WORKER'S PARTICIPATION IN MANAGEMENT OF FERTILIZER CORPORATION OF INDIA Ltd. 
with special reference to GORAKH PUR UNIT

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1 9 8 1
RESPECTFULLY DEDICATED

TO

MY PARENTS

WHO LEFT ME

FOR

HAVENLY ABODE
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PREFACE AND ACKNOWLEDGEMENT

Now-a-days factories and enterprises are being considered more and more as social rather than private institutions and the conduct of their business should no longer be determined exclusively in the interest of any individual or group of individuals. There is also evident an orientation in approach to industrial relation problems. Solution to industrial relation problems are not sought any more on a fundamental basis of conflict but on one of the mutual co-operation.

The Co-operation of management and labour in continuous improvement of productive efficiency and the collaboration of workers and employer in preparation and application of social and economic measure was listed as one of the specific objective, in the declaration of Philadelphia (I.L.O.). On 1952 the international Labour Conference adopted a recommendation urging that appropriate steps should be taken "to promote consultation and Co-operation between employer and worker at the level of undertaking in matters of mutual concern not within the scope of collective bargaining machinery, or not normally dealt with by other machinery concern with the determination of terms and condition of employment".
The principle is more widely recognised that because employee are dependent for their livelihood. On the efficient working of an enterprise they should be interested, and want some voice with the affairs of that enterprise. It is also to be expected that worker will more readily live up to the work standards that he himself helps to setup and agrees with. Management and worker are equally interested in good result of production as this is a prerequisite for achievement of the aspiration of each. A worker is a joint partner in the enterprise in which he is investing his money, but his labour and it is normally right that he should have opportunity to practice in decision that effect him.

Workers' participation as a concept defies definition or praise description. It means different things to different people depending upon the aims pursue, the field in which and the extent to which participation is introduced and methods used to secure participation workers' participation is a dynamic process subject to continues development and constant change and adoption usages such as Industrial Democracy, worker's participation, participation management, Co-partnership, Codetermination Co-management participation of workers in Decision with in the undertaking are all variants of the some concept.
The objectives of scheme of workers participation are not only economic but also social and political and to some extent moral. The economic objective is to make the enterprise more efficient. The system of worker participation increases efficiency on account of the following :-

1. Workers have ideas which can be useful.

2. Upward communication is necessary for accurate decision making at the top.

3. Workers will accept decision better if they participate in them.

4. Workers will work better if they share in decision that effect them.

5. Workers participation will contribute to industrial peace by fostering more co-operative attitude among workers and management and thus raise efficiency by reducing work sloppages.

6. Workers' participation will act as a super to managerial efficiency.

The social objective is to integrate the worker into the undertaking and give him a sense of fulfilment not only as regards work but also in regard to his social and political environment. Industrial democracy is also after considered a hand maid of political democracy. The moral objective is best understood in the sense that the moral dignity of worker as human beings. Demands that they have an opportunity to participate in the decision that effect them.
ACKNOWLEDGEMENT

The report is based on my personal interview and discussion with the worker and management of the Fertilizer Corporation of India, Gorakhpur Unit, U.P. and bears the imprint of many persons placing me indifficulty to acknowledge them all personally.

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ALIGARH.


( Kafeel Ahmad )
CHAPTER-I

INTRODUCTION:

The concept of worker's participation in Management though heard of recently is not really recent. The essence of this concept has been practised since the early days of industrialization.

1. The are instance when in olden days the employees an attitudinal integration with the organisation by means of mutual personal regards.

2. Similarly we do hear about their loyalty and deep attachment of workmen in olden days on their employees & organisation which was an out cum of patternal attitude of the employees. The paternalisation aimed at integration of the employee with the objective of the organisation and promoting sens of belonging.

The concept of worker's participation in management can be traced back to the time of Saint Simon (1760-1825) who advocated unity among productive class against the parasites of non procedure on a basis of social control of
the instruments of the production.

CHARLES FOURIER (1772-1837) as well advocated close-Co-Operation between employer and worker to control the exploitation and to promote the welfare of the workers. He was not for taking away the right of property of even to impose equality of income but to limit the sphere of Capital procedure and managers to fix proportion of the total products giving the workers the right to receive the remuneration according to the proportional contribution to the social product.

JOHN FRANCIS BRAY (1809-1895) who invented the Slogan "From each according to his capacity according to his need", advanced his plea common ownership of the need of production and Labour we find the strongest exponent, of the movement in Louis Blanque (1811-1862) who stood for 'workers control' which would eliminate the evils of compeition.

Joseph Froudhanon (1809-1865) was the first to use the term "Industrial Democracy". He did not approve the principle of association or sharing of rights and privileges by the workers in the Management. As it appeared to him to violate the principle of reciprocal Liberty of the individual.

There were revolutionary like Louis Auguste Blanqui, Michael Baknmin and Karl Marx. who advocated compete...
socialisation of the production as the only mean for pulling and end to the conservation of the wealth and to the exploita­tion of the worker by owner of the capital. These ideas lead to movement for worker's control and hardly industrialised country escaped its influence. Till the out break of 1st world war, these movement has greatly influenced the countries like, U.K., U.S.A., etc. Thus American industrial workers began to fight the conservance policy of the official and the American Fedration of Labour.

Although there was no uniformity in ideas from country to country they all held in common that worker were capable of running their own industries in which case they would be free and no slave to their bosses. In other words movement or worker control was inspired by the doctrine of "Self Government".

The advocates of the doctrine of worker's control belive that.

1. The existing order was well-paid and had to be replaced by another.
2. Cooperation should be only basis of industrial self Government.
3. Bosses were to be nated as authority as evil.
4. Equality was good to all men who share the same lift.
For various reasons the movement for workers control should not go a long way and the advocates were new led to discover a principle to determine division of power between workers and manager and had reconcile with the proposals for joint control by managers and workers representation.

**GUILD SOCIALISM:**

Guild specialist recognise the need of the industry for technological skills and administrative ability. It include of all classes of worker and believe in ideology of the means of production by worker through hand and brain.

After the second world war, the works council and committees to be very popular in Britain, Germany and many other European countries. With the passage of time these bodies got integrated into the general system of industrial relation. But they did not clearly establish the workability or non workability of workers participation.

Guild Socialism gradually lost the grounds and the need for some sort of associated relationship between Labour and management is quite important. The emphasis was laid on role of workers in industry which alone would give the movement a real substance.
**PARTICIPATIVE MANAGEMENT:**

The emergence of concept of industrial democracy is a close adjunct of political democracy represented a major break-through to the ideas on the subject. Besides extensive studies conducted by Taylor & Mayo and others highlighted the importance of scientific management and that developing cooperation between labour and management through a proper and intensive communication at all levels of the plan although these development did not give workers the control on industry they all same pave the way for participative management.

In the movement further concensive impact lay on the emphasis which I.L.O. laid on collective collaborative relation between Labour Management & Public authority. Thus philadelphia declaration of 1944 ask for the formulation of programme which among other things what achieved the effective recognition of the right of collective bargaining the Co-operation of management and Labour in continuance improvement of productive efficiency.

The movement of workers participation in management growing past in the world suggest that no artificial structure can be created in any given society. Any collective pattern may have imposed upon it any particular type of scheme but
unless it has evolved out from traditional values of the society it gets fully incorporated into social system when desired results can never be expected besides the employers and employees must be considered in status role performance task for given process of social system.

**INDIAN APPROACH**

In sharp contrast to the American system participation in U.S.S.R. Indian faced an upheaval task in the sense that Indian cannot embrace either the American or Russian approach. They are all opposed to each other. However following the socialist pattern of society India is divided to afford opportunities to its workforce. Indian approach has been one of the emphasising the creation of a conscious response and contributive labour force by slowing inviting worker to **exam**-**mimik** participate in management.
CHAPTER-II

PHILOSOPHY OF WORKER'S PARTICIPATION IN MANAGEMENT:

Joint consultation and workers' participation in industrial management is development of very recent growth conceived during the second world war. Most of the countries of the world over have experiment successfully with this idea and pronounced it not only as an instrument to improve industrial relations but efficacious in increasing productivity for instance, in Britain, workers' participation is practised through joint consultation. According to British Ministry of Labour (as quoted in recent I.L.O. report "all the publicity & propaganda of last few years have resulted in wide acceptance by industry and indeed by the general public of the need for joint consultation between management & worker". Likewise the Canada which follows some traditions of U.K. e.g. joint production committee it is genrally recognised that these committees have played a notable part in the improvement of production they have helped to improve relation between employers & workmen and promoted a team spirit. In Belgium the system of joint consultation is based on leagal compulsion.
According to one view, "the majority Belgium enterprises have not yet found the common ground necessary for successful joint consultation. But in certain enterprises however, good spirit regains and the system of joint consultation are producing valuable result".

In India prior to drawing up the second five year plan the Government feel that peace in industry was a pre-requisit to successful industrialization. This resulted in evolving ways and means to achieve employer, employees cooperation once of the method suggested for this purpose was an arrangement by which the two parties could sit across a table at regular intervals in an honest attempt to understand and appreciate the viewpoint of each other. So to achieve the aforesaid objectives and labour panel constituted by the government to advise planning commission on matters connected with labour, suggested workers participation through the institution of joint council of management in industrial establishment.

According to second five year plan recommended the setting up of joint council of management in the industrial establishment with the representative of management, technician and worker. In addition to increase productivity, these councils creates better, understanding between individuals.
In making such a recommendation the planners were equally aware of the pitfalls likely to be encountered and stated explicitly that these council should not encroach upon the executive authorities constituting the management structure nor should discuss the matter which fall more appropriately with in the purview of collective bargaining.

Thus a scheme of workers participation in management through establishment of joint management council was evolved after a detailed study of prevalent system in various countries and conclusion of Indian Labour Conference and other tripartite meetings. The joint management council in which workers and employees are equally represented and have a free forum for discussion and exchange of ideas on subject of mutual interest consultation, administration of welfare measures and sharing of information of specified items are the basic ingredient for an effective working of the joint management council.

To ensure rapid growth of joint management council in Industrial establishment the union Ministry of Labour & Employment has from time to time been taking various steps. These steps have the shape of seminar conferences, meetings a special cell and all tripartite committee at the centre etc. Evaluation studies of the working of joint management council
have also been undertaken by the Ministry of Labour and Employment. These studies have revealed that where even Joint Management Council have worked well, they have resulted in varying degrees in better industrial relation, a more stable force, increased productivity, reduction in waste, better profit and a closer understanding between the management and the worker. I must, however, add here that unfortunately there are some who think that a joint management council erode into management prerogative. Likewise, some labour leader say that collective bargaining would suffer if joint management council are successful. I would like to remove these both misgivings by stating categorically that a joint management council neither encroach upon the legitimate functions of management nor does it use up the position of a forum for collective bargaining. A joint management council is meant to remove day to day irritation in the sphere of industrial relations.

The fruits of participation can be made available only with genuine willingness of the employers and employees to cooperate fully without any reservation ingiving the scheme a fair trial over a prolonged period while the management has to sheds its accustomed notion about management, prerogatives etc. the union in its co-operative phase has to eschew
belligerent and demonstrative acts which may hamper the
spirit of co-operation. To summmaries, I may say that both
labour & management have to adjust themselves physiologically
and otherwise to the concept of co-operation in matters,
earmarked by agreement for co-operative activities.

CONCEPT OF WORKER'S PARTICIPATION:

The concept of worker's participation in management
originated from the holocaust of innumerable labour troubles
and oilful decetiction of duty on the part of workers and
unaccountable loss of the economic growth of the nation.

The passage of time brought a distinct clarity of the
fact in front of the public showing that the worker constitute
a newcleus and back bone in the achievement of goals of every
organisation the consequent retard in the progressive growth
of economy clearly portrayed that there was some thing funda-
mentally wrong.

With the growth in size and complexities of business
management as also the emergence of need for growing speciali-
sation, a great deal of delegation of responsibility and
authority at all levels down line has become inevitable. In
that sense, even the workmen at skilled levels are called upon
to shoulder certain responsibilities and exercise authority. But delegation must not be confused with sharing of authority. Similarly complete ownership of an organization by a co-operative of workmen should again not be mistaken for participation in management. The concept of participative management as understood to-day covers any measures which may be introduced either by collective agreement the owner and or their representative of workmen another.

