on the job training, training on change of job, training required to qualify process, safety operations, development training for awareness of new concepts, quality management and quality system techniques, behavioural training and retraining in all those areas due to change in process technology system or strategies. KMMML seeks training needs identification, in the specified form from all the functions responsible to provide such identification on an annual basis before 15th March every year for preparation of annual training plan. In

case, a training need for an individual, crops up suddenly, the concerned department head prepares the training need identification form and forward it to administrative officer who plans for the training.

3.5.3 Promotion and Transfer

Employees will be considered for promotion only if they have the qualification and experience in the respective field. Grade II workers in the Mineral separation unit who completes 8 years of continuous service will be automatically promoted to Grade I. Promotion posts will be notified with the plant office and the officer of the unit, giving educational qualification and experience. The applications received will be screened by the personnel department. Every employee promoted to a higher post will be on probation in that promoted post for a period of one year.

There is only inter departmental transfer in the company.

3.5.4 Retirement and superannuation

KMML being a Kerala Government undertaking, retirement and super annuation is fixed at the age of 58 years.

Employee strength

There are about 246 officers and 1111 workmen in KMML. The total strength is 1357.

Trade unions

The trade unions in KMML are:

1. CITU
2. INTUC
3. UTUC (B)
4. STU

The middle level officers of KMML have two associations namely;

1. KMML Officers Association
2. KMML Officers Federation

3.5.5 Labour Welfare Activities

Allowances

The allowances provided by the company for its employees are as follows:

1. House Rent Allowance: Workmen of the pigment unit of the company shall be entitled to house rent allowance @ 10% of their basic pay effective from 01.01.1997.
2. Other Allowances: Pigment unit workmen are entitled to get allowance such as:-
 - a. Conveyance allowance: Rs.100/- month is given as conveyance allowance.

- b. Shift allowance: employees working in A and B shifts are paid Rs.100/- per month and C shift are paid Rs.200/- per month.
- c. Washing allowance: Washing allowance is Rs.40/- per month. For receiving washing allowance, at least 5 days attendance is necessary.
- d. Cash handling allowance: Rs.40/- per month is paid as cash handling allowance to employees who looks after the duties of cashier.
- e. Milk allowance: Employees who have attendance of 15 days are eligible to get milk allowance @ Rs.75/- per month.
- f. Chlorine tanker duty allowance: Rs.40/- per month is paid as chlorine tanker duty allowance.
- g. Acting allowance: Operator grades A, B and C are paid Rs.20/-, Rs.15/- and Rs.10/- respectively.
- h. Educational allowance: Educational allowance is allowed to two children of an employee and is paid monthly.
- i. Stitching allowance: Employees are given stitching allowance as follows:-

Uniform for gents -	Rs.50/-
Blouse and apron -	Rs.30/-
Over coat -	Rs.75/-

3.5.6 Recreation club

KMML has a recreation club to develop the sports, arts and cultural programmes of its employees.

The company provides:

- Subsidized canteen facility
- Transportation facilities
- Interest subsidy for housing loans
- Medical facilities
- Vehicle loans etc.

3.5.7 Classification of workmen

The KMML, the workforce can be classified as follows:

1. Permanent
2. Probation
3. Substitute
4. Temporary or seasonal
5. Casual or apprentice

3.5.8 Personnel Record

KMML maintains a personnel record for its employees. It is a file consisting of all details regarding the employee and all the data relevant to him.

Recording of the Attendance

Electronic punching system is adopted in KMML. Every employee has to punch their card, before entering their work.

Time keeping and Time booking

A separate wing is concerned with time keeping and time booking in the company. With the help of punching card, this section keeps an attendance register. Main functions of this section are, attendance recording, recording of leave, absence, late coming, early going, lost hours, overtime shift allowance, loosed wages due to absence, wages due to working holidays etc.

3.5.9 Shifts in KMML

The company has general administration shifts and rotating shifts.

1. General Administration shift - From 09:00 hours to 17:00 hrs.

2. Rotating shifts;

A shift	-	from 06:00 hrs. to 14:00 hrs.
B shift	-	from 14:00 hrs. to 22:00 hrs.
C shift	-	from 22:00 hrs. to 06:00 hrs.

For the general and administration staff personnel, all Sundays and second and fourth Saturdays are off days.

3.5.10 Attendance Bonus

The individual attendance bonus system is as shown below:

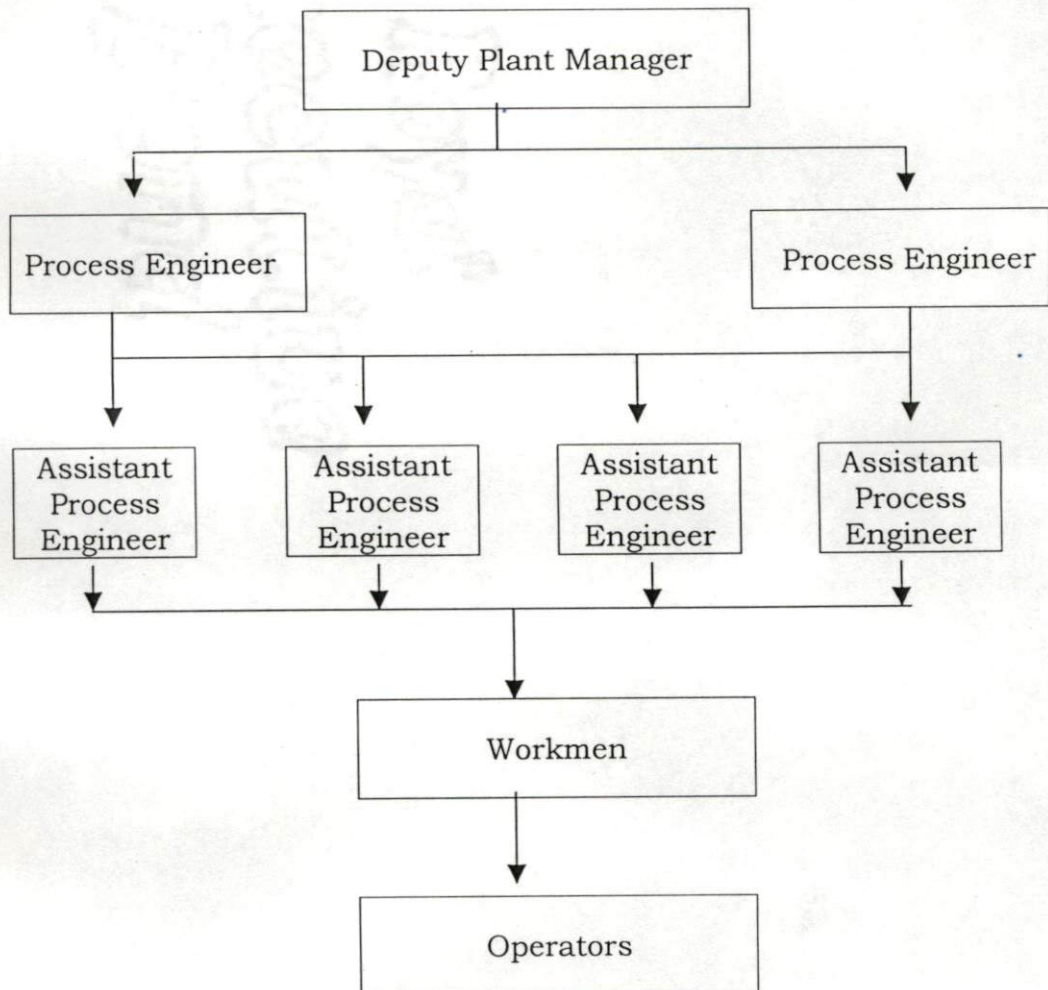
Below 80% of attendance	-	Nil
80% to 90% of attendance	-	Rs.100/- per month
More than 90% of attendance	-	Rs.110/- per month
For 100% of attendance	-	One day wages

