Compensation Management in Unorganised Sector- A Study of Stone Crushing Industries in Mandya District

Dr.C. Nagaraju

Associate Professor of Commerce, Shanthi College, Malavalli

Abstract: *The present study intends to find out the compensation problem among the employees in the unorganised sector a study of stone crushing industries in Mandya District. Primary data were collected by conducting direct interview using questionnaire through likert scale. All the respondents were asked the same questions in the same fashion and they were informed the purpose of study. The tool of data collection to be used in this study is through structured questionnaire method; the necessary data is to be collected from 100 samples to be selected randomly in Mandya District. Similarly the necessary data is also to be collected from 13 employers of stone crushing industries. The data will be selected as samples and the data sol collected will be analysed using the appropriate statistical tools. The secondary data can be collected from the journals, concerned websites and district industries manual. For this study the samples were drawn using random sample method. The data collected through questionnaire have been analysed and tabulated.*

Introduction

Entrepreneurship is that capacity in an individual to innovate. It involves a whole range of aptitudes like capacity to bear risks, to forecast prospects of enterprise, confidence and competence in meeting unforeseen and adverse situation. An entrepreneur promotes a new venture, raises the where withal for it, assembles various factors of production and sets the business going. Hence economic development depends much upon entrepreneurship are directly related for it is the entrepreneur who establish industrial units. For any country industrialisation should be a natural process. In India both the state and the centralisation is on a few core areas in large scale sector. The medium and small scale sectors have not grown to the level expected due to the absence of dedicated entrepreneurs. Hence the government has assumed the responsibility of identification and promotion of entrepreneurs.

Need for development of entrepreneurship in India

- Accelerating the rate of economic development.

- Achieving the objective of balanced regional development by providing broad base to the industrial development.

- Solving the problem of unemployment to some extent.

- Directing available resources towards non-traditional areas of investment.

The unorganised sector plays a pivotal role in Indian economy. More than 90% of the workforce and at about 50% of the national product are accounted for by the informal economy, a high rate of socially and economically underprivileged sections of the society are concentrated in the

informal economic activities. The high level of growth of the Indian economy during the past 20 years is accompanied by increasing informalisation. There are symptoms of growing inter linkages between informal and formal economic activities. There has been new dynamism of the informal economy in terms of output, employment and earnings. Faster and inclusive growth needs special attention to informal economy. Sustaining high levels of growth are also intertwined with improving domestic demand of those engaged in informal economy and addressing the needs of the sector in terms of credit, skills, technology, marketing and infrastructure.

The terms unorganised and informal sector are often used interchangeably. The informal sector may be broadly characterized as consisting of units engaged in the production of goods or services with the primary objective of generation of employment and incomes to the persons. An extremely high percentage of India's workforce is estimated to be employed in the unorganised sector. Informal labour has indifference instantaneous been viewed as labour engaged in urban small scale enterprises as self-employment labour engaged in "traditional activities" as wholly unskilled labour and as labour whose use is not subject to any rules or regulations. But none of this has any sound conceptual foundation. Informality doesn't imply a particular mode or location of labour use. Informal labour can be in self-employment, casual wage employment and in regular wage employment, just as it can be an urban as well as in rural areas. There is little reason to think that unorganised labour must be confined to traditional and modern activities. We do not need to assume that informal labour is unskilled, but we need only to recognise that its skills are acquired outside the formal education system. All the more in the context of neo-liberal economic policies of hire and fire where an

organised sectors. It is getting inormalized through contractualization, casualization and outsourcing of labour. There are workers who are equally educated and skilled, work better in so many organised sectors.

Indian economies characterised by the existence of a vast majority of unorganised labour employment. As per the economic survey 2007-08, over 93% of Indian workforce are self-employment and employment in unorganized sector. The ministry of labour, government of India is classified the unorganised labour course to four groups in terms of occupation, in terms of nature of employment, in terms of special distressed categories and in terms of service categories.