One end of the scale of participation may consist in providing a two way channel of communication where by the management and the workmen are made sufficiently aware of the what, why and how of the action and are able to appreciate each others objective and difficulties. A logical extension of this system would include consultation on a selective basis between the employer & workmen so that the decision no doubt taken place by the employer take into the account the views/suggestions expressed by workmen.

An intermediate stage in the scale consist, of Co-management and actual sharing of the function of management between the employer & the workmen. Co-management does not mean entrenchment in the degree of consultation it embrace measures which profoundly alter the very character & structure of management as known to us for. Under these
scheme, the workmen's representative (who are linked with the organization by contract of employer and thus are unstable in their involvement) are placed on the same footing as the owners (who have a far deeper and stable involvement).

The other end of the scale consist of the formation of a structure in which a representative board of management a board of professional managers running the business may be made answerable to a supervisory board of elected workmen representative who can question, veto, or reserve any decision agreed upon by the manager. The relationship would be very similar to that existing between the civil servant and the Ministers in our Government setup.

The contribution of workers participation in management theory according to socio-economic goals aimed at by a country vis-a-vis. Workers control, joint consultation and co-determination are some of the theories of workers participation in management. The academician have, therefore, defined the concept of workers participation in management in different forms. Shapped points out that the term (participation) has ranged from retualistic spectacle aiming at a subminal identification by the workers with the company through a type of communication in which the employees express their complaints
and suggestions where up on the management acts or does not act as it deem fit with the expectation that the employees are thus satisfied that they have participated through group discussion on a limited basis of the way to union management negotiation in which the employer must seriously reckon with worker interest as a part of his decision making formula just as much as he must include other esucial variable such as costs, stockholder, interest relation, recommendation of the industrial engineer etc.

Keith Davis, defines "participation as, mental, emotional involvement for a person in the group, situation which encourages him to contribute to group goals and share responsibilities in them". Thys Keith Davis regards management to be group activities in which worker and the manager deal with their initiative and correctiveness of work to-word's common goal of organization.

Lawrence Apply regards management as "development of people and not the direction of the things or that the management is personnel administration". According to Stanleynece, "Management is simply the process of decision making aid control over the action of human beings for the express purpose of attaining pre-determined goals".
THEORY I AND THEORY Y :-

Duglus Mc Greger has propounded the theory I and theory Y. According to the theory I;

1. The average human being has the inherent dislike of work and will avoid it if he can.
2. As a result of this human characteristic of dislike of work most people must be coerced, controlled, directed, threatened with punishment to guide them to put forth adequate effort towards the achievement of the organizational objectives.
3. He is by nature resistant to charge.
4. He is guillable and not very bright.

According to theory Y :- Duglus Mc Greger

1. Management is responsible for organizing the element of production enterprises give money, material, equipment people in the interest of economy.
2. People are not by nature passive or resistance of organizational goal. They have become so as a result of experience in organization.
3. This modification is essential for developing the capacity for assuming responsibility the readiness to direct behavior towards organizational goal are all present in people. It is responsibility of management
to make it possible for people to recognise and develop their human characteristic for themselves.

Duglus McGreger, therefore, conclude that the essential task before the management is to arrange organization condition and method of operation so that people can achieve their own goal best by directing their own efforts towards organization objective. Pope Leo's Berum Novasum sought to emphasis the dignity of worker as human being. He is being called to abandon the concept of the worker as a tool, amene factors of production, but to consider him as a human being with lust for life, hopes and aspiration in the second five year plan, it is stated in clear terms that for the successful implementation of the plan increased association of labour with management in necessary and such a measure would help in;

1) Promoting increased production for the general benefit of factories the employers and community;
2) Giving employees a better understanding of their role in the working of industry and the process of community;
3) Satisfying the workers urge for self expression leading to industrial peace, better relation and increased co-operation.

The basic idea of workers participation in management is propound that of facilitating and increasing production for
the general benefit of the enterprise, the worker and national economy as a whole. It rests on the principle that all parties concerned have a common interest in the efficient running of the enterprise and one of these purpose is to increase the size of cake which is to shared.

The second essential element is workers' participation arise from the feeling that he is simply a cog in a large impersonal machine. It is now increasingly realized that the worker is not a marketable commodity but self reaching human beings. He has feelings, emotions, and aspiration like other human being. No doubt he wants recognition, good environment, job security, justice and equitable treatment. He wants to be recognise as a part and parcel of the industry. He wants that full advantage to taken his experience, integrity, varied skills and talent. He wants his importance and status through the understanding of his role and his influence in the industrial complex. It enables him regain his human dignity and confirm to desirable standards. One of the deepest rooted of all human desires according to Walpole is the recognition of the dignity of man as a man. It is not a matter he pointed out a man being accorded privilege although an employee of stating a complaint of offering a suggestion but of his having the recognised responsibility for doing so
because he is an employee and therefore, a joint partner in the enterprise in which he is investing not his money but life. It is a sense of belonging that he regards and desires.

Thirdly a lot of misunderstanding could be avoided by enabling the workers to realise the difficulties for the managers intricacies of the administration and state of affairs of the company, profit and financial commitment. Any study of Labour disputes, we could see that a large majority of the disputes arise from genuine misunderstanding which could have been avoided had the workers representative exact idea about the various problems involved in the running the administration. Most frequently the demands of the workers leading to the stopage of work are based upon the wrong appraisal of administration acts and state of profit of the company or are inflated out of proposition with the result that most of them inevitable and in failures. The worst case of misunderstanding which can not be perhaps the easiest to resolve once the workers representative know the correct position relating to the dispute about bonus wages and allowance.

Workers' participation in the productive process enables trade union to extends their functions beyond the self-discipline of the part of the worker dependance on the old time fear of unemployment. Against these benefits there are certain
objectives. The moment when the workers are presented in management and become partners to it not only will their right to strike be questioned but at will also be made more difficult for them to press their claims in collective bargaining. It will urge that now they are partners they must share responsibility and co-operate in increasing production for common goals. It was perhaps the consciousness of such consideration that impelled certain trade union representation to adopt a caution if not of negative attitude to the proposal for workers' participation in management.

From the point of view of management there is obvious danger that at the present level of development of Indian working class and the absence of trade union leadership at the right level with personal knowledge and understanding of industry the kind of constructive operation that is needed could hardly be expected. The current widespread labour opposition to modernisation of industrial process which is in the interest of workers. This is an obvious factor of the kind of difficulties that would arise.

Nevertheless in economically underdeveloped and developing countries increased productivity is the key to the nations progress and it can not be achieved with out whole hearted co-operation between labour and management.
The time has come when the government has to inevitably realise the importance of being aware of the feeling and views of workers of the effect that come up on the workers when ever new policies are implemented or change is brought into existing ones.

**OBJECTIVES OF WORKERS PARTICIPATION SCHEME:**

The highest objectives of workers participation in management could perhaps be summarised in the following terms:

1) To help all concerned to recognise the personally of the workmen in the undertaking;

2) To introduce the notion of industrial democracy by allowing the workmen a say in his matter affecting them at the work place;

3) To help improve human relation;

4) To encourage a sense of interrogation in the workmen towards the undertaking;

5) To improve as a result of the foregoing the overall operational efficiency of undertaking;

6) To improve and living condition of employment;

7) To improve productivity;

8) To encourage suggestion from the employees;

9) To assist in the administration of laws and agreement

10) To serve generally as an authentic channel of communication between the affairs of the undertaking;
11) To create in the employees a live sense of participation in the affairs of undertaking;

12) Change imposed from the top often involves a substantial increase in downwards unitation thus disturbing the previous equilibirium. Participation permits more balanced interaction pattern and therefore, results in less resistance to innovation. In other words his task and therefore, less motivated not work;

13) Participation permits member of the group to influence their attitude and to engage in catharsis. This too may reduce the negative balance towards the task and on balance, increase motivation even if the positive balance is not increased;

14) when management imposes orders. It often tends to treat all subordinates alike and ignore the informal status heirarchy. Participation on other hand permits informal leaders to reinforce their position. They enhance their status both by taking reducing group member to abide by it;

15) Given participation, subordinates may feel that an exchange of responsibility has been set up, since the boss now listen to the subordinates problems and presumably permits them to be corrects the subordinates may feel that they should work hard;
16) Participation may permit the subordinate to feel that doing the job well provides him with an opportunity to demonstrate skills which he values highly i.e. participation provides him with an opportunity for achievement for his work;

17) In participation in a group process it subject the individuals to certain group pressure to implement the decision which the group participated in making.

**FORMS OF PARTICIPATION:**

In a democratic society the demand for industrial democracy as a logical corollary of the urge to democratise all the major aspect of social life. In view of this context the industrial relations needed dynamic change.

As a result of these development they emphasised that the management and labour one inter-dependent groups rather than opponents of each other. The enterprise were, therefore, made to formulate various methods of co-operation viz participation of worker in management. There are five important forms of workers participation.

1 - **Informative Participation**:

In the informative participate management just give out the workers some information regarding organisation which
gives them an idea about running of the business when they have no say or authority to screen the information or challenge the statement.

2 - Consultative Participation:

In the consultative participation, management by giving some information expects, elicits suggestion from workers. The role of the committee and council as advisory and final authority to accept or reject advice rests with the management.

3 - Associative Participation:

In the associative participation, the management takes up the suggestion of the committee, council for solving problems. Here the role of committee or council is not basely advisory. The system places upon the management the moral obligation to accept them and implement the unions decision of the committee/council. The matter pertaining to the finances and other administrative details are not left to the committee/council.

4 - Administrative Participation:

In administrative participation the management takes, the decision with alternative and representative are given these alternative to give their view. Here the decision may already be taken except without the choice of methods of implementation left to workers.
5 - Decision Participation:

In decisive participation, all matter regarding the general as well as economic, functional administrative policies of organization are brought for security of committee/council all decision taken jointly. This is highest form of participation where sharing the decision making power is complete.

MODELS OF WORKER'S PARTICIPATION:

There are two broad models of workers participation in management are conceived.

(a) Unilateral (workers management only) participation;
(b) The co-operative models of workers participation.

The first variant is possible under socialistic system and second is possible under the capitalistic system and in planned economy. Joint participation in management may become a social reality when both employees and management have equal rights and real opportunities to exert influence on the economic policy of the enterprise. The conditions for joint participation are more favourable in public sector enterprises than in private sector ones.

1 - Worker's Management:

The unilateral model of worker's participation presupposes that employees are managing all activities of the
enterprise. Workers do not share decision making power with any other entity but govern the entire organisation and its management from the plant or industry level to the level of economic system. The idea of unilateral participation constitutes the economic, political and social goals of labour movement. The principle of "factories back to the workers" was first proclaimed around the middle of the nineteenth century. There is general agreement that workers' participation is a political form of economic power and that it is a novel socio-economic situation of the working class, especially if the participation reaches the level of self-determination. By gaining the control over the social system of labour, the working class loses the proletarian condition of its existence. It is possible in purely socialistic system but it may not be possible in mixed economy like India.

2 - Joint Management or Co-operative Participation:

While the concept of workers management or unilateral participation originated exclusively with in the labour movement, the concept of Joint or Co-operative participation originated only partially in the labour movement. Though labour and capital are independent social powers, yet they have a common function that they supply the needs of society in terms of capital goods and commodity they have thus an inevitable
permanent Co-existence. It logically follows that co-operation between labour and capital represents the only alternative which provides permanent stability in the industry. The co-operative model presuppose the capitalist system into which the working class as fitted. The maximum effect expected of such participation can be limitation of the social and political power on the owner of the capital in domains other than economic power. Accordingly, it does not offer any new social organization of production-co-operativism represented partial political consciousness to the working class.

Co-operative participation means progress in the development of the political status of working class in the domain of production. The working class was proclaimed to be an inevitable co-operant to capital and given the status of political partnership in the capitalistic economy. Co-operative partnership does not attempt to change the socio-economic relations in the economy.

Forms of the Co-operative Participation:

Co-operative participation may be either bipertite or tripertite. Bipertite participation arose when the working class exerted pressure on the structure of authority (organiser) in enterprises. In tripertite participation the state appeared as the third partner when it took upon itself
the role of regulator of political and economic relation in production. However, tripartite co-operation in management is of more recent origin. Extending its political function to the economic sphere, state becomes the third centre of power in the processes of economic decision making.