3.6 Production Department

It is headed by the General Manager (Technical). The production process involves the conversion of illmenite into Titanium dioxide pigment. The organization is basically a production oriented company. Therefore the production department has the top position while considering the other departments. KMML always maintains high standards of perfection by achieving technical excellence in every phase of production. Catering to strict guidelines, KMML offers a wide range of product

Chart - 3.3

ORGANISATION CHART OF PRODUCTION DEPARTMENT



for quality conscious customers. Their products go into the manufacture of a variety of products used in every day life. Dress materials, facial creams, tablets, newsprints, wood paints, emulsions, enamels, plastics, toothpaste, rubber products, cosmetics and printing inks – all contain Titanium dioxide.

Activities and decision regarding the production work is undertaken by this department. Deputy General Manager (Production and Maintenance) controls the activities of this department. Production of Titanium dioxide is carried out in lot wise with specific lot number. Each lot contains 18 metric tonnes of Titanium dioxide. Samples are collected from production at specific intervals and examined thoroughly in the laboratory of the company. If any defect is identified, then the whole lot is considered as inferior quality.

Mineral Separation Plant (MS Unit) and Titanium dioxide Pigment Plant (TP Unit) are two independent production units in KMML. The TP unit is divided into three plants.

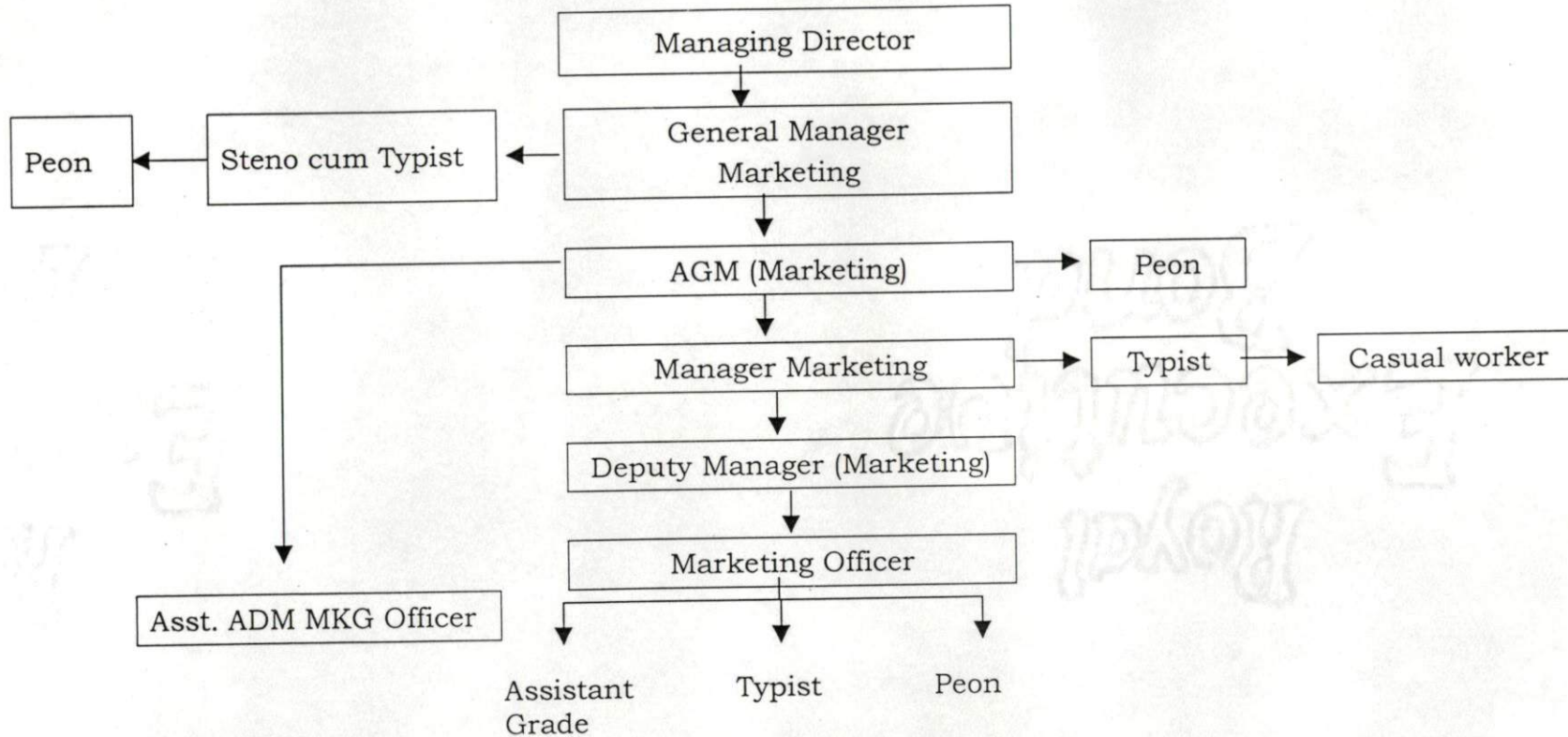
1. Illmenite Beneficiation Plant
2. Acid Regeneration Plant
3. Pigment Production Plant

3.7 Marketing Department

KMML has the monopoly in marketing of Titanium dioxide. But at present, company face some problem due to the import

Chart - 3.4

ORGANISATION CHART OF MARKETING DEPARTMENT



policy of the Central Government. The profit of the company depends on the production cost and selling cost. In 1990's there was 160% of import, but now it was reduced to 30%. It affects the profit of the company. In this case, the production cost decreases due to the reduction of import and the profit increases. The Joint General Manager (Marketing) heads the department.

3.7.1 Products of KMML

The major product of KMML is rutile-grade Titanium dioxide. The product of KMML generally termed as KEMOX. At present, KMML produce six grades of Titanium dioxide. They are,

1) Kemox RC 800

It is low oil absorption, medium durable alumina treated rutile pigment produced by chloride process. It is recommended for printing inks, high glass interior coatings, industrial coatings, low abrasives, pigment for the press gravure, polyamides, exterior applications where maximum chalk resistance is not required etc.