1. **In terms of occupation**: Small and marginal farmers, landless agricultural labours, fisherman, animal husbandry, beedi rolling, labelling and packing, building construction workers, local workers, weavers, artisans, salt workers, workers in brick industries and stone quarries, workers in sawmills, oil mills comes under this categories.

2. **In terms of employment:** Bonded labours, migrant workers, contract and casual labourers come under this category.

3. **In terms of special distressed category:** Toddy tappers, scavengers, carriers of head loads, animal driven vehicle drivers, loaders and unloaders are come under this category.

4. **In terms of service categories:** Midnights, domestic workers, barbers, fisherman and women, vegetables and fruit vendors comes under this category.

The availability of statistical information on intensity and accuracy of unorganised sector are very significant. The percentage of unorganised workers is significantly high in agriculture activities, building and construction activities and home based activities. According to economic survey 2007-08 agricultural workers constitutes the largest segment of workers in the unorganized sector. The latest report on national sample survey organisation disclosed the fact that by May 2011 the casual workers in India between 2004-2005 and 2009-2010 compared to that of period between 1999 -2000 and 2004 -2005 clearly shows that there is a significant increase in the number of casual workers and decrease in the number of regular workers. This report shows a substantial shift between 1999-2000 and in force which can be divided into self-employed, regular and casual workers.

Unorganised sector have no social security

No doubt the informal sector is not a separate and closed circuit of work and labour. There is an interaction between formal and informal sectors and dependence of the later on formal and even its subordination to it. With the new liberal economic policy there is a wide spread in informalisation of the formal sector through downsizing casualization and contractualization. In other words capitalist become richer and richer by squeezing the lifeblood of the working force. Workers in the unorganised sectors, unlike their counter parts in the organised sector have no social security, little negotiating power in terms of choice of work are often unskilled and work in poor conditions. However, the unorganised sector is extremely complex and there are wide differences in nature of work, employer- employee relation, wage levels, degree of informality size of enterprise and skill of across the sector. On the one hand there are tribal communities who collect forest produce for a contractor and on the other hand there are piece rate workers who do not have direct employee relationship. Similarly, a stone cutter or quarry worker are does not have a direct employer who would be responsible for workers benefits.

The first national commission on labour defined unorganised sector as "That part of the workforce who have not been able to organise in pursuance of a common objective because of constraints such as casual nature of employment, ignorance and literacy, small size of establishments with low capital investment per person employed, scattered nature of establishments and superior strength of the employer operating singly or in combination." The second commission of labour recognizes several characteristics of the enterprises and employment in the informal sector which makes workers in this sector extremely vulnerable. It also mention that decline in direct employment an increase in trend to recruit workers through contractors as specially variable in areas of home based workers.

Contribution of the unorganised sector

Dominance of informal employment has been one of the central features of labour market scenario in India. Though the unorganised sector employs the majority of the workforce, its economic contribution is often neglected. The international labour organisation report "Decent work and the informal economy 2002 "states that the informal economy contributes to economic growth in atleast two ways.

Firstly, the output and low wages of informal workers assist the growth of industries in many countries. Secondly, the output of informal enterprise also contributes to economic growth.

The national council of applied economic research calculated that the organised sector generated 62% of GDP, 50% gross national savings and 40% of national exports (chen-et-al 2001).

But conditions of workers who create such an amount of GDP are absent though there are many labour laws in India are genetic enough to apply to unorganised sector, these are rarely followed. The majority workers working in the unorganised sector are unaware and consider the loss is not relevant to this situation.

As per the latest estimation of the subcommittee of the national commission for enterprise in the unorganised sector, the contribution to unorganised sector to GDP is about 50% (NEEUS 2008). This national level pattern of unorganised sector workers occupying 90% of works is almost more in case of the prominent states in the country. The issues regarding the sector is largely country specific and its many manifestation are too been viewed and analysed in that context. Some of the most important points to our study are working conditions, earnings, labour rights and safety conditions of work. The majority of the **Sengupta Committee** reports highlights that about 90% to 93% of work force would be employed in the unorganised sector by 2017. This clearly indicates that the contribution of the unorganised workers to the Indian economy is more significance. Hence there is an urgent need to study the problems of unorganised workers.