Workers participation in the management has been considered by I.L.O. primarily as consultation and co-operation between employers and workers at the level of the undertaking. The most common method of workers' participation in management has been viewed as consultation and co-operation through special bodies such as, joint production committees, works committees, works council and management council etc. These bodies are constituted by representative of employers and employees both. Another method is through workers representation in the directorate or board of management of the enterprise.
At a time when revolutionary measures of industrial democracy had started the economic and political pundits the old capitalist society in the west began incorporating the democratic principles of liberty, equality, and social justice by adopting the ideals of the welfare state. As the result of these developments, the old theories of industrial democracy became outdated. Management and labour were increasingly recognized as interdependent groups rather than opponents of each other. At the beginning of the country, especially at the time of the First World War, it was realized in the west that sectional interests of employer and workers could be integrated and industrial conflict avoided by encouraging them to cooperate with each other and resolve their differences through committee of joint consultation in industry. This was made by the Whitely Committee in Britain established in 1916 which recommended, "workers management committee" at the industry, district, and plant level. A similar beginning was started in the United States at the end of the First World War in the form of
Joint Shop Committee subsequently ideal institution of joint consultation developed in European countries such as France, West Germany, Belgium, Sweden, Poland, Yugoslavia. It will therefore, worth while to take brief note on few foreign countries before discussing Indian.

U.S.A. :-

In the U.S.A. there is no real participation by workers in the management worth the name. The reason is not difficult to understand. The American Union accept capitalism and pay no lip service to socialism or any similar economic system. For from asking a share in management, they want to management to run business and wish to be left alone to claim the share in management through collective bargaining. On the other hand the American management looks at the problems as will attend to making profit you will get your share through bargaining.

While the job of the management is left to the management, collective bargaining agreements are extensive in scope and include many matters which would be dealt by joint consultation in great Britain.

U.S.S.R. :-

The system in U.S.S.R. lies at the other extreme where every establishment is indirectly the workers own establishment.
Here therefore, there is no question of participation. It is just a case of ownership though the agencies of the state. This is why official publication say that workers participation in different ways in managing socialist pattern.

Between these two extreme of U.S.A. & U.S.S.R. lies the various other types of workers participation in management as prescribed in other countries.

**FRANCE** :-

In France, the setting up of workers committee is compulsory under the law. The works committee set up have advisory and administrative functions. Supply of information to works committee concerning profit is compulsory. They have further the right to nominate two members to attend the meeting of Boards of Directors of limited liability companies in advisory capacity. The Indian study group which visited France to acquaint it self with the system followed there in France provides the following details.

"It is rather formal and rapid. There is difference and even hostility on the part of mony employee which is yet to be got over and over the whole field hang the cloud of division in rank of workers ".

According to French Trade Union Work Committees have not lived upto earlier expectation. Managements another
factory has been the effect of political division within French Trade Union Movement in which there federation function.

WEST GERMANY :—

Since 1948 the German workers have demanded a voice in administration of industry. The actual attainment of co-determination if however, so recent that it is yet too early to draw any definite conclusion.

The issue of co-determination came in 1950 when power was handed over by occupation authorities to barely German government in February 1951 under tremendous pressure from the union, German federation and industrialists agreed to full and equal co-determination on the boards of coal & steel industries. The Law of May 1951 provided for Board of Directors, 5 members will be from employer side and five (5) will be worker representatives, and last one will be independent who is normally, businessman, leader, economist or professional man.

Industries other than coal & steel are governed by law on works council since 1952. This provides that one of the director on the boards of Joint Stock Companies are to be elected by the workers. It is obvious that co-determination in Germany is quite distinct from joint consultation on the one hand and state socialism or capitalism on the other and that way Germany has thus introduced a new form of class and properly relation.
All companies which belong to the public sector are administered under the law by an administrative council with a maximum membership of 6 including the chairman. Half of them represent the workers and the other half and the chairman are appointed by the President of Republic. The workers members are elected directly by the workers in secret ballot held under the supervision of the Ministry of Labour. The council enjoys the full powers of decision in all spheres of activity. It is entrusted with the management of enterprise.

The structure of workers self management scheme has been defined under the workers self management Act, enacted on 20th December 1958. It provides for the constitution of self management conference, a work's council and departmental (workshop) council particularly in large undertakings.

The self management conference comprises of members of the works council, members of the trade union committee for undertaking, and members of the Party committee for the undertaking.

The workers council is formed of elected representative of the workers, a representative of the trade union committee and representative of party (Polish United Workers Party) committee for the undertaking.
The departmental councils are organized on similar lines at departmental level.

The most noteworthy influence of self-management bodies can be seen by way of the use of the "Works Fund" works is setup by means of levy on profits. Its utilisation is within the scope self-management conference i.e. self-management bodies. This management funds provides resources for housing for social benefits and rewarding workers in accordance with their merits.

YUGOSLAVIA :-

The fundamental principles of workers self-government were laid down by law on June 26th 1950. A workers council is setup in every firm. In large firm, the number of members of the council varies from 15.to 20, depending on the size of the undertaking. The council elects and supervises its own executive body, the board of management. It also appoints the directors of the undertaking. Production management such as planning and policy formulation are handled by workers council and the management board. The bodies of self-government are more developed in large industrial and mining enterprises while in agriculture estates, enterprise in building construction, trade handicrafts and catering industry, they lag far behind.
HISTORY OF WORKERS' PARTICIPATION IN INDIA:

Quite some time has passed now that the scheme of Joint Management council was introduced, but it is difficult to say with any amount of certainty of the success it has made. The national commission of Labour in its report has observed that attempts to promote wide acceptance of the idea of joint management council to appear to have been met with limited success over the years though evaluation report show that where the council are taken serious by both the parties and attempts made to work towards the process for which they were setup the J.M.C. have shown results.

There does not appear much support for the institution of J.M.C. in their present form. Even when the council exist they reported to be ineffective in their functioning in any cases. The reasons are not far to seem. Both representative of central organization of employer and workers support the scheme of national conference and committees they have shown inadequate interest in making their enthusiasm about it. Progressive employer who already have the system of consultation
with their workers through the recognised union or works committee find the J.M.C. in its practical form. The management generally afraid to have a multiplicity of joint bodies and so far union. In undertaking in which industrial relations are not cordial and even arrangements like works committees grievance procedure and union recognition are absent, J.M.Cs. can not be expected to function satisfactorily.

The general verdict on the functioning of these councils is that it has tended to clash the characteristic of an agency for the ventilation of the grievances of staff either than the joint management agency. Managements attitude to the principle of workers participation seems to be somewhat varied and mixed. Some management have felt that it is a good principle because it fosters among the workers sense of participation in affairs of the industry but in practice it is absolutely useless especially in industries where labour is illiterate. There appears to be great deal of confusion in the minds of workers as well as regarding this concept. On the one hand they feel that this might be the first step towards workers ownership and control of public undertaking while on the other hand it was made clear that labour committee meeting 1961, that failure of the system in H.M.T. & T.A. T.S. had considerably quelled the enthusiasm of the worker and they expressed the fear that the existence of such a body would diminish the importance of their union.
J.M.C. can not function with any degree of confidence unless they are fed with relative data regarding the working of undertakings. It is on record that several management, failed to develop means of providing adequate information to these councils, however, whenever data relating to raw materials, marketing & financial problem were made available to the council the experience had been that frank discussion took place thus creating a right atmosphere for working these councils. Another factor the importance of which are not to be over estimated is the lack of education among the workers. So long as this gap in education between the employees and employers exceed the effectiveness of the scheme is bound to be limited. This is considered to be as a root cause for the unsatisfactory of the system. An other factors which worked in this sphere is lack of delegation. The administrative power enjoyed by the council have fallen for short of even the restricted power, provided for in the model constitution. Even with regards to the administrative of welfare measures, standing committees were appointed to supervise such work. While the council were not even allowed to determine the properties regarding welfare measures. It may also be mentioned that while in several cases, the decision of council where unanimous, these decision were not implemented nor any reasons given for the failure to do so.
The government and other parties treated J.M.C. essentially as an experiment which could be launched only in the units with a history of sound unionism and harmonious industrial relation and where the parties voluntarily agreed to setup the J.M.C. There are two important condition for successful functioning of J.M.C. But these conditions must exist not on surface of industrial relation in a unit but in a realistic sense.

In Indian the scheme was primarily adopted in 1958 and was sought to be introduced in certain selected in industries on voluntary basis. Benefiting from the late start, in Indian scheme tried to steer clear of controversial aspects for instance, it has not envisaged for the joint management council many role of co-management of financial or commercial matters. It clearly lays down the issues on which the J.M.C. can (a) Receive information, (b) constituted on, (c) be entrusted with administration responsibilities. The following will illustrated this point.

(a) J.M.C. have right to receive information, discuss and give suggestions on the economic situation, organization and general running method of manufacturing and work, annual balance sheet, long term plans for expansion redevelopment etc. of the undertaking.
(b) J.M.Cs. are to be consulted by management on certain specific matter regarding day to day administration affecting the workmen, such as administration of standing orders, retrenchment rationalization, closure, etc.

(c) J.M.Cs. are to be entrusted with the administration's responsibility in respect of welfare. Safety and allied matter some of them are follows.

- Welfare measure
- Supervision of safety measure
- Vocational training and an apprenticeship scheme.
- Preparation of schedules of working hours
- Holidays
- Payment of rewards for valuable suggestion of employees, etc.

All the matters such as wages, bonus etc. which are subjects for collective bargaining are excluded from the scope of the council. As so are individual grievances.

By the end of 1967 J.M.Cs. were reported to have been establish in about 132 unit in 1947 in the Public sector. The State Bank of India had constituted a control consultative committee at its central office and circle consultative committee at each of its seven local head office.
On the whole the J.M.Cs. have not been found to be functioning well. With the expectation of conspicuously small number of units. J.M.Cs. in most units have either become defunct or languishing merely on paper. The reports of the study group setup for different regions by the national commission labour have also reached the same conclusion. Some of the reasons for this state of affairs are.

(a) Progressive employers who already have a healthy and long standing system of communication and consultation find these superfluous.

(b) Other employer feel that they are already lean with large number of committees (like works committee, production committee, safety committee). They generally indifferent record of achievements of these committees makes than rather adverse to yet an other committee.

(c) Their omission is further aggravated by the reports from other or by their own experience. That the workers representative on the J.M.Cs. are imbued with a notion that J.M.C. gave them freedom to question the employers on all their actions.

(d) In many cases, the trade union leader were quick to see inherent contradiction between their role a trade union leaders and as member of the joint management council they soon lost their enthusiasm towards this scheme.
Hence it will be seen that disenchantment with the idea of co-management has set in, and grown not only in India but it most of the country where this experiment has been tried out. Both the employer and trade union leaders have grown cold towards this scheme for their own, opposite reasons.

**LATEST DEVELOPMENT AS CONTAINED IN THE GOVERNMENT OF INDIAN RESOLUTION DATED 30.10.1975:**

Although attempts have been made by the government of India at the time of passing of Industrial Dispute Act 1947. Where the provision in the act were made for providing works committee for resolving industrial disputes for promoting dialogue between the employers and workmen in securing and preserving animity, it was laid down in the industrial disputes act that every industrial establishment employing 100 or more workers to establish a works committee comprising equal representative of management and workmen the main function of this committee are endeavour to compost any difference of opinion in matter of common interest and thereby promote cordial relations between the employers & workmen.

However, with launching of 20 points programme by the Prime Minister, necessary gazette notification has been issued by the ministry of labour announcing the scheme of workers participation in industry at shop-floor and plant level.
The Government have considered this matter very carefully and have drawn a scheme for the purpose. This salient features are as under.

**Coverage** :-

The scheme will be implemented in the first instance in manufacturing and mining industries whether in the public sector or private sector or co-operative sector. These will include also units ruin departmentally whether or not in joint consultation machinery setup its functioning in such units. The scheme for present will apply to those units in these industries which have 500 or more workers on their roll. The scheme will provide for shop council at the shop/department levels and joint council at the enterprise level.

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Shop Council :-

The main features of the scheme of participation management through shop council may be as follows;

(1) In every industrial unit employing 500 or more workmen the employer shall constitute a shop council for each department of shops or one council for more than one department of shop considering the number of workman employed in different department or shop.

(2)(a) Each council shall consist on an equal number of representative of employees and employer.
(b) The employer representative shall be nominated by the
management and must consist of person from the unit concerned.