2) Kemox RC 802

It is intended for both interior and exterior applications. This is recommended for architectural and industrial paint.

3) Kemox RC 800 PG

It is used in power coating, polythene films and vinyl sheet goods.

4) Kemox RC 818

It can be used in both interior and exterior low glass and flat paints and coatings both solvent and water based. It find applications in interior flat wall-paints, exterior low glass or flat paints, low glass maintenance paints, low glass of flat chemical coating etc.

5) Kemox RC 822

It is recommended for interior and exterior enamels, lacquers for industrial and architectural purpose, powder coating etc.

6) Kemox RC 808

It is designed to a universal grade suitable for multipurpose application where outstanding optical properties, very good close retention and chalk resistance are required. It is a chloride processed rutile Titanium dioxide pigment surface modified with Alumina, Zirconia and Silica.

Besides this rutile grade Titanium dioxide pigment, the KMML manufacture some other types of products, monazite, zircon, rutile

sand, iron oxide bricks etc. that are commonly known as sub-products.

3.7.2 Marketing Information System

KMML is a member of Chemical and Allied – Products Export Council (CHEMEXCIL). Bulletins of 'CHEMEXCIL' are regularly received by KMML and used to obtain the latest trend of Titanium dioxide demand for various consumers both indigenous and foreign.

KMML subscribes 'Plant India', the leading publication of paint industry and also 'Mineral Market Reporter' which provides valuable information about Titanium dioxide at national and international level.

KMML uses the services rendered by 'Indian Market Bureau' which is a market research agency which conducts valuable research programmes as advised by KMML for which it has to pay fees annually for their research studies.

3.7.3 Handling Customer Complaints

The complaints received from the customers are registered by KMML and acknowledgements sent accordingly. The details of the complaint is entered in customer complaint register. The particulars of progress of investigation and nature of disposition are updated in the customer complaint register.

3.7.4 Major competitors of KMML

The major competitors of KMML are:

1. Dupont, USA
2. Melleinum, Germany
3. Ishihara, Japan
4. Mankuk, Korea
5. Moitox, USA
6. Kamera, Finland
7. Toifin, Netherlands
8. Kerr-Mc-Gree, USA

3.7.5 Marketing functions of KMML

Marketing functions of KMML include:

1. Buying and assembling
2. Dispatching
3. Financing
4. Packaging
5. Transportation and Insurance
6. Risk bearing
7. Selling

Functions of Exchange

Buying and Assembling

The extraction of raw materials for producing finished titanium dioxide is done at Chavara, where the factory is situated.

Only certain quantities of chemicals and other raw materials are purchased from other units for the production of titanium dioxide. Assembling of materials is done at the factory godown.

Packing

Titanium dioxide is packed (25 kg. Net Weight) in laminated multi wall paper bags. After the chemical process, the material is micronised, the pigment is collected in bags. Then the material is taken to a conveyer here 2 people are engaged in bagging and 4 in stocking. It is then stored in pigment godown. 50 bags are packed in one pallet weighing 1.25 MT.

Selling

KMML sells Titanium dioxide directly to its consumers and stockist in bulk. The stockists are appointed by the company who fulfills certain rules and regulations of the company.

Functions of physical supply

Despatching

After the order from stockist and consumers have been received, the marketing department arranges the execution of orders by way of dispatch. The mode of payment must be in the form of DD payable at any Scheduled Bank in Kollam.

Document and Registers to be prepared for despatching the goods.

- a) Order Register – Particulars of order received is entered in a register called Order Register. It shows the date, name of the party, grading of the products, payment of cash and transport mode.
- b) Delivery Note – This note is prepared before the goods are despatched as per the KGST Rules 1963.
- c) Delivery Chellan – This is another important document which is prepared by the despatch section. It contains the details of goods which are despatched. Name of carrier, LR number, excise, gate pass note and date of despatch.
- d) Invoice – Invoice is prepared at finance department and submitted to the Marketing department. It shows the name of customers, date, grades of goods, quantity purchased, price, destination, truck no. etc.
- e) Gate Pass - It is prepared by the despatch section. The company gate pass is submitted to the security officer before the goods are taken out of the factory premises.

Declaration under KGST Rules 1963 Form 27 B

This is another document which has to be filled up and made ready before despatching the goods. The Form is addressed to the officer in charge of the check post. The document has to be shown at the check post and it must be signed.

Transportation and Insurance

Transportation and insurance are to be arranged by the customer. The customer shall nominate their accrued transporter.

Marketing Facilitating Functions

Financing

For carrying out marketing functions, KMML does not give any financial assistance as credits. The customer will have to make payment in advance.

Risk bearing

Marketing of titanium dioxide pigment involves a number of risks. Returning the goods by customer or damages at the time of storing in the factory godown covers the risk factor. All the above risks are reduced to a great extent with the help of insurance.

3.7.6 Market Research Activities of KMML

Main objectives

1. To find out the general impression of KMML products in the titanium dioxide marketing of India.
2. To ascertain whether demand exists in the Indian market if we undertake the proposed expansion of 60000 MTA.
3. Equivalent grades needed in the market.

Questionnaire method

For gathering the data, a questionnaire was prepared. Some major customers and stockist were met personally and questionnaire was sent to the remaining through mail.

ISO

KMML have been awarded the ISO 9002 on July 2000 ISO is the International Organisation for standardization based at Geneva. ISO/TC 176 Technical Committee responsible for developing and maintaining the ISO family of standards. Its scope is the standardization in the field of generic quality management. It includes quality systems, quality assurance and generic supporting technologies.

The advantages of ISO 9002 certifications are:

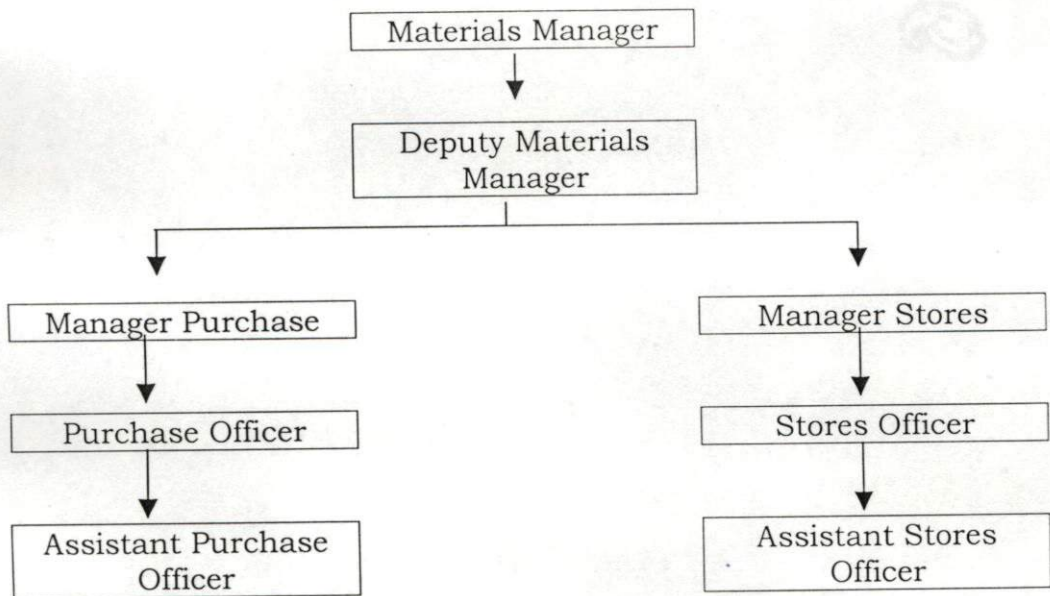
- Meeting customer requirements
- Marketing advantage
- Establishing confidence to customers and management
- Capability for consistently producing product and service
- Recognition/publicity
- Increased performance, quality, productivity and cost reduction
- Foundation for TQM
- Improved morale