The national commission for enterprises in the unorganised sector headed by Prof. Arjun Sengupta appointed by the union government in September 2004 to make recommendations to improve the working conditions of workers in the unorganised sector. According to this commission, almost the entire sector in India can be characterized as informal, while 80% of the workers in uniform sector, 90% of the poorer or casual workers and almost 75% of the self-employed are poor. An analysis among informal workers shows that almost 98-99% of those engaged in agriculture, construction and trade works are illiterate. Among other sector 90% of the unorganised workforce is found to be illiterate. The 2007 report of the national commission for enterprise in the unorganised workforce is that Indian agriculture is feminized with 73% women being associated with agriculture compared to 52% of men.

Compensation role in unorganised sector

According to national council for enterprise in unorganised sector report 2007, 92% of the total workforces are part of the unorganised sector. According to NSS 64th round table (2004-2005) out of the total estimated workforce of 457.5 million workers 148 million are women (38%), out of the total female workforce of 148 million 96% of the female workers are in unorganised sector making a overwhelming proportion of women workers in low paid, unskilled jobs, works in unorganised sector unlike their counterpart in the organised sector have little or no worst conditions. However unorganised sector is extremely complex and there are wide differences in nature of work, industrial relation, levels of wage, degree of informality, size of enterprise and skill across the sector, on the other hand tribal communities who collect forests produces for a contractor and on the other hand there are stone cutters in quarries or piece rate workers who do not have direct employer – employee relationship.

Statement of the problem

Unfortunately workers compensation becomes a battle of ground between employees and employers. The winning strategy for workers

compensation in unorganised sector is to prevent absenteeism, employee's injuries through pro-active and preventive management beginning with zero absenteeism and injury philosophy and culture. The workers compensation system exists to protect the rights of injured employees and their employers alike. Workers compensation does not have to be a zero sum game with winners and losers but it can be win-win game achieved by neutralizing the negative aspects.

In every organisation it is important to make workers compensation a team spirit but not an individual spirit. It takes team effort to win at workers compensation. It is evident through field visit and pilot study, working condition of workers in stone crushing industries is pathetic. Moreover compensation is paltry, accidents are very frequent, safety and security of the employees is negligible. The safety organisation is the most efficient although trade-off between safety and cost may occur. Management needs to establish safety and security as core value of the organisation.

Review of literature

The researcher has carried out review of literature relating to the compensation management at micro and macro levels. As compensation place a pivotal role in the organisation, the researcher has made an attempt to review literature of the studies in compensation management conducted by the individual and the organisation across the world. The literature survey was conducted mainly to identify the gap of the research carried out so far, several authors and institutions have conducted study pertaining to compensation management. A brief overview of the existing literature is as follows:

1. **Keith Heart 1971** highlighted that landscape of the unorganized sector becomes synonymous with the landscape of unregulated, poorly skilled and low paid workers.

2. **NCEUS – National Commission for Enterprise the Unorganised Sector (2007)** explains that the country is currently a state of informalisation of the formal sector, where the entire increase in the employment in the organised sector has been informal in nature from 1999-2005.

3. **DB Squared, LIC, 2829 MCKEE circle – suite 119, Fayetteville, AR72703, USA 2001** explains that committed and ambitious employee acquisition and retention begins with compensation management. They have also opined that best in class compensation management requires comprehensive and systematic understanding of external factors like employee's data, job analysis and descriptions.

4. **David Recordo 1817** says that labours are paid to enable them to substitute and perpetuate the rate without increase. Wage theory according to him based on the assumption that if the workers paid more than subsistence wage, their numbers would increase as they would procreate more and this would bring down the rate of wages. If the wages fall below the subsistence level, the number of workers would decrease as many would die anger malnutrition's disease and many would not marry, when that happens the wage rate would go up.