(c) All the representative of workmen shall be from amongst
the workers actually engaged in the department of shop
concerned.

(3) The employer shall decide in consultation with the
recognised union or the various registered trade unions or
with workers as the case may be, in the manner best suited to
local condition, the number of shop councils and department
to be attached to each council of undertaking or the establish­
ment.

(4) The number of members of each council may be determined
by the employer in consultation with the recognised union
registered unions are workers in the manner best suited to
local condition obtaining in the unit. Total number of member
may not genrally exceeds 12 (twelve).

(5) All decision of shop council shall be implemented by
the parties concerned with in a period of one month unless
otherwise stated in the decision itself and compliance report
shall be submitted to the council.

(6) A shop council once formed, shall function for a period
of 2 years. Any member nominated or elected to the council
in the mid-term to fill a casual vacancy shall continue to be
a member of the council for the expired portion of the term.
(7) The council shall meet as frequently as is necessary and at least once in a month.

(8) The chairman of the shop council shall be a nominee of the management, the worker member of the council shall elect a Vice-chairman from amongst themselves.

Functions of the shopcouncil :-

1) Assist management in achieving the monthly/yearly production targets.

2) Improvement of production, productivity and efficiency excluding elimination of wastage and optimum utilisation of machine capacity and man power specifically identify areas of low productivity and take necessary corrective steps at shop level to eliminate relevant contributing factors.

3) To study absenteesm in the shop/departments and recommended steps to reduce them.

4) Safety measures.

5) Assist maintaining general condition in the shop/department.

6) Physical conditions of working, such as lighting, ventilation, noise, dust etc. and reduction in fatigue.
7) Welfare and health measures to be adopted for efficient running of the shop/department.

8) Ensure proper flow of adequate and two way communication between the management and workers.

**Joint Council :-**

In every industrial unit employing 500 or more than 500 there shall be a joint council for the whole unit. The main features of the scheme of joint council may be as follows.

1) Only such persons who are actually engaged in the unit shall be member of the joint council.

2) The council shall function for a period of 2 years.

3) The chief executive of the unit shall be the chairman. There shall be a vice chairman amongst the workers nominees to the council.

4) J.M.C. shall appoint one of the members of the council as its secretary to facilitate the smooth functioning of J.M.C.

5) The joint council shall meet once in a quarter atleast.

6) Every decision of the joint council shall be on the basis of consensus and not by a process of voting and shall be binding on both the parties and shall be implemented within one month unless otherwise stated in decision itself.
Functions of the Joint Council:

The Joint Council shall deal with the matter relating to:

1. Optimum production, efficiency and fixation of productivity norms of man and machine for the unit as a whole.

2. Functions of a shop council which have a bearing on another shop or the unit as a whole.

3. Matter relating to the shop council remain unresolved.

4. The development of skills of workmen and adequate facilities for training.

5. A preparation of schedules of working hours and holidays.

6. Awarding of rewards for valuable and creative suggestions received from workers.

7. The optimum use of raw materials and quality of finished products.

8. General health, welfare and safety measures for the unit or the plant.

Composition:

There is considerable diversity in the situation prevailing from unit to unit in different industries. Even departmental undertaking and public enterprise under the same ministry of Government of India, have had adopted different systems depending upon the level condition and their individual needs.
Keeping this diversity in view, no information pattern is being laid down from the constitution of shop council and joint council, particularly relating to the representation of workers. The management in consultation with workers should evolve the most suitable pattern of representation so as to ensure that the representation of the workers result in effective, meaningful, full and broad-based participation of workers.

Works Committees:

The Industrial Disputes Act 1947, provides for the setting up of a work committee consisting of representatives of management and employing 100 or more workmen "to promote measures for securing and preserving amity and good relations between the employers and workmen and to that end, to comment upon matters of their common interest or concern and endeavour to compose any material difference of opinion in respect of such matter". The representative of workmen whose number shall not be less than the number of representatives of the employer, are to be chosen from among the workman engaged in the establishment and consultation with their registered trade union, if any.

Functions of Works Committees:

Works Committees will normally deal with the following items:
1. Conditions of work such as ventilation, lighting, temperature and sanitation including laterins and urinals.

2. Amenities such as drinking water, canteen, diningrooms, creshes, rest rooms, medical and health services.

3. Safety and accident prevention, occupational diseases and protective equipment.

4. Adjustment of festivals and national holidays.

5. Administration of welfare fine funds.

6. Educational and recreational activities, such as libraries, reading rooms, cinema shows, sports, games, picnic-parties, community welfare and celebrations.

7. Promoting and Thrift savings.

8. Implementation and review of decisions arrived at meeting of works committees.

The usefulness of works committees as a channel for joint consultation and the need for strengthening and promoting this institution was stressed in Labour Policy Statements in the successive plans. The legal requirement and encouragement given by the Government led to the setting up the works committees in number undertaking, the pace of progress was, however, slow and uneven in different parts of the country.

The number of works committees set up was 1142 in (1951) it rose to 2574 in (1959–60) and 3,133 in (1965–66). But mere number though important, do not count. The general feeling
among knowledgeable people in the country is that the committees have not proved effective.

The National Commission on Labour pointed out that the effectiveness of the works committees depend upon the following factors.

a) A more responsive attitude on the part of the management.

b) Adequate support from the unions.

c) Proper appreciation of the scope and functions on the works committee.

d) The whole hearted implementation of the recommendations of the works committees.

e) Proper co-ordination and the function of the multiple bipertite institutions at the plant in vogue.

CONCLUSION :

Government are aware that it is only by providing for such arrangement for workers participation particularly at the shop-floor and unit level that the involvement of worker in effective functioning of the unit improving production and productivity can be ensured. Government would therefore, appeal to all the management and workmen and trade unions concerned to take speedy action and effective measure for the early adoption of scheme in their unit and for its continued healthy functioning.
CHAPTER-V

BRIEF DESCRIPTION OF ORGANIZATION :

INTRODUCTION :-

It is well known fact that India is an agricultural country and a large portion of its economy depends upon agriculture. So we can easily understand the importance of agriculture. Other factor which increase its importance is rate of growth of population in India. Its importance reached up to peak at the time of Bengal crisis period which was pre independence.

The British Indian government was taking fresh look on the ways and means to increase food production for solving of food shortage and it was felt that it would not be possible to feed the vast population with primitive and old age agricultural practices prevailing in this country. Some positive step was needed to give decision push for growing more food.

A solution was found in making astast by developing a modern fertilizer industry in the country. The decision to set up a fertilizer factory at Sindey soon followed work on putting up the Sindri fertilizer factory was initiated soon
after independence and the plant was commission in 1951. It was the first factory in Public sector. Sindri was the first industrial unit in Government Sector.

ABOUT F.C.I. LTD. :-

A decade after the start of Sindri fertilizer next fertilizer factory commissioned at Naya Nangal in Punjab. This was the second fertilizer factory in India. There were planning for more projects was taken up by the Government. The Government came to the conclusion that it would be more appropriate if the Fertilizer Industry is the public sector was put under one agency of India. Thus was born the Fertilizer Corporation of India Ltd. on January 1, 1961. There were two operative unit were there Sindri and Nay Nagal. A gradual expansion followed and soon fertilizer plants were commissioned at THOMBAY (1965) GORAKHPUR (1968) NAMRUP (1969) DURGAPUR (1974) and BANANJ (1975).

Simultaneously expansion project in the existing plants at Nangal, Trambay, Gorakhpur, Nam Rup were also taken up alongwith the development of production ferti . The F.C.I. also had a full fledge planning and Development division at Sindri which took bold strides to achieve self reliance in Fertilizer technology and knowhow and was in a position to handle projects from the conception to the commissioning stage on a turn key basis.
The fertilizer corporation of India Limited ushered in a new era from April 1, 1978 after reorganization. It has two operative units at Sindry and Gorakhpur Unit. The Gorakhpur unit expanded and increased its capacity to 1,31,000 tonnes in terms of Nitrogen. F.C.I. itself would no more be having a separate design engineering and consultancy organization on the pattern of the former planning and development division at Sindri. But it will continue to share the services of Research & Development from the same organization which has now its independent identity as Fertilizer (Planning and Development) India Limited.

A comprehensive marketing organization handle the work of sales and distribution which is so far confined to Uttar Pradesh.

The sales of the products are routed through whole sale and retail dealer along with co-operatives. A special category of Dealership have also been awarded to unemployed graduates and disabled ex-serviceman. The marketing organization assisted by Fertilizer promotions which handles work of educating the formers in proper use of this vital input. Free Soil testing work is done through a chain of mobile soil testing & state laboratories.
TRAINING ORGANIZATION:

One of the primary responsibilities of any progressive management is to provide for every possible encouragement to its employees for developing their potential. If growth and advancement in the area of their work. The F.C.I. has bear this responsibility effectively. The concept of training has grown is the fertilizer corporation right from the first establishment at Sindri with the modest begining of a small training centre at sindri unit in 1951 the whole training establishment has grown in to full freged Organization today.

The training activities of F.C.I. are broadly grouped as follows.
A – For new entrance.
B – For existing employees.
C – For others.

At F.C.I. central office an institute of management development import services for management development. This institution was established in 1967 at Nangal Unit. which was brought to the central office in 1974-75. This institute has well eqvAped library specially in the field of management and human resources. Seminar and short term courses are organised by this institute from time to time for junior, middle and top management of corporation. Training Centre has capacity of 25.
Introduction :-

Substances like basic stag and Sodium Nitrate which supply one or the other element in the nitration of a plant are termed "Fertilizers".

Like animals and human beings, plants also need food for their growth and development. Plant requires almost similar elements as human beings, there being two exceptions Cobalt and Iodine.

The object of employing measures is to improve the nutrition of the plant. There are 16 (sixteen) elements essential are recognized for plant growth, of which nine are required in macro-quantities and seven in micro-quantities. There are three (3) OXYGEN, CARBON & HYDROGEN element supplied by air and water while the primary nutrients supplied through chemical Fertilizers.

These are the essential element for Plants Growth.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of Elements</th>
<th>Nomenclature</th>
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<tbody>
<tr>
<td>1.</td>
<td>Carbon</td>
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<td>2.</td>
<td>Oxygen</td>
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<tr>
<td>3.</td>
<td>Hydrogen</td>
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<tr>
<td>S. No.</td>
<td>Name of Elements</td>
<td>Nomenclature</td>
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<tr>
<td>4.</td>
<td>Nitrogen</td>
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<tr>
<td>5.</td>
<td>Phosphorous</td>
<td>Primary Nutrients</td>
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<tr>
<td>6.</td>
<td>Potassium</td>
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</tr>
<tr>
<td>7.</td>
<td>Calcium</td>
<td></td>
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<tr>
<td>8.</td>
<td>Magnesium</td>
<td>Secondary Nutrients</td>
</tr>
<tr>
<td>9.</td>
<td>Sulphur</td>
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<tr>
<td>10.</td>
<td>Boron</td>
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<tr>
<td>11.</td>
<td>Chlorine</td>
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<tr>
<td>12.</td>
<td>Copper</td>
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<tr>
<td>13.</td>
<td>Iron</td>
<td>Micro Nutrients</td>
</tr>
<tr>
<td>14.</td>
<td>Manganese</td>
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<tr>
<td>15.</td>
<td>Molybdenum</td>
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<td>16.</td>
<td>Zink</td>
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**Production of Fertilizers:**

At present the main fertilizer produced in India are Ammonium Sulphate, Calcium Ammonium Nitrate, Urea, Phosphate Sulphate, Nitro Phosphate and Single Super Phosphate. They are classified as follows:

1. *Nitrogenous Fertilizer's (A)*:
   (a) Ammonium Sulphate (20.6% $N_2$ & 29.7% $S$)
   
   (b) Ammonium Sulphate Nitrate (20.6% $N_2$, 19.5% $S$ & 6.5% Nitrate)
   
   (c) Urea (44% $N_2$)
(d) Calcium Ammonium Nitrate (20.5% $N_2$)
(e) Ammonium Chloride (25% $N_2$)
(f) Sodium Nitrate (16% $N_2$)

2. Phosphatic Fertilizers (B) :-

(a) Single Super Phosphate
(b) Triple Super Phosphate
(c) Di-Calcium Phosphate
(d) Bonemeal

3. Potassic Fertilizers :-

(a) Muriate Potash (Potassium Chloride)
(b) Sulphate of Potash (Potassium Sulphate)

Combined Nitrogenous & Phosphatic Fertilizers :-

1. Monoammonium Phosphate (ammophos A)
2. Monoammonium Phosphate – ammonium Sulphate (Ammophos B)
3. Diammonium Phosphate.