- Higher sales/exports and turnover
- A passport to global market
- Establishes ground for possible, future government mandates

The company has already applied for ISO 14000 and hopes to be qualified for the accreditation soon.

Chart 3.5

ORGANISATION CHART OF MATERIALS MANAGEMENT DEPARTMENT



3.8 Materials Management Department

Material is a very important factor of production. It includes physical commodities used to manufacture the final product. It can be purchased in various quantities according to the requirement of the firm. At present, the material department store of KMML is holding around 27000 items, which costs Rs.32 crores. Among these items, 20-30% are imported from different countries. Moving with the technological changes, it has a computerized purchase and inventory control system. In order to avoid the complexities in item identification, all the 27000 items are coded in 9 digit numbers.

The material department of KMML plays a significant role in reducing the cost of production and improving the profitability of the concern. The two important material department functions are purchase and stores control. These two sections are working in an efficient manner in KMML under the guidance of purchase and stores officers.

3.8.1 Purchase Department of KMML

The purchase department plays a very important role in KMML because purchase has its effects on every factor concerning the manufacture, quality, cost, efficiency and prompt delivery of goods to consumers. It includes the functions such as:

- a) What to purchase
- b) When to purchase

- c) Where to purchase
- d) How much to purchase
- e) At what price to purchase

3.8.2 Stores Control in KMML

To further strengthen material control, purchase control must be matched with effective stores control to avoid losses from misappropriation, damaged and deterioration. In KMML, it may be under the charge of two officers, one must be in charge of inventory. The store in KMML consists of more than 27000 items, and these materials are put in racks. It should be again sub divided into small spaces. The functioning of stores starts as soon as the materials arrive on firm premises and it must be in the following way:

1. Stores Inward Book

After certain inspection procedures, the delivery details may be quoted in stores inward book. It shows the name of party, purchase order no., lorry receipt, gross weight, vehicle no., GP-1 no., invoice/delivery challan no. etc. It specifies the material code, product description, unit of measurement, advised quantity, received quantity and accepted quantity of materials.

2. Inspection Request

An inspection request is sent to the appropriate authorities to check the consignment. Inspection request furnishes all details as specified in stores inward book.

3. Inspection Report

After inspection of materials arrived, the authorities will produce an inspection report. It shows the actual quantity accepted and the rejected quantity. If then material is rejected the reason for rejection is also included in report. Its format is same as the stores inward book.

4. Stores Received Note

After receiving inspection report, stores received note is prepared. Apart from other documents, value of the accepted quantity of material received is shown in stores received note. It shows the name of the supplier, SRN no. and date, purchase order no., vehicle number, CENVAT no., challan/invoice no., L/R, RR receipts, mode, gross weight, tare weight, tax weight, net weight etc. It includes the item no., material description, unit of measurement advised quantity, received quantity, accepted quantity and its value. It specifies the debit and credit amounts.

5. Materials Issue Note

Materials are issued to various departments after receiving material issue not. It gives details regarding the particular department, job no. and constructor's name, cash receipts from constructors. It gives information regarding the item no., service centre code, material description unit, quantity required and issued, equipment code and balance remaining after issue. It is approved by plant engineer and signed by authorities in store.

6. Stock Transfer Note

Stock transfer note is prepared if materials are transferred between stores, sections and constructors. It shows the item no., material code, cost center, material description, unit and quantity and remarks if any. It may be signed by stores officer.

7. Material Return Note

If the material received is more than the quantity required, it must be returned to the stores. For this a material return note is prepared. It also shows the item no., material code, cost centre, material description, unit, quantity, category, equipment code, present balance, reason for return and remarks. The return must be approved by concerned stores officer.

3.8.3 Material Records in KMML

Bincard

Bincards for 27000 items must be placed in a rack near the place where materials are kept. It gives details about the location, unit, code and description of materials. Quantity of stores received is entered in the receipt column and issues are recorded in issue columns. So that balance at any time can be readily seen. In the coming days, this must also be computerized.

Stock Control Card

It gives full description about the product, its location and unit number. It includes minimum, re-order and maximum levels, economic order quantity, and lead time. It specifies the name of approved vendors, details regarding purchase requisition, purchase order, delivery date, information regarding quantity received and balance if any etc. It gives information about the quarterly consumption of materials.

3.8.4 Inventory Control Techniques of KMML

ABC Analysis

Here inventory may be divided into three classes namely A, B, C. At present, the material department store of KMML is holding around 27000 items. Among these, 10% that is 2700 items constitutes 70% of the total cost of material and these items falls in

the A category. This category needs rigorous control 20% of material in stores falls in the B Category. The remaining 70% of materials in stores covers 10% of the total cost of materials and falls in the C category.

VED Classification

To determine the criticality of item, this method is also used. V stands for vital items, E stands for essential items and D stands for desirable but not so essential.

FSN Analysis

To identify active items which needs to be reviewed regularly and examining surplus items, also for controlling obsolescence, this method is also used. F stands for fast moving, S stands for slow moving and N stands for non-moving items.

Level setting

In order to have proper control on material following levels are set:

- a. Re-order level
- b. Minimum level
- c. Maximum level
- d. Danger level
- e) Average stock level

Re-order level

If the stock of material reaches this point, the store keeper should initiate the purchase requisition for fresh supply of materials.

Minimum level

It represents the minimum quantity of material which must be maintained in hand at all time.

Maximum level

It represents the maximum quantity of material which can be maintained.

Danger level

This means the level at which further issues are stopped and issues are made under specific instructions.

3.8.5 Methods of Valuing Material Issue

In KMML, material issue is according to FIFO method. Under this method, material is first issued from the earliest consignment on hand and valued at the cost at which that consignment was placed in the stores.

3.9 Finance Department

Finance is the life-blood of every business. This is one of the most important departments. In KMML, a well organized finance department is functioning. The financial position of the company can be understood by the balance sheet and profit and loss account. These statements are prepared by the finance department based on the accounting policies given below.