5. **Adam Smith 1790** highlighted that wages are paid out of a predestined fund of

wealth which lay surplus with wealthy persons, this could be utilized for employing labours for work, the demand for labourers and the wages that could be paid them were determined by the size of the fund.

6. **Carl Marks** opined that the labourer was not paid in proportion to the time spent on work but much less, and the surplus went over, to be utilized for paying for other expenses.

7. **Francis A Walkers** identified that there were four factors of production viz, land, labour, capital and enterprise. Wages represent the amount of value created in the production which remains after payment has been made for all these factors of production. In short, labour is the residual claimants.

8. **John Bats Clark and Pillips Henry Wicksted** highlighted that wages are based upon an entrepreneur's estimate of the value that will probably be produced by the marginal workers. Consequently workers are paid what they are economically worth. The result of this is that the employer has not paid a large share of profit to the non- marginal workers.

9. **John Davidson** argued that wages are determined by the relative bargaining powers of workers, and of employers when a trade union is involved. Basic wages, fringe benefits, job differentials and individual differences tend to be determined by the relative strength of the organisation and the trade union.

10. **Marsh and Simon et al.** have presented their views of wages and salary on the basis of the employee's acceptance of wage level and the internal wage structure etc.

Research Gap

The literature survey conducted could help to identify the research gap. Most of the studies which have been carried out previously could focus on compensation management of organised sector. Here the compensation with regards to unorganised sector with a special reference to some crushing industries has not been focused in the earlier studies. Therefore the researcher has made an attempt to study compensation management in unorganised sector keeping in view the management of compensation of stone crushing industries in Mandya district.

Need for the study

Government of India identified small scale sector as a priority sector and has announcing policies of its sustainable growth. For any development a systematic and realistic planning is essential for micro-industry, especially the development of unorganised sector. Indian economy is characterised by the existence of a vast majority of unorganised labour employment. As per the economic survey 2007-08, 92-95% of India's workforce includes the self-employed and employed in unorganized sector. The ministry of labour government of India has categorised the unorganised sector under four groups:-

a. In terms of occupation

b. Nature of employment

c. Distressed categories

d.   In terms of service categories

Scope of the study

Unorganised sector is a labour intensive industry. Informal labour has in different instance been viewed as labour engaged in urban small scale enterprises, as self-employment, as labour engaged in traditional activities, as wholly unskilled labour and as labour whose use is not subject to any rules. But none of this has any sound empirical foundation. Informality does not imply a particular location of labour use. Informal labour can be in self-employment, casual wage employment and regular wage employment just as, it can be in urban as well as in rural areas. We do not need to assume that informal labour is unskilled but only need to recognise skill and all the more in the context of the neo liberal economic policies of hire and fire where the organised sector itself is getting inormalized through contractualization, Casualization and Outsourcing of labour.

Compensation is a reward for the worker to work better and to join hands in the production process to strengthen the productivity and in term oh help to earn more profit. The alarming expansion of informal sector in recent times has adversely affected employment and income security program. In our global cities like Bengaluru, Kolkata, Chennai, Mumbai etc. which are being showcased as the new faces of an affluent and vibrant India. There are lakhs of people who rely on manual labour for their own livelihood. The housemaid, security guard, construction workers, stone crushing quarry workers etc., have a very different story to tell. Their compensation have not grown at the strength of their employers indeed adjusted for inflation, their incomes have after fallen over last 2.5 decades, driving them into deeper poverty.

Further the informal sector is characterized by excessive seasonal employment, preponderance casual and contractual employment, a typical production organisation and work relations. Absence of social security measures and welfare legislation, negotiation of social standards and workers rates, deny of minimum wages etc. Poor human capital base like education skill and training lower mobilization status of the workforce further added to the vulnerability and weaken the bargaining strength of unorganised sector. Thus the sector has become a competitive and low cost device to observe labour, which cannot be observed essentially, whereas any attempts to regulate and bring it into more effective legal and institutional framework is perceived to be impairing the labour observing capacity of the sector.