Nitrophosphate being produced in India by Sulphonitric Acid.

ABOUT GORAKHPUR UNIT :

Brief History :-

The urgent need for economic development through substantial increase in agricultural production to provide base
for an industrial and economic development of an area with the very high population concentration called for establishment of a fertilizer factory in Uttar Pradesh. To meet this requirement government of India appointed a fertilizer technical committee for selecting the site in early 1960. The committee recommended the setting up of this factory at Gorakhpur a place which is situated amidst a highly agricultural area. This factory can serve the entire area covered by the metergauge section of the North Eastern Region of Railways (NER). The Government of India accepted the recommendation of the fertilizer technical committee and after negotiating with the government of Japan for availability of YEN credit for the impact of Plant and machinery asked Fertilizer Corporation of India Limited to go ahead with the project on 26th April 1961. The Industrial licence was granted on 27th October 1961.

F.C.I. was asked to conduct negotiation for supply of main plant with M/S TOYO Engineering Corporation. The equipment machinery was produced indigenously to the maximum extent possible. After plant were established a result of survey was carried out by the corporation and world bank technicians and several measures to utilize the excess capacities available in some part of the original plant were identified. Accordingly an expansion programme, taking these into consideration was launched. The expansion plant was financed from the fund provided by World Bank.
The Gorakhpur Unit is the fifth in chain of given operative units of the corporation. The first four being Sindri, Nangal, Trombay and Nam Hup. The original plant went into commercial production with effect from 1st. January 1969 and the expansion plant with effect from 1.4.1974.

SPECIAL FEATURES OF THE PLANT AT GORAKHPUR:

Gorakhpur plant is one of the most modern plant in the country and its performances has not only met the specification but rather exceeded. However, operational problem like frequent power function, power problem like interruption has impeded the performance of an otherwise excellent plant.

Cost Involved :-

<table>
<thead>
<tr>
<th>Capital Cost</th>
<th>( Rs. Crores )</th>
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<tr>
<td></td>
<td>Original plant</td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Initially sanctioned project cost</td>
<td>27.11</td>
</tr>
<tr>
<td>ii) Latest revised project cost</td>
<td>34.65</td>
</tr>
<tr>
<td>iii) Cost on completion</td>
<td>34.18</td>
</tr>
<tr>
<td>Foreign Currency</td>
<td>14.20</td>
</tr>
<tr>
<td>Indian Currency</td>
<td>19.98</td>
</tr>
<tr>
<td>TOTAL</td>
<td>34.18</td>
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</tbody>
</table>
The main reasons for increase in the cost were listed below.

<table>
<thead>
<tr>
<th>Original Plant</th>
<th>₹ in Lackhs</th>
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</thead>
<tbody>
<tr>
<td>1. Change in Scope</td>
<td>16.00</td>
</tr>
<tr>
<td>2. Shift in source of supply</td>
<td>23.00</td>
</tr>
<tr>
<td>3. Price escalation</td>
<td>128.00</td>
</tr>
<tr>
<td>4. Inadequate provision</td>
<td>30.00</td>
</tr>
<tr>
<td>5. Increase in custom duty etc.</td>
<td>121.00</td>
</tr>
<tr>
<td>6. Increase in departmental charges due to increase in salary and wages</td>
<td>3.00</td>
</tr>
<tr>
<td>7. Increase in financing charges</td>
<td>283.00</td>
</tr>
<tr>
<td>8. Devaluation of Rupees in 1966</td>
<td>103.00</td>
</tr>
<tr>
<td>9. Others</td>
<td>30.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>907.00</strong></td>
</tr>
</tbody>
</table>

Less credit for sale of 77946 tons of Urea produced during trial & test run. 253.00

654.00

Expansion Plant

(i) The project estimate emplied in 1971 was based on the then rate of exchange ₹.100/- Yen 4800 while the transaction taken place were based on ₹.100/- Yen 3350 due to revaluation of the Yen.

(ii) Custom duty adopted in the estimate was 30% while actual comes to 40%.
(iii) By escalating original foreign exchange rate we could have required Rs. 12 millions in foreign exchange. However, the actual requirement was brought down to Rs. 67 millions in foreign exchange by producing more under reserving list. The has increased Rupees cost in procurement.

(iv) The variation in exchange rate has increased foreign exchange component in freight engineering & design erection and commissioning and spares.

(v) The provision of rupees under, erection and commissioning and civil work in the appraisal report was in adequate and there was revision in the revised budget.

The original project was financed from the funds revised under the Yen Credit from Japan and expansion project from fund received under I D A. credit supplemented by free freight exchange.

Time of Completion

The completion of original project took 64 months from the effective date of contract 12.8.63 to 20.12.68 against 45 month envisaged is the feasibility report. The expansion project was completed in 42 months (6 June '72 to December '75) against 30 months.
The Total Delay In Completion

The total delay in completion of erection as compared to provision made in the agreement was 16 months and 3 days as detailed below.

<table>
<thead>
<tr>
<th>Asper</th>
<th>Actual</th>
<th>Long time with respect to contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective date of the agreement</td>
<td>12.8.63</td>
<td>12.8.63</td>
</tr>
<tr>
<td>Date of start of civil works</td>
<td>12.5.64</td>
<td>11.9.65</td>
</tr>
<tr>
<td>9 month after the effective date of agreement</td>
<td></td>
<td>24 month &amp;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20 days after the effective date of agreement</td>
</tr>
<tr>
<td>Date of completion of Erection</td>
<td>11.11.66</td>
<td>1st stream</td>
</tr>
<tr>
<td>(30 month after start of civil works)</td>
<td></td>
<td>2nd stream</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Delay in civil works was due to delay in acquisition of land and consequent delay in condition soil test. This was also due to delay in finding and suitable civil works contractors. Delay is 13 days in completion of erection of 2nd stream occurred due to the defect noticed on testing of the equipments in air separation and nitrogen wash section and because of failure of some of equipments nitrogen compressors, Gassification pump set. In the initial stage of
testing and trial runs which necessary replacement from Japan and lot of Modification at site. No penalty could be imposed on collaborators for the delay in completion erection as there was no provision to this effect in the agreement.

The main reasons for delay in completion of the project were:

(a) Original Project.

(1) Initial difficulties and consequent delay in acquisition of land.

(2) Delay in preparation of scope drawing due reduction of the soil test on the advice of the plant suppliers.

(3) Lack of response from replaced contractors, low soil bearing capacity of land necessity driving of additional piles in foundation.

(4) Defects noticed during the testing of equipments, such as Nitrogen Compressor, gassification pumps, etc. In initial stages of testing and trial runs necessitating replacement and test of modification as site.

(5) Extention of the period of guarantee test run.

(B) Expansion Project:

1) Due to disturbed situation (Indo-Pak) conflict in the subcontinent in December 1971 the preliminary work before zero date for the project could not is started Negotiations with M/S TOYO Engineering could be started only in January 1972. TOYO's investigations team came
in March 1972 and contract for process engineering was approved on 8.6.1972. Thus zero date is strified by 5 (five) months.

2) During discussion in Japan in April 1972 with TOYO it was found that minimum 35 months was needed for mechanical completion of a Fertilizer Project followed by testing, trial run and commissioning and a period of 36 months from zero date for commercial production. Thus 6 more months above 30 months in needed for completion project. The 30 month period is appraisal report was based on equipment duplication and its small size and simplicity, duplication was not possible in most of the cases with procurement on I.C.B. procedure besides some of the supplier of existing plant equipments, supplied in 1965, were not making similar equipments.

3) The world oil crisis in October 1973 delayed delivery of imported orders by 3 to 14 months. There were delay in indigenous supply and shortage of construction materials. With delays of critical supply and project management was hard pressed to adhere to 36 months scheduled. Inspite of 11 months or more delay in supply and unfavourable conditions prevailed for construction of projects schedule was revised by 5 months only and production on commercial scale started 5 days ahead of schedule.
## MAIN PLANT AND THEIR CAPACITIES

<table>
<thead>
<tr>
<th>Name of Product</th>
<th>Licenced capacity</th>
<th>Rated capacity production</th>
<th>Nitrogen</th>
<th>Nitrogen</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>T/Year</td>
<td>T/Day</td>
<td>T/Year</td>
<td>T/Day</td>
</tr>
</tbody>
</table>

### ORIGINAL PLANT

<table>
<thead>
<tr>
<th>Product</th>
<th>105600</th>
<th>115500</th>
<th>350</th>
<th>-</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ammonia</td>
<td>179300</td>
<td>173920</td>
<td>543.5</td>
<td>80000</td>
<td>250</td>
</tr>
<tr>
<td>Urea</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### EXPANSION PLANT

<table>
<thead>
<tr>
<th>Product</th>
<th>111000</th>
<th>111000</th>
<th>950</th>
<th>51100</th>
<th>170</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ammonia</td>
<td>-</td>
<td>55500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urea</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### TOTAL

<table>
<thead>
<tr>
<th>Product</th>
<th>171000</th>
<th>570</th>
<th>L2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ammonia</td>
<td>285000</td>
<td>284920</td>
<td>950</td>
</tr>
</tbody>
</table>

L1 Based on 320 Stream days.
L2 Based on 300 Stream days.

### FEED STOCK:

Main raw material & source of their supply to Gorakhpur Unit are detailed below.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Raw Material</th>
<th>Source of Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Naphtha</td>
<td>Baruni Refinary of M/S Indian oil Corp.</td>
</tr>
<tr>
<td>2.</td>
<td>Coal</td>
<td>Karanpur Calleries of M/S National Coal Development Corporation.</td>
</tr>
<tr>
<td>3.</td>
<td>Power</td>
<td>Uttar Pradesh Electricity Board.</td>
</tr>
</tbody>
</table>
IMPORTANT FEATURES:

1. LAN AREA.
   (a) Land under the township 650 Acres.
   (b) Land under the factory 350 Acres.


5. Inauguration of the factory by Smt. Indira Gandhi on 20th April 1968.

6. Capacity.

<table>
<thead>
<tr>
<th>Before Expansion</th>
<th>After Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Urea</td>
<td>543.5 T/day</td>
</tr>
<tr>
<td>(b) Ammonia</td>
<td>350.0 T/day</td>
</tr>
</tbody>
</table>
WAGES

Wages, Wage Structure, System of Wage Payment, Over Time, Incentive Wage Scheme, Time Rates, Price Rates, Bonus, Dearness and Other Allowances:–

The Wage Structure is based on the pattern of that of Government of India. F.C.I. Gorakhpur has time scales based on designation, job specification for all the employees except for the Muster Roll Staff who are engaged on daily wages.

The pay scale as recommended by the pay commission have been made applicable in this organisation. The wage constitute the element of the basis wage and dearness allowance the wage of the muster roll employees are fixed into consideration the minimum wage fixed by U.P. Government. The muster roll staff has a fixed wage and no dearness allowance is admissible to them.

System of Wage Payment:–

All regular employees are paid monthly wages on the last working day of the month or on the first day of the subsequent month. Wages to the Muster Roll employees are paid every month by the seventh of the following month.

Incentive Wage Scheme:–

The Organization does not have any incentive wage scheme and the wage are fixed on time rates monthly and daily. However,
in accordance with the production bonus scheme, the employees are paid production bonus in addition to wages and dearness allowance. The scheme lays down quantum of bonus payable on reaching the production index of 75 or exceeding the production index beyond 75 & 2% of wages at 75 to 8.5% wages at the production index of 100 in addition to production bonus the employees are paid statutory bonus subject to a minimum 8.1 / 3% as provision bonus act.

Over Time :-

All the workers upto the rank of Sr Technician on the scale of Rs. 550-900 are entitled over time at double the wage rates for the work put in beyond the 48 hours a week as per provision of factories act.

Fringe Benefits :-

The following fringe benefits effective in the unit to the employees from 1.1.79.

(a) Washing Allowance :- The quantum of washing allowance will be enhanced from Rs. 6 to 10 p.m. in the case of general employees are provided with uniform and for para medical staff from Rs. 9 to 19 / p.m.