3.9.1 Accounting Policies

1. Convention

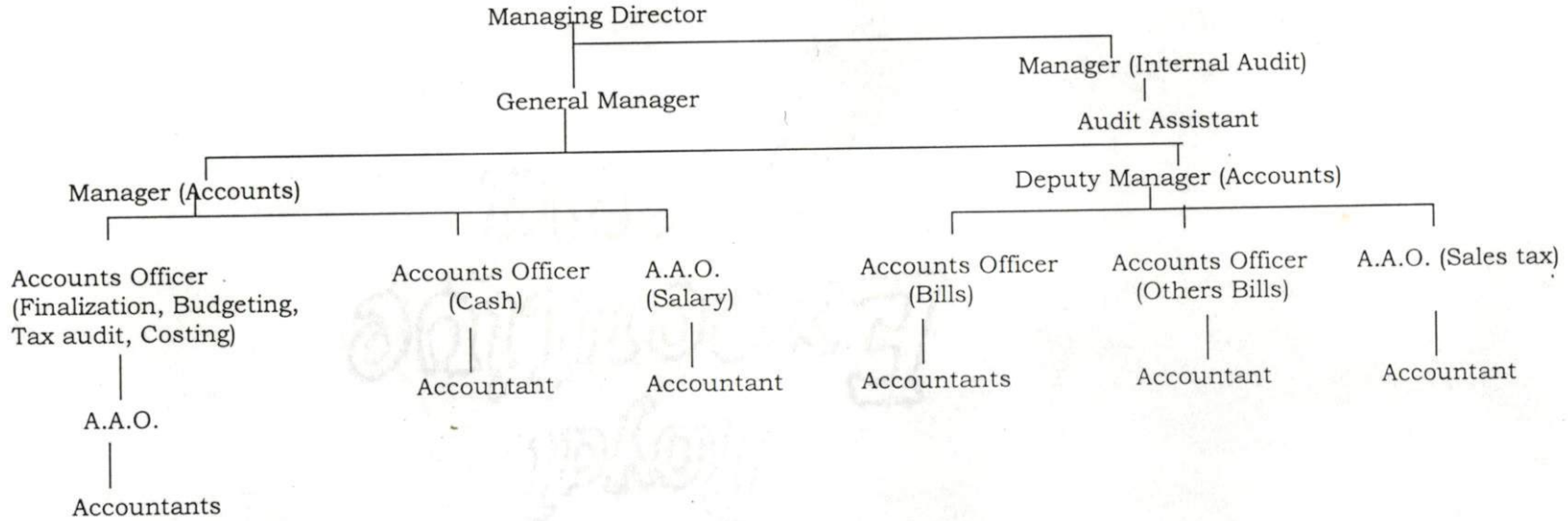
The financial statements are prepared under the historical cost/convention in accordance with applicable accounting standard that are relevant to presentational requirement of the Companies Act of 1956.

2. Fixed Assets

Fixed assets are stated at cost of acquisition and addition if any less accumulated depreciation at prescribed rates in the Schedule XIV of the Companies Act. The depreciation is calculated on the basis of Companies Act and for Income Tax Audit, it is added back to profit and recalculated as per the Income Tax Act.

Chart 3.6

FINANCE DEPARTMENT
DEPARTMENTAL STRUCTURE





3. Excise Duty

On goods manufactured, excise duty is accounted for as and when goods are dispatched and accordingly a provision is made in respect of the goods manufactured but not dispatched.

4. Gratuity

Gratuity liability is accounted on the basis of actuarial valuation.

5. Inventory valuation

Work in progress is valued at cost and stocks of raw material, chemicals fuel and stores are valued at weighted average cost on monthly basis.

6. Claims

Insurance claims are accumulated as and when the claims are admitted by the insurance company.

7. Investments

Investments in shares are valued at cost. Dividends are accounted on receipt.

8. Adjustments pertaining to earlier years

Adjustments arising out of errors of omission in financial statements of earlier years are accounted as prior period items.

9. Doubtful debts

Necessary provision for doubtful debts, claims etc. are made if realization of money is doubtful.

Preparing budget reports according to the company's goals is also an important function of finance department.

3.9.2 Auditing

Auditors are appointed by the Government for a period of one year. There exists an internal and external audit.

(i) Internal Auditing

As part of the organization, there is an internal auditing sector. They are in charge of periodical audit.

(ii) External Auditing

They are as follows

- a. Statutory Audit
- b. AG's Audit
- c. Inspection Audit
- d. Sales Tax Audit
- e. Income Tax Audit
- f. Cost Audit

It is the duty of the finance department to furnish details for the external auditing.

3.9.3 Activities of finance department

The main activity of the financial department is the working capital management. Preparation of funds flow-statements, cash flow statements, balance sheet, profit and loss account etc. are also the activities of the financial department. All matters pertaining to cash transaction and secretarial work, relating to Board also come under the purview of finance department. Most of the activities carried out by this department are pertaining to long term and short term requirements of the operation. Closing of purchase bills, maintaining the accounts of contractors and subcontractors, income tax, deduction, salary discrepancy, dealing with the financial institutions, with imports and exports are the functions of the financial department.

3.9.4 Financial performance of KMML

A few indicators relating to financial performance of KMML is given in Table 3.1.

KMML has been able to achieve astonishing success. The Table 3.1 shows that share capital of the company remained unchanged during the period of study. The table reveals that there is considerable increase in total assets, working capital, production, sales and profit. Amount of total assets shown an increasing trend.

Table 3.1 Financial performance of the company for the period 1993-'94 to 2002-'03

Sl. No.	Particulars	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
1.	Share Capital (Rs. in crores)	30.93 (100)	30.93 (100)	30.93 (100)	30.93 (100)	30.93 (100)	30.93 (100)	30.93 (100)	30.93 (100)	30.93 (100)	30.93 (100)
2.	Total Assets (Rs. in crores)	58.03 (100)	69.97 (120.58)	91.43 (157.56)	85.57 (147.46)	90.70 (156.30)	110.76 (190.87)	185.75 (320.09)	258.54 (445.53)	291.58 (502.46)	335.62 (578.36)
3.	Working Capital (Rs. in crores)	14.50 (100)	29.14 (200.97)	35.56 (245.24)	37.85 (261.03)	61.41 (423.52)	96.55 (665.86)	166.95 (1151.38)	235.67 (1625.31)	295.27 (2036.34)	346.01 (2386.28)
4.	Production (in Metric Tonne)	14707 (100)	18402 (125.12)	15378 (104.56)	10115 (68.78)	14486 (98.50)	19317 (131.35)	22723 (154.50)	25426 (172.88)	25612 (174.15)	28136 (191.31)
5.	Sales (in Metric Tonne)	16817 (100)	10150 (60.36)	18017 (107.14)	6059 (36.03)	14708 (87.46)	21527 (128.01)	23384 (139.05)	23502 (139.75)	26202 (155.81)	26746 (159.04)
6.	Profit (Rs. in crores)	19.40 (100)	43.68 (225.15)	63.92 (329.48)	2.97 (15.31)	18.62 (95.98)	84.36 (434.85)	111.48 (574.64)	128.59 (662.84)	100.58 (518.45)	93.58 (482.37)

Source: Annual Reports of KMML for the years 1993-94 to 2002-03

though there had been a decline in the year 1996-97. During the study period, the total assets increased by 478.36 per cent.