Globalization and resultant re-organisation of production change led to a situation where production system are becoming increasingly a typical and nonstandard involving flexible labour force engaged in temporary and part time employment which is seen largely as a measure adopted by the employers to reduce labour cost in terms of job security and social protection as they are derived any of the social protection measures stipulated in the existing labour legislation. The insecurities and vulnerabilities of the modern unorganised sector labour are on the rise, as there is a visible absence of workers mobilization and organised and collective bargaining in this segment owing a multitude of reasons.

Hence there is a wide scope for the study of compensation management in unorganised sector. The present study restricted to study the compensation management of stone crushing industries in Mandya district. There are 12 registered stone crushing industries running at present, but there are a number of unauthorized

stone crushing industries are found to be functioning.

Objectives of the study: Objectives of the study are:-

1. To discover what the workers need most

2. To find whether the needs are fulfilled

3. To expose what aspect are more important

4. To identify the areas that need more attention

5. To assess the compensation management problem

6. To suggest measures to sustain a sound wage policy

Research Methodology

This research will have a basis of primary and secondary data. As already mentioned employees in the unorganised sector are vulnerable. Nearly 98% of workforce is unorganised. The researcher has taken Mandya district (7 taluks namely Mandya, Maddur, Malavalli, Nagamangala, Srirangapatna, K.R. Pet and Pandavapura) for his study. The study was conducted in two stages namely,

1. Obtain the relevant information through questionnaire to employers managers; this was mainly to provide an insight about employer perception in compensation management.

2. Collecting information through questionnaire to workers. The researcher has covered all types of workers and he has adopted convenience sampling method to conduct survey of the workers.

The following table highlight the estimated labour force in the unorganised sector.

Years	GDP growth rate %	Employment (million)		percentage		
		Formal	Informal	Total	Formal	Informal
2004-05	Actual	32.79	368.35	401.13	8.17	91.83
2006-07	Actual	34.87	393.06	426.93	7.93	92.07
2011-12	9	34.54	453.13	487.67	7.08	92.92
	7	34.18	442.18	476.36	7.18	92.83
	5	33.83	431.4	465.23	7.27	92.73

	9	33.93	521.96	555.9	6.1	93.9
2016-17	7	33.08	490.46	490.46	6.32	93.68
	5	32.26	461.05	461.05	6.54	93.46

Source – Arjun Sen Gupta committee report

The date shows us that an estimated 93.46% of the labour force (at 5% GDP) will be employed in the informal sector by the end of the 12th five year plan 2012-17.

The issues regarding unorganised sector is largely country specific and its many manifestations are too been varied and analysed in the context. Some of the most burning issues to our study are, working conditions duration and durability of work, earnings, labours rights and safety conditions at work. The National Council of Applied Economic Research (NCAER) calculated that the informal economy or the unorganised sector generates about 62.5 of GDP, 50% of gross national savings and 40% of national exports. Numerous legislations about to regulate the conditions of work and to create social security for the workers of the organised sectors, but very few of them extend their scope to the vastly unregulated unorganised sector.

Details of Stone Crushing Units in Mandya District:				
Sl.No.	Name of The Units	Investment (lakhs)	Endproduct	Employment Total
1	Sri Chowdeshwari Stone Crusher	1.5	Stone Crusher	25
2	Sri Venkateshwara Stone Crusher	1.4	Stone Crusher	9
3	Sri Boredevara Stone Crusher	2.35	Stone Crusher	8
4	Chugiri Mineral Company	26	Stone Crusher	14
5	Sri Chaluvarayaswamy Stone Crusher	29.87	Stone Crusher	13
6	Harshi Crushev Industries	33	Stone Crusher	10
7	Sanmathi Stone Crusher	76	Stone Crusher	13
8	Yathin Stone Crusher	4.33	Stone Crusher	9
9	S T G Stone Crusher	290	Stone Crusher	18
10	Jayaboraiah Stone Crusher	2.3	Stone Crusher	11
11	Sri Mangala Stone Crusher	90	Jelly Crusher	82
12	Sri Marurthi Stone Crusher	37	Stone Crusher	9
				221

Survey analysis and interpretation

Introduction – compensation is one of many human recourse tools that organisation use to manage their employees. For an organisation to receive its money's worth and motivate and retain skilled employees, it needs to ensure that its compensation system is not an island by itself. It is important not only for an organisation to link compensation to the overall goals and strategies, it is important that its compensation system aligns with its human resource strategy. Needless to mention that, though the employees are the bread winners, but they are like an earning son in the family.