(b) Shift Allowance :-

i) Night shift allowance @ Rs. 1.50 per night shift from 10 p.m. to 6 a.m.

ii) 2nd shift @ Rs. 0.75 per shift from 2 p.m. to 10 p.m.

iii) 1st shift @ Rs. 0.75 per shift from 6 a.m. to 2 p.m.
(c) **Local Traveling Expense** :-

**Cycle Allowance** - The quantum of cycle allowance will be enhanced from Rs. 12/- p.m. to Rs. 18/- p.m. and the present practice for the grant of this will continue to be followed.

**Scooter Allowance** - The quantum of Scooter allowance will be same as it was Rs. 110/- per month for one scooter.

**Car Allowance** - The amount of car allowance is also not raised and it will be the same as it was Rs. 300/- p.m.

(d) **Helper Allowance** :- The practice of providing helpers to the operators has been done away with in this unit. The category of helper has been completely eliminated. The work of cleaning and oiling machinery has been done by the operator itself who are allowed Rs. 15 / month as helper allowance for performing these duties.

(e) **Boiler Allowance** :- All workmen who possess first class boiler attendant certificate are being paid Rs. 30/- p.m. as boiler allowance.

(f) **Stagnation Scheme** :-

(a) The span of "Stagnation Scheme" which is already invogue with reduced from 10 years to 7 years even after their placement as the next higher scale under the scheme, the concern employers will continue doing the same work which they were doing in their substantive scale/Post.
It was also agreed that the workmen who have completed 7 years in a particular pay scale will get their higher scale under this scheme or regularised earlier. Other conditions applicable under the scheme, will however, remain unchanged.

(b) One increment will be granted after every two years to those workmen who remained the maximum of revised pay scale for two years.

(g) Leave Travel Concession :- Reimbursement of rikshaw/bus/scooter/taxi fare, as the case may be from the residence (from starting station only) to Railway Station, Bus Stand to and from as per entitlement of I.A. Rules will be allowed.

All present an employee is entitled for going any place in India and back once in the four year block. He/She can either continue availing the existing facility or if he/she so desires can claim reimbursement of the expenditure thereof, after completion of journey by giving a certificate that the expense, occur by him/her have not been less than the amount admissible to him/her on the basis of which the company will reimburse as below.

(i) Employees entitled to IIInd class Rail Travel twice the IIInd class Rail fare a distance of 1125 (i.e. 75% of the 1500 km) for award and return journey.
Employees entitled to first class rail travel twice the first class rail fare for a distance of 900 km. (i.e. 60% of 1500 km.) for on award and return journey.

The above facility of reimbursements will be admissible to staff and each entitled family member of the employee and will be available for the block 1978-81 and onward. The employees will have to take leave for at least six days for availing this facility. Other terms and conditions of Leave Travel Concession for going to home town once in two years block and anywhere in India in 4 years block will however, remain unchanged.

(h) House Rent Allowance: - The present ceiling of Rs. 750/- for payment of H.R.A. (House Rent Allowance) without production of house rent receipt will stand revised to Rs. 950/-. Consequently upon the revision of pay scales the allotment rules of company accommodation and other rules which are based on basic pay will be suitably revised.

The rate of house rent allowance is as it was 7½% of the basic pay. It is remain unchanged but limit of the ceiling has been increased.

(i) House Building Loan: - The respective companies will make efforts to allocate or proportion of fund act of the budget provision for house building loan to enable employees
to build a house in place of work or other than the work place, if they so desires. In that event the concerned employees would vacate the company's quarter. The present embargo on purchase of old house/flat and block in co-operative societies, if so desired. The company will give necessary assistance for the purpose of a group having societies in case a group of employee approach for the same house building loan will be subject to the availability of funds of the loan will be sanctioned on the merit of the case.

(j) Disturbance Allowance on Transfers :-

It is provision to give the disturbance allowance on transfer of the employee. And the present limit of Rs. 225/- will be raised to Rs. 300/- and of Rs. 525/- to Rs. 750/-.

(k) Reimbursement of Diet Charge To Employees Referred For Treatment Out Side Company's Hospital :-

Reimbursement of Diet Charge @ Rs. 10/- per day for the period of hospitalization will be allowed in case an employee is referred for indoor treatment outside the company's hospital provided free diet is not available to him from such hospitals. This will be admissible to employees drawing basic pay upto Rs. 1300/-. 

(l) Assistance To Drivers Involved In Traffic Accidents/ Offences :-

Appropriate relief will be provided to the deservers on duty involved in traffic accidently offence depending
upon the merit of each case.

(m) **Reimbursement Of Tuition Fee Upto 12th Standard/Intermediate Classes** :-

The tuition fee at the rates applicable in Government schools in respective states upto and inclusive of 12th classes under 10+2 system or for the intermediate class will also be reimbursed to the companyees in respect of their children studying in these classes. However, the extension of this facility will continue to be governed as per existing rules relating to the reimbursement of tuition fee.

**Labour Welfare & Social Security Welfare** :-

In accordance with the provision of factory act 1948, statutory and non-statutory welfare facilities such as cold drinking water, latrines, urinals, washbasins, lockers, shelter, restroom, lunch room, canteen, first aid, post and safety equipments have been provided. The Organisation have provided medical facilities to the employees and their families. There are a full fledged hospital in which the complete facilities of indoor and outdoor treatment have been provided. At present there are 35 beds unit for indoor patient which a full medical staff and nursing staff. There are a X-Ray plant of (200-MG) for the benefit of employees. For the employees who are residing in Gorakhpur City. There are a panel of Doctors from whom
such employees and there dependents can get medical treatment. There are one air conditioned operation theater and labour room exists to provide the medical facilities to the employees. The total expanditure of medical facilities and more than 3 lakh/year.

Keeping in view that education is the most important need of the age. This unit of F.C.I. is running three schools.

1. **A.G. (English Medium)** school providing education upto level of Vth class.

2. **Primary School (Hindi Medium)** upto class Vth.

3. **Intermediate College** providing the education to the words of employees up to the class XIIth.

There are some other non statutory ameneties such as workers club (MANORANJAN KUNDHA), transport facilities, Officers Club, Uniform, Library facility, Advancement enchangement of leave.

In accordance with the provision of the factory act labour welfare officer have been appointed to look after welfare function. Now-a-days MR. R.P. CHATURVADI is working as Welfare Officer and MR. RAKES is working as Sports Organizer.

**HOUSING** :-

There are a well planned township to provide residential accomodation to the employees is as been established.
The township is spread an area of 300 acers and comprises 1300 houses. The various type of houses and their number are given below.

<table>
<thead>
<tr>
<th>Type of Quarter</th>
<th>Total No. of Quarter</th>
<th>Plinth of area</th>
<th>Rent under FR. 45 A</th>
<th>Rent under FR. 45 B</th>
<th>Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type 'A'</td>
<td>5</td>
<td>2100 sft</td>
<td>Rs. 228/-</td>
<td>--</td>
<td>Rs. 2500 and above</td>
</tr>
<tr>
<td>Type 'B'</td>
<td>60</td>
<td>1500 sft</td>
<td>Rs. -144/-</td>
<td>Rs. 215/-</td>
<td>Rs. 1600 to 2499</td>
</tr>
<tr>
<td>Type 'C'</td>
<td>132</td>
<td>900 sft</td>
<td>Rs. 80/-</td>
<td>Rs. 119/-</td>
<td>Rs. 1100 to 1599</td>
</tr>
<tr>
<td>Type 'D'</td>
<td>251</td>
<td>600 sft</td>
<td>Rs. 52/-</td>
<td>Rs. 64/-</td>
<td>Rs. 501 to 1099</td>
</tr>
<tr>
<td>Type 'E'</td>
<td>852</td>
<td>400 sft</td>
<td>Rs.* 16/-</td>
<td>Rs. 46/-</td>
<td>upto Rs. 500/-</td>
</tr>
<tr>
<td></td>
<td>380 sft</td>
<td></td>
<td>Rs. @ 24/-</td>
<td></td>
<td>Rs.+26/-</td>
</tr>
</tbody>
</table>

* upto quarter number 500
@ From quarter number 501 to 552
+ From quarter number 553 to 825

There are two pair price shop, Consumer's Cooperative store Bank, Post Office etc.
SOCIAL SECURITY:

The corporation has provided various social security measures for the benefit of employees. The statutory and non-statutory measures are given here under.

1. **Provident Fund**:

All employees are covered by the compulsory contribution of P.F. Scheme. The rate of contribution is 8% of employees total salary and equal amount is contributed by the employer every month and credited to the individuals account. The employees have the option to contribute any amount towards the fund, loan facilities and payment towards life insurance. Policies also provided as per the P.F. rules.

2. **Gratuity**:

Employees whose salary is up to ₹1000/- per month are covered under the gratuity act 1972. Gratuity @ 15 days wage is payable to employees on completion of 5 years service subject to maximum 20 months wage and subject to laid down in the act. For other employees (not covered under the gratuity act 1972) has been covered under the gratuity scheme organization according to which employees are entitled to gratuity @ 15 days wage for each completed year of service subject to the maximum of 15 month wage and maximum of ₹24000/-.
The qualifying service for the gratuity is 10 years and the same is payable on retirement or 30 years service in the organisation. No Gratuity is payable on registration.

**Family Pension :-**

Before the Government of India formulated family pension scheme the corporation had its scheme for which an employee could opt at his discretion for which he had to forego 25% of gratuity payable to him. Under the Government family pension 1971, the employees can contribute as per provision laid down in the scheme and condition of 25% of amount of Gratuity at the time of retirement has been withdrawn.

There are some other schemes are working i.e. workmen compensation scheme. Death benefit scheme exgration Payment Scheme, Group Insurance Scheme.

**Working Condition, Including Shift and Hours Of Work Leave And Holidays :-**

The plants are sophisticated and automatic, working condition in the factory are fairly good as per the provision of factory act, there is adequate arrangement for lighting, ventilation, washing facilities, change room, latrines, urinals, lockers, lunchroom, canteen etc. The work place in Adom Block are quite clean and neat. "Good house keeping
Committee" visits periodically the various plants and ensure cleanliness. Since the factory is running round the clock the operational and maintenance is detailed in three shifts i.e. 1st 6 a.m. to 2 p.m.
IIInd 2 p.m. to 10 p.m.
IIIrd 10 p.m. to 6 a.m.

In addition to three shift the other operational and maintenance staff in technical office work from 8 a.m. to 5 p.m. with one hour lunch break. The hour of work for ministerial staff are 36 hours in a week and technical and other personnel 48 hours in a week.

**Holidays and Leave :**

**Holidays** - 12 in a year (three National Holidays and 9(nine) festivals).

The employees are paid on additional days wage on national Holidays. When they are allowed a compensatory off in addition to days additional wage.

Contd. on page.
<table>
<thead>
<tr>
<th>Types of Leave/ Holidays</th>
<th>Categories of Employees</th>
<th>Rate of which Payment is made on Leave</th>
<th>No. of days allowed in a year</th>
<th>Qualifying condition, if any</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casual Leave</td>
<td>All monthly rated regular employee</td>
<td>Full pay</td>
<td>12 days Holidays &amp; Weekly offs during the spell of leave not treated as C.L.</td>
<td>Worked for one full calendar year</td>
</tr>
<tr>
<td>Earned Leave</td>
<td>-do-</td>
<td>Full pay</td>
<td>One day for every 11 days of duty. Holidays and weekly off not treated as apart of leave</td>
<td></td>
</tr>
<tr>
<td>Medical Leave</td>
<td>-do-</td>
<td>Half pay</td>
<td>20 days on half pay or 10 days with full pay</td>
<td></td>
</tr>
<tr>
<td>Extra Ordinary Leave</td>
<td>-do-</td>
<td>Without pay</td>
<td>One month in a year</td>
<td></td>
</tr>
<tr>
<td>Maternity Leave</td>
<td>-do-</td>
<td>Full pay</td>
<td>Under provision of State Acts and Rules</td>
<td></td>
</tr>
<tr>
<td>(Female)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quarantine Leave</td>
<td>-do-</td>
<td>Full pay</td>
<td>20 days</td>
<td></td>
</tr>
<tr>
<td>(All)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Study Leave</td>
<td>-do-</td>
<td>Without pay</td>
<td>2 years during the entire service</td>
<td>On the discretion of Management</td>
</tr>
<tr>
<td>Special Casual Leave</td>
<td>-do-</td>
<td>With pay</td>
<td>Maximum upto 30 days</td>
<td></td>
</tr>
<tr>
<td>Special Leave</td>
<td>-do-</td>
<td>With pay</td>
<td>Maximum 6 months during the entire service on recommendation of M.O. authorised &amp; No any leave on his credit</td>
<td></td>
</tr>
<tr>
<td>National Holiday</td>
<td>All monthly rated regular employee</td>
<td>With pay</td>
<td>3 days</td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>-----------------------------------</td>
<td>----------</td>
<td>-------</td>
<td></td>
</tr>
<tr>
<td>Festival Holiday</td>
<td>-do-</td>
<td>With pay</td>
<td>5 days</td>
<td></td>
</tr>
</tbody>
</table>

**CONT'D. FROM PAGE**
Absenteesm :-

The rate of absenteesm in F.C.I. Gorakhpur varies from 14% to 18%. Most of the workers are from local areas and they remain absent always during the harvesting and sowing seasons. An other reason of high rate of absenteesm is libral provision of leave rule. The absenteesm rate is worked out taking into account the authorised leave.
CHAPTER VI

TRADE UNIONS AND PARTICIPATIVE SCHEMES:

TRADE UNIONS:

At present there are five (5) Registered Union in GKF unit having affiliation to various Political Organisation.