In case of working capital the table reveals constant increase. The overall growth during the 10 year period came to 2286.28 per cent. It is also interesting to note that, of the various indicators considered, working capital has shown the highest extent of growth.

In spite of fluctuations in certain years, the overall trend in the quantity of production is also positive. Quantity of production marked 91.31 per cent increase during the study period. However, decrease in production during 1995-96 and 1996-97 is worth noting. Discussions with the officials of KMML, revealed that decrease in production during these two years is on account of change in import policy of the central government and non-availability of raw materials.

Quantity of sales increased by 59.04 per cent during the years 1993-94 to 2002-03. There had been a decrease in sales during 1994-95 and 1996-97. Sales was also low during the year 1997-98. Poor sales performance during 1996-97 and 1997-98 was due to decline of production during the previous two years.

The annual profits of the company has increased by 382.37 per cent during the reference period. However, profit figure of the company has shown highly erratic trend. Upto 1995-96, it marked increase. In 1996-97, the profit reduced drastically due to decline in production and sales. During the 1997-98 to 2000-01, annual

profit of the company marked considerable increase. But profits of the company have declined during the last two years. In spite of the erratic tendencies, it gives pleasure to note that this public sector undertaking has made profits throughout the study period.

3.9.4 Future plans for development of the organization

Future developmental plans of KMML include:

- 1) Enhancement of capacity utilization and expansion programme of 20,000 tonnes to 1 lakh tonnes within 5 years.
- 2) More sales realization in domestic as well as foreign market.
- 3) Provisions should be made for determination of unserviceable and damaged stores, raw materials and finished goods.
- 4) New technology adoption or innovation to improve efficiency and productivity.

Royal
F. ...
D. ...

Analysis

15

16

Chapter IV

WORKERS' PARTICIPATION IN KERALA MINERALS AND METALS LIMITED

The greatest benefit of participation management is that the employee identifies himself or herself with the work and this leads to an improved performance. Participation tends to improve motivation because employees feel more accepted and involved in the situation. Their self-esteem, job satisfaction, and co-operation with the management will also improve. The results often are reduced conflict and stress, more commitment to goals, and better acceptance of a change. Employees may also reduce turnover and absences when they begin to feel that working conditions are satisfactory and that they are becoming more successful in their jobs. Finally, the act of participation in itself establishes better communication, as people mutually discuss work problems. The management tends to provide workers with increased information about the organisation's finances and operations, and this helps employees to give better quality suggestions.

The objective of the study is, to assess the level of workers' participation existing in Kerala Minerals and Metals Limited, Chavara, Kollam.

For the purpose of the study, primary data was collected from a respondent group comprising of employees of KMML, Chavara

consisting of non-managerial staff with a sample size of 112. Direct interview with a prestructured schedule was used for data collection. A participation index was derived to measure the extent of workers' participation in the organization. For the study of workers' participation the researcher constructed a set of statements based on extensive review of literature and discussion with experts. After testing the validity through judges rating 20 statements which reflected the workers' participation were used for the purpose of the study. A specimen of the schedule is given below.

WORKERS' PARTICIPATION IN KMML

I. Personal Details

1. Name and Designation :
2. Department :
3. Sex : MALE FEMALE
4. Age :
5. Marital Status :
6. Education :
7. Dependents :
8. Income : Personal Rs. Family Rs.
Ps. Ps.
9. Years of experience :
10. Religion : Hindu Christian Muslim

11. Caste : FC OBC SC/ST
12. Reading Habits : Newspaper Journal Others
13. Hobbies
14. Occupation of spouse :
15. Affiliation to local organization: Political Religion Others
16. Life Ambition

Workers' participation in KMML

Sl. No.	Statement	Response				
		SA	A	UD	DA	SDA
1	Workers have feeling of being part of management					
2	Workers of this organisation are responsible for achieving the best result					
3	Democratic principles of management are followed in important policy matters					
4	People achieving result are highly trusted here and allowed to participate more in management					
5	Management held regular meetings and joint forums where the employees participate in solving the day today work problems					
6	The ability to get along with people is highly rated and rewarded here					
7	Present form of participation will help workers to develop their personality					

Sl. No.	Statement	Response				
		SA	A	UD	DA	SDA
8	Workers participate actively in training programmes and try to learn new thing					
9	Superiors here often invite the subordinates of informal discussions					
10	When workers approach their immediate supervisor with some problem he definitely helps them					
11	The management is ready to hear the suggestion and ideas of employees when they approach					
12	If workers had good idea, they have no hesitation to presenting before the top level management					
13	Workers have freedom to process their work independently					
14	Workers feel their opinions are well taken in the organization					
15	MBO is practice in the organization					
16	Quality circles being formed by workers in the organization					
17	Top management positively react to quality circles					
18	Monetary incentives acts as a motivational measure					
19	Performance appraisal adopted in this organisation is with objectively					
20	Promotion is based on performance					

The responses were collected in a five points scale ranging from strongly disagree as follows:

Response		
Strongly agree	-	SA
Agree	-	A
Undecided	-	UD
Disagree	-	DA
Strongly disagree	-	SDA

Simple mathematical tools like average, percentage etc. were used for the analysis of the data. The workers' participation scores were found out based on the collected responses. The scores assigned to each responses are as follows:

Strongly agree	-	5
Agree	-	4
Undecided	-	3
Disagree	-	2
Strongly disagree	-	1

The scores obtained were made into indices by using the formula.

$$\frac{\text{Total score obtained}}{\text{Total maximum score}} \times 100$$

An index securing below 30 is classified as very poor, 31-50 as poor, 51-70 as average, 71-90 as good and above 90 as excellent. The findings are interpreted based on this classification. Index obtained to the 112 respondents is given in the following table.