Unorganised sector makes workers extremely vulnerable, poor wages, irregular availability of work, extremely difficult conditions of work and little social security to fall back in case of contingency like ill health has made it necessary to put in place a legal framework and policy prescriptions that protect these workers.

There are 7 (seven) Taluks in Mandya district and 12 registered stone crushing units are operating throughout Mandya district. Since no detailed study is attempted on this vital aspect of compensation management the researcher has gone into the details of this critical issue. For this purpose an attempt has been made to analyse the methods of wage payment, safety and security, this was actually addressed through a survey conducted by him based on various issues relating to compensation.

The researcher has prepared questionnaire both for workers and employers/manager. Structured questionnaire contains part –I and part-II in which

profile of employers and workers based on likert scale was depicted the measures taken up by the employers about the compensation of workers. The researcher has selected the sampling size based on convenience sampling technique. The researcher has also employed simple statistical tools like mean, and simple regression analysis and standard deviation for computation and chi-square for the effective analysis and interpretation, besides testing the hypothesis.

The hypothesis has been designed based on the pilot study and these are reflected in the questionnaire and the schedule. The survey conducted would help   him to comprehend the SWOC analysis of stone crushing units with reference to compensation management. The response collected from the respondents have been analysed which will help unearth the findings on the study.

Hypothesis to test the objectives of the Study

1st Hypothesis:

Perception differences about the salary and wages in the organization:

Having collected perceptions from the three categories of respondents, it is worth examining the significance of differences in the perceptions of three categories of employees about the paltriness of salary and wages in the organization. The following hypothesis is postulated to measure the differences in perceptions:

H$_0$: Salary and wages are not paltry

H$_1$: Salary and wages are paltry

Table: Descriptive Statistics

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
						Lower Bound	Upper Bound
VAR00003	10000	10	1.0000	.00000	.00000	1.0000	1.0000
	10000-15000	30	1.0000	.00000	.00000	1.0000	1.0000
	15000-25000	60	1.0000	.00000	.00000	1.0000	1.0000
	Total	100	1.0000	.00000	.00000	1.0000	1.0000
VAR00004	10000	10	1.0000	.00000	.00000	1.0000	1.0000
	10000-15000	30	1.0000	.00000	.00000	1.0000	1.0000
	15000-25000	60	1.0000	.00000	.00000	1.0000	1.0000
	Total	100	1.0000	.00000	.00000	1.0000	1.0000
VAR00005	10000	10	1.0000	.00000	.00000	1.0000	1.0000
	10000-15000	30	1.0000	.00000	.00000	1.0000	1.0000
	15000-25000	60	1.1000	.54306	.07011	.9597	1.2403
	Total	100	1.0600	.42212	.04221	.9762	1.1438
VAR00006	10000	10	3.8000	.42164	.13333	3.4984	4.1016