1. National Fertilizer Factory Workers Union.
2. Fertilizer Karkhana Mazdoor Union.
3. Fertilizer Karkhana Kamgar Mazdoor Union.
4. Rashtria Urvarak Karkhana Mazdoor Union.
5. Rashtria Khad Karkhana Shacamic Sangh.

1. National Fertilizer Factory Workers Union:

With the start of this project in the 1965, a union affiliated to (INTUC). Indian National Trade Union Council was registered and management accorded recognition to it under the code of Discipline on 26.6.1965. Shri Kashi Nath Pandey ex-member of Parliament was President of this union from the begining to the Congress Party bifurcated into two capms. Shri Kasinath Pandey was the follower of
'Syndicate Group'. The General Secretary of the same union Mr. Ram Nath "BHARTI" a trade union leader, however belongs to the Ruling Congress Party.

Due to this bifurcation of Congress Party there was a strong tussle between the office bearers of the union. So that the management could not negotiate with either of them due to dotious reason. There were no clear direction from (N.F.F.W.U.).

In July 1972 a communication received from State Trade Union Registration that the group lead by Shri Ram Nath "BHARTI" was the real successor of the N.F.F.W.U. recognised by the labour Department and INTUC. On this the other group lead by Kashi Nath Pandey suit a file in Civil Court.

In the mean time the members for med and registered new union in the name of "Rashtria Urvarak Karkhana Mazdoor Union" in 1973.

2. Fertilizer Karkhana Mazdoor Union :-

The Union came in to existence during the construction stage with a view to help the oustees to seek employment in F.C.I. in Gorakhpur Unit. The main source of guidance was from the Socialist Party of India. During the
year 1965 it demonstrated a violent Dharna which resulted in Police firing to maintain Law and Order situation. Thus from very inception of this union, it started with aggressive design towards the management having no constructive approach at all. At the time of inauguration the union representative played black flag before the Prime Minister Smt. Indira Gandhi. The Leader of this union was Mr. Rama Kant Pandey.

3. **Fertiliser Karkhana Kamgar Mazdoor Union:**

   This union was registered in the year 1967 and has been affiliated to JANA SANGH. The union is functioning merely on paper. Recently they claim associated with Bhartia Mazdoor Sangh which is an offshoot of Sana Sangh. It has no following in workers of the factory.

4. **Bhartia Khad Karkhana Shramic Sangh:**

   This union was registered in August 1974. The group is being lead by Hari Madho Pandey. The union trying to attract the workers to join union but response is not very considerable. So that up till now this union has not come up with any concrete demand before the Management.

5. **Rashria Urvark Karkhana Mazdoor Union:**

   This union came into existence, as I have already pointed out in description of N.P.F.W.U. One group dis-
associated themselves from N.F.F.U. When they formed union in June 1973 under the presidency of Shri J.C. Dixit. This union is neither affiliated with I.N.T.U.C. nor recognised with management.

By far the most important changes introduced after August 1973 pertains to the area of Human Industrial Relation. A vigorous and systematic campaign was undertaken to bridge the workmen and the management as a result of strike that had taken place in late 1972. Sound personnel policies were laid down and consequently enforced to develop the confidence of the workmen and to bring about a change in their outlook, values and attitude towards the management and its policies.

**Method of Dispute Settlement:**

Litigation is never restored to by the union or management and most of the disputes between the workers and management are settled mutually across the table through negotiation. However, where the disputes are not settled mutually, they are referred to the appropriate Labour Court as per the provision.

**Collective Bargaining:**

The F.C.I. Gorakhpur Unit Management and recognised
union believed in philosophy of collective bargaining and have practiced the same. A meeting with the representative of workers union and management is held frequently.

**Grievance Procedure:**

Code of discipline adopted by the Indian Labour congress at its 16th session held at Nanital at May 1958. Highlightened the need for a Grievance Procedure on an agreed basis. The Organization formed its own grievance procedure for redressal of grievance of employees which came into effect on 1-6 1965. The procedure provides four stages for redressal of the grievance.

1 - Verbal representation to immediate supervisor
2 - Written representation to Plant Incharge in Form No.1.
3 - Written representation in Form No.II to Head of the Department.
4 - Written representation to the Grievence Committee.

These four steps are to be adopted successfully one by one and the employee is not satisfied with the decision of earlier step. In the event of any difference of opinion amongst member of committee. General Manager's order are considered final. The employees are satisfied with this procedure and generally grievances are settled at first second or third stage.
WORKS COMMITTEES:

Under Section 3 of Industrial Dispute Act 1947:

The works committee in F.C.I. GKP is running efficiently. There are 12 members in this committee. There are six members of this committee belong to management side while six came from labour side. Workers representative were elected number by the secret ballot in an absolutely fair and impartial method for which facilities were afforded by the management. However since there are more than 1 (one) union functioning in F.C.I. GKP. So there were the representative of the all union representative of the management side were nominated.

Joint Consultative Committee as Envisaged by the Draft Model Arrangement Regarding Establishment Of Council Of Management:

On 30th October 1966 Ministry of Labour and Employment and Rehabilitation issued a circular vide which it required Public Sector undertaking and other establishment council and to explore the possibilities of converting Emergency Production Committee to shoulder the task of Training and preparing workers for running of canteens. Co-operative Stores etc. The Committee of Public Undertaking (Third Lok Sabha) in its report Fertiliser Corporation of
India expressed the hope that corporation should take necessary action to organise Joint Management Council. According to a draft agreement embodying the scope and function of proposed Joint Management Council was reached by the management informally in consultation with the recognised union. The said agreement was more or less model agreement with some changes. A Joint Management Council have been constituted. A part from this Joint Management Council 13 more bipartite committees have been constituted to improve the industrial relation of the factory. Name of the committees are given below.

1. Industrial Relation Committee
2. Canteen Management Committee
3. Hospital Management Committee
4. Joint Productivity Committee
5. Township Committee
6. Sports Committee
7. Manoranjan Kendra Committee
8. Joint Safety Committee
9. School Management Committee
10. Central Grievance Handling Committee
11. Good House Keeping Committee
12. Suggestion Handling Committee
13. Joint Project Committee and Lastly

JOINT MANAGEMENT COUNCIL.
INDUSTRIAL RELATION COMMITTEE

Management's Representative :-

S/Slr
1. P.L. Qunia - Chief Exe. Officer
2. S.T.H. Zaidi - Chief Engineer (P)
3. N.S. Bhatnager - Chief Engineer (TS)
4. P.O. Joseph - Finance Manager
5. S.C. Singh - Dy. C.E. (I.A.)
6. R.N. Pandey - Personnel Officer

Worker's Representative :-

S/Slr
1. O.F. Singh - Optr. Gr.-I
2. S.C. Shrivastava - U.O.C.
3. B.B. Singh - Sr. Counter Clerk
5. Dan Bahadur - Gangman
7. Om Prakash - S.S.M. (P)

SHRI. S.K. WALIK - CHAIRMAN

Dy. General Manager.
FUNCTIONS :-

1. To take measures to create and maintain cordial atmosphere wherein production and productivity can progress unimpeded.

2. To examine collective grievances of the workers connected with payment of wages, bonus, leave, fringe benefits and make suitable recommendations leading to their solution.

3. To review the administration of standing order and suggest such amendments as may be considered necessary.

4. To make recommendations regarding the schedule of holidays to be observed in a year.

5. To observe that the bilateral agreements entered into with the union are duly and faithfully implemented.

6. To resolve disputes and difference on matter connected with industrial relations by negotiation, discussion with a view to have the way for bilateral agreements on such differences and disputes.

7. To examine all complaints regarding unfair labour parties.

8. Such other functions as may be assigned to it by the management.

9. To ensure that the provision of Industrial Law and code of Discipline are duly observed by the parties concerned.
# Canteen Management Committee

**Management Representative :-**

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<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>1.</td>
<td>B.S. Ahluwalia</td>
<td>Dy. M.N.</td>
</tr>
<tr>
<td>2.</td>
<td>Dr. V.C. Gupta</td>
<td>Sr. Specialist</td>
</tr>
<tr>
<td>3.</td>
<td>S. Navlan</td>
<td>Dy. F.M.</td>
</tr>
<tr>
<td>4.</td>
<td>I.K. Nagpant</td>
<td>Sr. F.O.</td>
</tr>
<tr>
<td>5.</td>
<td>R.P. Chaturvedi</td>
<td>Welfare Officer</td>
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**Worker's Representative :-**

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<th>No.</th>
<th>Name</th>
<th>Position</th>
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<tr>
<td>1.</td>
<td>Bechan Prasad</td>
<td>U.D.C.</td>
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<tr>
<td>2.</td>
<td>R.J. Sharma</td>
<td>Lab. Attendant School</td>
</tr>
<tr>
<td>3.</td>
<td>R.B. Yadav</td>
<td>Tech. I. (Amm/Mech)</td>
</tr>
<tr>
<td>4.</td>
<td>Ram Awadh</td>
<td>Sr. Operator</td>
</tr>
<tr>
<td>5.</td>
<td>S.S. Prasad</td>
<td>S.A.C. (Aages)</td>
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**SHRI. P.L. FUNIA - CHAIRMAN**

Chief Executive Officer.

**FUNCTION :-**

The function of the Canteen Management Committee, broadly speaking, shall be the same as envisaged in Rule
68 (19) of the U.P. Factories Rules, 1950 as amended from time to time.

1. Advise on the quality and quantity of food stuff to be served in canteen.
2. The arrangement of Menues.
3. Timings of the opening and Closing of Canteen for Tea Service/meal etc.
4. Any other Matter that many be assigned to it by the Management.

HOSPITAL COMMITTEE

Managements Representative :-
S/Shri
1. Chief Medical Officer
2. Dr. S.C. Jain - Dy. C.M.O.
3. Dr. S.K. Gupta - Sr. E.O.
4. S. Navlan - Dy. F.E.

Workers Representative :-
S/Shri
1. S.S. Prasad - Operator I. (Urea)
2. H.P. Gupta - S.A.C.
3. Mohd. Saleem, Canteen Waiter
4. S.C. Gupta - Sr. Optr. (Ammonia)

SHRI. P.L. PUNIA - CHAIRMAN
Chief Executive Officer
FUNCTIONS :-

1. Study the existing procedure for dispensing medical attendance & treatment and suggest improvements.

2. To suggest measures for improving the health and welfare of the employee particularly those working on such jobs as from the point of view of health are considered hazardous.

3. To look all arrangements connected with administration of hospital like conveyance of serious cases to hospital, referred cases to civil hospital and other hospitals in the city, facilities being provided to indoor patients, diet to entitled patients etc, and pinpoint the areas where such arrangements, facilities are inadequate or deficient.

4. To take measures to ensure that the scale and standard of medical treatment in consistent with provision contained in this regard in the Medical attendance & treatment rules of Fertilizer Corporation of India Limited.