Table 4.1 WORKERS' PARTICIPATION INDEX

No. of person	Index obtained	Classification	No. of person	Index obtained	Classification
1.	56	Average	28.	69	Average
2.	59	Average	29.	89	Good
3.	60	Average	30.	81	Good
4.	70	Average	31.	72	Good
5.	60	Average	32.	70	Average
6.	65	Average	33.	88	Good
7.	60	Average	34.	57	Average
8.	58	Average	35.	66	Average
9.	67	Average	36.	80	Good
10.	66	Average	37.	72	Good
11.	75	Good	38.	69	Average
12.	58	Average	39.	42	Poor
13.	70	Average	40.	55	Average
14.	52	Average	41.	64	Average
15.	80	Good	42.	82	Good
16.	59	Average	43.	70	Average
17.	42	Poor	44.	61	Average
18.	66	Average	45.	67	Average
19.	64	Good	46.	58	Average
20.	70	Average	47.	56	Average
21.	57	Average	48.	81	Good
22.	64	Average	49.	49	Poor
23.	90	Good	50.	66	Average
24.	84	Good	51.	63	Average
25.	68	Average	52.	60	Average
26.	76	Good	53.	72	Good
27.	83	Good	54.	75	Good

No. of person	Index obtained	Classification
55.	77	Good
56.	72	Good
57.	51	Average
58.	87	Good
59.	84	Good
60.	73	Good
61.	96	Excellent
62.	88	Good
63.	88	Good
64.	77	Good
65.	80	Good
66.	69	Average
67.	73	Good
68.	80	Good
69.	70	Average
70.	67	Average
71.	72	Good
72.	86	Good
73.	82	Good
74.	73	Good
75.	66	Average
76.	56	Average
77.	68	Average
78.	70	Average
79.	81	Good
80.	78	Good
81.	62	Average
82.	62	Average
83.	69	Average

No. of person	Index obtained	Classification
84.	65	Average
85.	82	Good
86.	58	Average
87.	81	Good
88.	73	Good
89.	76	Good
90.	82	Good
91.	83	Good
92.	84	Good
93.	80	Good
94.	78	Good
95.	87	Good
96.	67	Average
97.	82	Good
98.	80	Good
99.	85	Good
100.	80	Good
101.	86	Good
102.	66	Average
103.	68	Average
104.	87	Good
105.	76	Good
106.	84	Good
107.	74	Good
108.	87	Good
109.	75	Good
110.	83	Good
111.	83	Good
112.	76	Good

Source: Primary data collected through the survey.

4.2 Categorisation of respondents based on index

Categorisation of respondents based on workers' participation index is given in Table 4.2.

Table 4.2 Categorisation of respondents based on their opinion on workers' participation (n=112)

Categories	Index range	No. of respondents (%)
Very poor	Upto 30	0
Poor	31-50	3 (2.68)
Average	51-70	50 (44.64)
Good	71-90	58 (51.79)
Excellent	91 and above	1 (0.89)

Source: Primary data collected through the survey

The table revealed that a slight variation is there between the respondents regarding workers' participation indices. 51.79% of the respondents opined that there is good workers' participation exists in the company. There is only one respondent opined that excellent workers' participation in the company. 44.64% of the respondents opined that only an average workers' participation exists in the company. 2.68% of the respondents opined that there is a poor workers' participation existing in the company.

4.3 Workers' participation in Kerala Minerals and Metals Limited (KMML)

To find out the workers' participation in KMML a participation index was derived. The index for each statement was calculated for each question in the schedule using the formula,

$$\frac{\text{Total score obtained}}{\text{Total maximum score}} \times 100$$

There is 20 statements in the schedule and the index for each statement was derived and the composite index is found out by taking the average of these indices. The indices obtained for the 20 statements and their composite index are given in Table 4.3.

Table 4.3. WORKERS' PARTICIPATION

Sl. No.	Statement	Response (n=112)					Total score (max score 560)	Participation index
		SA	A	UD	DA	SDA		
		5	4	3	2	1		
1	Workers have feeling of being part of management	67	38	4	3	--	505	90.18
2	Workers of this organisation are responsible for achieving the best result	60	46	1	5	--	497	88.75
3	Democratic principles of management are followed in important policy matters	17	59	13	21	2	404	72.14

Sl. No.	Statement	Response (n=112)					Total score (max score 560)	Participation index
		SA	A	UD	DA	SDA		
		5	4	3	2	1		
4	People achieving result are highly trusted here and allowed to participate more in management	15	45	16	33	3	372	66.43
5	Management held regular meetings and joint forums where the employees participate in solving the day today work problems	7	46	23	30	6	354	63.21
6	The ability to get along with people is highly rated and rewarded here	12	51	18	26	6	375	66.96
7	Present form of participation will help workers to develop their personality	17	43	21	29	2	380	67.86
8	Workers participate actively in training programmes and try to learn new thing	40	69	1	2	--	483	86.25
9	Superiors here often invite the subordinates of informal discussions	7	27	22	32	24	297	53.04
10	When workers approach their immediate supervisor with some problem he definitely helps them	13	70	17	9	3	417	74.46
11	The management is ready to hear the suggestion and ideas of employees when they approach	9	43	31	26	3	365	65.18
12	If workers had good idea, they have no hesitation to presenting before the top level management	26	61	17	7	1	440	78.57

Sl. No.	Statement	Response (n=112)					Total score (max score 560)	Participation index
		SA	A	UD	DA	SDA		
		5	4	3	2	1		
13	Workers have freedom to process their work independently	21	69	11	9	2	434	77.50
14	Workers feel their opinions are well taken in the organisation	8	39	38	24	3	361	64.46
15	MBO is practice in the organisation	22	69	15	5	1	442	78.93
16	Quality circles being formed by workers in the organisation	10	56	26	18	2	390	69.64
17	Top management positively react to quality circles	11	50	30	18	3	384	68.57
18	Monetary incentives acts as a motivational measure	27	56	14	13	2	429	76.61
19	Performance appraisal adopted in this organisation is with objectively	23	51	15	19	4	406	72.5
20	Promotion is based on performance	20	19	16	42	15	323	57.68
	Composite index							71.95

The composite index obtained for workers' participation is 71.95 per cent. It shows that the participation of the workers is good in KMML. This means the workers give top priority to their job

and also committed to it. Workers here have strong feeling of being part of the organization.

In short, the employees of KMML actively participate in various activities of the organisation. They actively participate in training programmes and try to learn new things and apply it in their work.

4.4 Analysis of factors based on responses

The analysis of factors contributing more to workers' participation and factors which need improvement for ensuring more participation of workers are examined in this section.

The analysis is based on the primary data collected through the survey and the participation index derived for each statements in the schedule.

4.4.1 Factors which contributed more to workers' participation

The factors which are contributing more to good workers' participation can be identified from the statement indices. Parameters which obtain high indices have contributed more to the workers' participation. The following table gives a clear picture in this regard.

Table 4.4 Classification of statement indices obtained for workers' participation

Categories	Index range	No. of statement (%)
Very poor	Upto 30	0
Poor	31-50	0
Average	51-70	10 (50)
Good	71-90	10 (50)
Excellent	91 and above	0

Source: Primary data collected through the survey

From Table 4.4, it is clear that, out of the 20 factors, 10 factors leads to good workers' participation and 10 factors contribute moderately to workers' participation. The major factors which contributed more to workers' participation in KMML based on the statement indices (Table 4.3) are,

- (a) Workers strong feeling that they are part of the organisation.
- (b) Workers feeling and belief that they are responsible for achieving the best result.
- (c) Active participation of workers in training programmes, effort to learn new things and readiness to practice things they learned.
- (d) Prevalence of MBO
- (e) Lack of hesitation of workers to present before management any idea or problem they feel.