5. To make recommendations regarding the rehabilitation of employees who are disabled as a result of injuries or disease.
JOINT PRODUCTIVITY COMMITTEE

Management Representative:

S/Shri

1. N.S. Bhatnagar - C.E. (T.S.)
2. Harbans Singh - C.E. (M)
3. S.T.H. Zaidi - C.E. (P)
4. H.M. Pathak - Addl. C.E. (E)
5. J.D. Gupta - Addl. C.E. (Instit.)
6. H.S.P. Shrivastava - Addl. C.E. (P)
7. S.N. Chaubey - Addl. C.E. (P)

Workers Representative:

S/Shri

1. S. Prasad - Tech. I. (Instit./W.Shop)
2. L.N. Pandey - Optr. I. (Bagging)
4. S.N. Bhushan - Sr. Tech. (Elect.)
5. A.K. Verma - Sr. Optr. (Ammonia)
6. V. Bahadur - Storeman (Stores)
7. R.S. Shrivastava - Sr. F.I.O. (IE Deptt.)
8. Gulab Singh - Sr. Tech. (M/Auto)

SHRI. S.K. MALIK - CHAIRMAN

Dy. General Manager.
FUNCTIONS :-

1. To maximise production and productivity by operating plant at optimum level of efficiency
2. To adopt measures for introduction of M.B.O. programmes.
3. To undertake value analysis in major areas to cut down cost.
4. Such other measures that may be adopted by the committee to achieve the overall objective.

TOWNSHIP COMMITTEE

Managements Representative :-
S/Shri
1. H.M. Pathak - Addl. C.E. (E)
2. D.D. Gupta - Addl. C.E. (C)
3. I.K. Naugpant - Sr. Pers. Officer
4. D.D. Kapore - Sr. Admn. Officer

Workers Representative :-
S/Shri
1. Sardar Pd. - Optr. I. (Ammonia)
2. M.P. Gupta - Optr. I. (Urea)
3. Raja Ram - S.S.M. (Mech/SGP)

SHRI. N.S. BHATNAGAR- CHAIRMAN
Chief Engineer (TS)
FUNCTIONS:

1. To consider the cases of allotment of houses on out of turn basis and make recommendations.

2. To identify essential categories of staff for the purpose of the recommendation at (1) above.

3. To consider applications received from shop keepers for allotment of plots/site or shop.

4. To suggest action in case of shop-keepers, licensees of plots etc. who commit default in the terms and conditions of allotment of site/plots/shop etc.

5. To develop picnic plots, lawns, undertake road side plantation of trees etc.


7. To investigate all complaints received regarding the allotment of house, shops, plots and submit its findings.

SPORTS COMMITTEE

Managements Representative:

S/Shri

1. S.T.H. Zaidi - C.E. (P)
2. J.S.K. Bhagat - C.T.W.
3. P.O. Joseph - F.W.
4. I.K. Nagpaul - S.P.O.
5. Hardwar Singh - Adm. Officer
6. Avadh Naresh - Sprts Organizer.
**Workers Representative:**

S/Shri

1. Dinesh Kumar - Tech. I. (M)
2. Triveni Pd. - Sr. Tech. (M)
3. J.P. Pandey - Tech. I. (M)
4. H.D. Verma - Teacher
5. J.P. Yadav - Optr. II
6. Promod Kumar - S.S.M. (Mech)

**SHRI. P.L. PUNIA** - CHAIRMAN

Chief Executive Officer

**FUNCTIONS:**

1. Promotion of Clubs and Centers for recognised sports and Games.
2. Co-ordination of club center activities.
3. Arrange outside team to give exhibition games.
4. Organization of games and tournaments amongst the constituents club and section and outside teams.
5. Provision and maintenance of playing fields and other sports equipments either by purchase, hire or by loan.
JOINT SAFETY COMMITTEE

Managements Representative :-

S/Shri

1. K.N. Baijal - Addl. C.E. (M)
3. Shah-Abedi - Safety Officer
4. R.P. Chaturvedi - Welf. Officer

Workers Representative :-

S/Shri

1. T.N. Chauhan - Fire Leader
2. P.C. Arya - Assistant
3. S.K. Prasad - Optr. Gr.I
4. D.B. Singh - Tech. I. (Elect)
5. V.K. Shrivastava - Lab. Tech. (Med.)

SHRI. S.T.H. ZAIIDI - CHAIRMAN
Chief Engineer (F)

FUNCTIONS :-

1. To ensure that the provisions relating to safety contained in the factory act 1948 and U.F. Factories Rules are duly implemented in all respect.
2. To study or review the safety measures already taken for ensuring the safety of employees and equipments and suggest;
(a) The direction in which a particular safety measures needs to be strengthened
(b) The additional safeguards to be incorporated in any area of operation and activity
(c) The modifications of existing measures where ever necessary.

3. To promote safety consciousness amongst the employee by holding seminar, exhibitions, fit shows, display of posters etc.

4. To take suitable prevention measures against factor responsible for causing accidents.

SCHOOL MANAGEMENT COMMITTEE

Office Bearers :-

1. Shri O.P. Agarwal - General Manager - Chairman
2. Shri P.L. Punia - Chief Executive - Vice-Chairman
3. Shri P.O. Joseph - Finance Manager - Treasurer
5. Shri V.P. Khare - Principal - Jr. Secy. (Ex-Officio)

Members :-

1. Shri R.M. Aggarwal - Sr. Supdt. (Training Centre)
2. Shri D.D. Kapoor - Sr. Admn. Officer
3. Shri Dr. R. Chandra Shakhar - Corrosion Engineer (T.S.)
4. Shri K.D. Mukherjee – Sr. Welder  
5. Shri P.N. Yadav – Tech. Gr.I (Elec.)  
6. Shri S.P. Singh – Sr. Tech. (Mech.)  
7. Teacher's Representative ) As enjoined under education  
8. Teacher's Representative ) Code/Act/Regulation of U.P.

The committee shall look after the affairs of F.C.I. Higher Secondary School F.C.I. Primary and F.C.I. K.G. Schools. The other functions of committee will be the same as have been enjoined upon it by the aforesaid scheme of administration.

Central Grievance Handling Committee

Management Representative :–  
S/Shri  
1. Head of the Department of aggrieved employee.  
2. A.J. Joshi, Sr. Pers. Officer

Workers Representative :–  
S/Shri  
1. B.F. Maurya, Assistant  
2. Phool Deo Fd., S.A.S.

SHRI S.K. WALIK  I  CHAIRMAN  
Dy. General Manager
FUNCTIONS :-

All such individual grievances as are not resolved by the Head of the Departments shall be placed by Sr. Pers. Officer before the committee within three days of the receipt of the same from the Head of the Department.

The Committee will examine the grievance placed before it and take such decision as it may deem fit in each case.

The division of the committee will be communicated by the Senior Personnel Officers within seven days of the placement of the grievance before the committee.

SUGGESTION HANDLING COMMITTEE

Managements Representative :-
S/Shri
1. W.S. Bhatnagar - C.E. (TS)
2. Harbans Singh - C.E. (M)
3. S.T.H. Zaidi - C.E. (P)
5. I.K. Nagpaul - Sr. P.O.

Workers Representative :-
S/Shri
2. Kaloo Prasad - Sr. Assistant
The functions of the committee are to evaluate the suggestion received from the employees maintaining the impartiality and objectivity in deciding the quantum of reward, consistent with the merit often suggestion etc.

**JOINT MANAGEMENT COUNCIL**

**Managements Representative :-**

S/Shri

1. S.K. Malik - Dy. General Manager
2. P.L. Punia - Chief Executive Officer
3. N.S. Bhatnager - CE (TS)
4. Harbans Singh - CE (M)
5. S.T.H. Zaidi - CE (P)
6. A.K. Sinha - (Mts. Manager)
7. Chief Medical Officer
8. P.O. Joseph - (F.M.)
9. J.D. Gupta - Addl. C.E. (Instt.)
10. H.M. Pathak - Addl. C.E. (Elect.)
11. A.J. Joshi - Sr. Pers. Officer
Workers Representative:-

S/Shri

1. K.D. Mukerjee - Sr. Welder
2. Shreed Prasad - Optr. Gr.I
3. B.P. Maurya - Assistant
4. S.S. Prasad - Optr. Gr.I
5. Phool Deo Prasad - S.A.G.
8. B.B. Singh - Sr. Counter Clerk
9. P.N. Yadav - Tech. Gr.I (E)
10. Salamat A. Ansari - Optr. Gr.II

SHRI. O.P. AGARWAL - CHAIRMAN

Genral Manager

FUNCTIONS:-

1. To maximise production and productivity by operating
   the production unit at optimum level of efficiency.
2. To reduce cost and eliminate waste in all areas and
   evolve a machinery for granting awards and incentives
   to employees who contribute to maximise production.
3. To achieve maximum economy by observance of austerity
   measures.
4. To take all possible steps to ensure safety and
   security of the plant and machinery.
5. To ever see the functioning of all sub-committee such
   as welfare committee, good house keeping committee,
supply of essential commodities through consumer co-operative stores, etc.

6. To make maximum endeavour to settle all outstanding issues having bearing on industrial relation.

**IMPACT OF THESE SCHEMES ON PRODUCTION AND PRODUCTIVITY IN F.C.I. GORAKHPUR.**

Productivity means the ratio between the output & input in a plant, an industry or an economy as a whole. If we increase works efficiency, we increase productivity. It is generally said that the most effective method of raising the productivity is to link the employees earning to productivity. By paying full attention to various other aspects of working including the provision of adequate welfare amenities and facilities security of services safety and security in general and improvement in environmental condition. We raise the efficiency of workers which in turn increases production and productivity.

From the scope, functions and responsibilities of the J.M.C. and other committees, it is clear that they play a significant role in increasing the production and productivity of the organization provided they function vigorously and successfully.
In F.C.I. Gorakhpur the production target fixed on the basis of availability of Raw Material and Power.

**ATTITUDE OF WORKERS UNION MANAGEMENT IN F.C.I. GORAKHPUR**

The worker of F.C.I. GKP. are considered to be the best worker in whole of F.C.I.

The workers of the F.C.I. Gorakhpur are peaceful, Disciplined willing and have always extended full co-operation to increase the production and productivity. Since the introduction of new scheme of workers participation in management in F.C.I. Gorakhpur there has generally been understanding in the day to day relationship and by and large cordial atmosphere prevails in F.C.I. Gorakhpur.

The workers attitude towards management has been co-operative, constructive, conciliative. Both the union and the management realise the difficulties. The union representative are taking part in the JMC and various sub-committees and have shown an attitude of a disciplined team.

Since the members of the J.M.C. are nominated by local union itself and they are actively associated with the activities of organization right from the shop level committee, J.M.C. Decision at unit level are unanimous. In all the welfare and society programmes launched by the
management and increasing the production and productivity of the unit. The union roles in implementation of new scheme is commendable.

The Management has started series of workers productivity programme in collaboration with the National Productivity Council to enable them to embrace the new concept of workers participation in management in its true spirit special adult education scheme has been started to equip the workers mentally and intellectually for making their co-operative attitude and participation in management effective.

Although change in attitude taken longer time yet the initiative taken by the management has produced positive results and F.C.I. Gorakhpur can be proud of the fact that workers union and management are extending maximum co-operation to each other in sorting at the differences across the table which has resulted in cordial industrial relation.

The workers have now realized about their responsibilities. They have also realised that they can put forward their claims for which means are available. Thus this realisation through the media of J.M.C. on the part of the worker is great achievement.

Though this concept not only the worker have learnt that problems but management has also learnt number of things.
And this has proved of enormous help in running the organisation with marked efficiency.

I interviewed some workers from various departments i.e. production, maintenance, training centre, administration etc. In my interview with the worker, they expressed the feeling that through the working of J.W.C. there had been better industrial relation, better discipline and human relation, increased production have resulted in.
CHAPTER-VII

SUGGESTIONS FOR MAKING THE WORKERS' PARTICIPATION MORE EFFECTIVE.

Even though workers participation scheme in management is working successfully in F.C.I. Gorakhpur as is evident from achievement of production results and industrial discipline. But there is always scope for improvement and following suggestions can be utilised for enhancing the production and better participation of workers.

1. It is required to evolve and implement the appropriate educational and training programme in management for the workers who are not fully aware of the techniques of the modern management. So that their contribution in the field of management is positive and they evolve appropriate attitudes of good-will and co-operation.

2. The management and their part should be prepared to part with the information to the workers representative. So that they could make positive contribution in coming forward with valuable suggestions for increasing the production and productivity and in the decision making functions of the management.
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