- (f) Freedom given to process the work independently.
- (g) Motivating monetary incentives.
- (h) Helping attitude of supervisors when approached with problems.
- (i) Objective performance appraisal system followed in the organization.
- (j) Adherence to democratic principles in important policy matters.

In short, the above stated factors contribute more to the workers' participation in the organisation. Out of the 20 factors considered, 10 factors contribute more to good workers' participation. This shows that there exists a good extent of workers' participation in the company and the workers actively participate in the management of the company.

4.4.2 Factors which need improvement for ensuring more participation of workers

Eventhough all the statements got indices stating existence of either good or average participation in the company, certain areas need to be concentrated more, in order to ensure more participation. For this, the researcher, suggests factors included in the statements which secured low indices for improvement. The

management can consider these areas for improvement. The areas which require more attention are,

- (a) Informal discussions with subordinates helps a lot in creating and developing good superior-subordinate relationship. This will facilitate correction of misunderstandings among the workers about the management and will also motivate the workers as it gives a feeling of recognition. Therefore superiors should find some time to make use of this tool to create good subordinate-superior relationship and to solicit workers co-operation and participation.
- (b) At present, promotions are based on seniority only. Performance of workers should also be considered for promotion. Performance based promotions supported by an objective method of performance appraisal will go a great way in promoting efficiency and better participation in management.
- (c) Regular meetings and joint forums may be employed to a greater extent in solving day today work problems and for promoting workers' participation.
- (d) Positive suggestions from workers may be invited and encouraged. Suitable rewards may be given to workers for accepted suggestions. In case of rejection of suggestions, workers may be convinced about the non-practicability of the suggestions. This measure will give away the feeling of

neglect of workers opinion. This will create a sense of recognition and facilitate workers' participation by a greater extent.

- (e) At present, the management does not distinguish between workers who make good results and who do not achieve good results. Workers achieving good results shall be appreciated and encouraged to participate in management to a greater extent.
- (f) Mutual and cordial relationship between the workers should be encouraged to a greater extent.
- (g) Personality development of workers should be given more importance. The system of participation should be modified so as to improve the personality of the workers and help them in their future career.
- (h) The concept of quality circles shall be promoted and encouraged to a greater extent.

4.5 Conclusion

To sum up, in KMML, there exists a good extent of participation of workers. Still improvements in the level of workers' participation can be made by giving attention to factors suggested above. Moreover, improvements can be effected in all the factors covered by the study, so that the level of workers' participation can be brought up to the excellent level.

*Summary of Findings and
Conclusion*

Chapter V

SUMMARY OF FINDINGS AND CONCLUSION

Workers' participation is crucial for better results in an organisation. It helps in developing a technology to resolve conflict and to achieve constructive co-operation among the partners of production.

The major objective of the study is, to assess the level of workers' participation existing in Kerala Minerals and Metals Limited (KMML), Chavara.

Both primary and secondary data were used for the study. The primary data were collected from a respondent group comprising of employees of KMML, Chavara consisting of non-managerial staff with a sample size of 112. Direct interview with a pre-structured schedule was used for data collection. Simple statistical tools like average, percentage etc. were used for the analysis of the data. A participation index was derived to represent varying degrees of existence of workers' participation in the organization. An index securing below 30 is termed as very poor 31-50 as poor, 51-70 as average, 71-90 as good and 91 and above as excellent. The findings are interpreted based on this classification. The study is restricted to one organization, the results of which may not be generalized.

An extensive review of the available literature is made for the study. The literature in general establishes the importance of workers' participation in an organisation.

5.1 Findings of the study

1. The composite index obtained for the workers' participation is 71.95 per cent, which means that very good participation of workers exists in this organization.
2. 51.79% of the respondents opined that good workers' participation is there in KMML whereas 44.64% of the respondents opined that there is only an average workers' participation exists in the company. Only one respondent opined that the workers' participation is excellent and 2.68% of the respondents opined that a poor workers' participation exists in the company.
3. The factors which contribute more to good workers' participation are,
 - (a) Workers strong feeling that they are part of the organization.
 - (b) Workers feeling and belief that they are responsible for achieving the best result.
 - (c) Active participation of workers in training programmes, effort to learn new things and readiness to practice things they learned.

- (d) Prevalence of MBO
 - (e) Lack of hesitation of workers to present before management any idea or problem they feel.
 - (f) Freedom given to process the work independently.
 - (g) Motivating monetary incentives.
 - (h) Helping attitude of supervisors when approached with problems.
 - (i) Objective performance appraisal system followed in the organization.
 - (j) Adherence to democratic principles in important policy matters.
4. Among the statements, those with lesser indices are suggested for improving the workers' participation further. These include,
- (a) The superiors will call the subordinates for informal discussions.
 - (b) Performance of workers should also be considered for promotion.

- (c) Regular meetings and joint forums may be employed to a greater extent in solving day to day work problems and for promoting workers' participation.
- (d) Positive suggestions from workers may be invited and encouraged.
- (e) Workers achieving good results shall be appreciated and encouraged to participate in management to a greater extent.
- (f) Mutual and cordial relationship between the workers should be encouraged to a greater extent.
- (g) The system of participation should be modified so as to improve the personality of the workers and help them in their future career.
- (h) The concept of quality circles shall be promoted and encouraged to a greater extent.

5.2 Conclusion

The suggestions do not mean that the company's approach is bad in these aspects. These suggestions may go a long way in improving the level of workers' participation in management, better superior-subordinate relationship, better co-operation from the workers and improved productivity and profit for the KMML.

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**WORKERS' PARTICIPATION IN MANAGEMENT
- A CASE STUDY OF KERALA MINERALS AND
METALS LIMITED (KMML), CHAVARA**

By
ANJALI. S. KUMARY

ABSTRACT OF THE PROJECT REPORT

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Faculty of Agriculture

**COLLEGE OF CO-OPERATION, BANKING & MANAGEMENT
KERALA AGRICULTURAL UNIVERSITY**

VELLANIKKARA, THRISSUR - 680656

KERALA, INDIA

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ABSTRACT

The study entitled "Workers' Participation in Management – A case study of Kerala Minerals and Metals Limited" was conducted with a view to analyse the workers' participation in management of Kerala Minerals and Metals Limited.

Simple mathematical tools like average, percentage, etc. were used for the analysis of the data. Workers' participation in management of the company was analysed using the workers' participation index. The required data for the analysis were collected through interview among the employees using a pre-structured interview schedule.

The study revealed existence of workers' participation to a good extent in KMML. However, measures like informal discussions with subordinates, promotions based on seniority as well as performance, regular meetings and joint forums, more encouragement to workers' suggestions, better appreciation of workers performance, encouragement of mutual and cordial relationship between workers, added importance on personality development of workers and strengthening of quality circles will help to improve the extent of workers' participation.



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