	10000-15000	30	4.0000	.00000	.00000	4.0000	4.0000
	15000-25000	60	4.0000	.00000	.00000	4.0000	4.0000
	Total	100	3.9800	.14071	.01407	3.9521	4.0079
VAR00007	10000	10	3.8000	.42164	.13333	3.4984	4.1016
	10000-15000	30	4.0000	.00000	.00000	4.0000	4.0000
	15000-25000	60	4.0000	.00000	.00000	4.0000	4.0000
	Total	100	3.9800	.14071	.01407	3.9521	4.0079
VAR00008	10000	10	4.0000	.00000	.00000	4.0000	4.0000
	10000-15000	30	4.0000	.00000	.00000	4.0000	4.0000
	15000-25000	60	4.0000	.00000	.00000	4.0000	4.0000
	Total	100	4.0000	.00000	.00000	4.0000	4.0000
VAR00009	10000	10	3.0000	.00000	.00000	3.0000	3.0000
	10000-15000	30	3.0000	.00000	.00000	3.0000	3.0000
	15000-25000	60	3.0000	.00000	.00000	3.0000	3.0000
	Total	100	3.0000	.00000	.00000	3.0000	3.0000
VAR00010	10000	10	1.0000	.00000	.00000	1.0000	1.0000
	10000-15000	30	1.0000	.00000	.00000	1.0000	1.0000

	15000-25000	60	1.0000	.00000	.00000	1.0000	1.0000
	Total	100	1.0000	.00000	.00000	1.0000	1.0000
VAR00011	10000	10	5.0000	.00000	.00000	5.0000	5.0000
	10000-15000	30	5.0000	.00000	.00000	5.0000	5.0000
	15000-25000	60	5.0000	.00000	.00000	5.0000	5.0000
	Total	100	5.0000	.00000	.00000	5.0000	5.0000
VAR00012	10000	10	4.0000	.00000	.00000	4.0000	4.0000
	10000-15000	30	4.0000	.00000	.00000	4.0000	4.0000
	15000-25000	60	4.0000	.00000	.00000	4.0000	4.0000
	Total	100	4.0000	.00000	.00000	4.0000	4.0000
VAR00013	10000	10	3.0000	.00000	.00000	3.0000	3.0000
	10000-15000	30	3.0000	.00000	.00000	3.0000	3.0000
	15000-25000	60	3.0000	.00000	.00000	3.0000	3.0000
	Total	100	3.0000	.00000	.00000	3.0000	3.0000
VAR00014	10000	10	1.0000	.00000	.00000	1.0000	1.0000
	10000-15000	30	1.0000	.00000	.00000	1.0000	1.0000
	15000-25000	60	1.0000	.00000	.00000	1.0000	1.0000

	Total	100	1.0000	.00000	.00000	1.0000	1.0000
VAR00015	10000	10	1.0000	.00000	.00000	1.0000	1.0000
	10000-15000	30	1.0000	.00000	.00000	1.0000	1.0000
	15000-25000	60	1.0000	.00000	.00000	1.0000	1.0000
	Total	100	1.0000	.00000	.00000	1.0000	1.0000
VAR00016	10000	10	5.0000	.00000	.00000	5.0000	5.0000
	10000-15000	30	5.0000	.00000	.00000	5.0000	5.0000
	15000-25000	60	5.0000	.00000	.00000	5.0000	5.0000
	Total	100	5.0000	.00000	.00000	5.0000	5.0000

Source: Field survey

The above table displays the mean score, standard deviation and standard error and other statistics for the perceptions held by all the three categories of respondents.

The following table highlights the ANOVA results:

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
VAR00003	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			

VAR00004	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			
VAR00005	Between Groups	.240	2	.120	.669	.515
	Within Groups	17.400	97	.179		
	Total	17.640	99			
VAR00006	Between Groups	.360	2	.180	10.913	.000
	Within Groups	1.600	97	.016		
	Total	1.960	99			
VAR00007	Between Groups	.360	2	.180	10.913	.000
	Within Groups	1.600	97	.016		
	Total	1.960	99			
VAR00008	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			
VAR00009	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		

	Total	.000	99			
VAR00010	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			
VAR00011	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			
VAR00012	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			
VAR00013	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			
VAR00014	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			

VAR00015	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			
VAR00016	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			

Source: Field survey

From the above table it is clear that all variables have p value of less than 0.05 except one variable titled "compensation received is equal to the value of the work performed". The results indicate that there is a significant difference in the perceptions held by all the three categories of workers as the observed significance level is less than 0.05 and it is evident from the above analysis that the salary and wages are paltry.

2nd Hypothesis:

Perception differences about the effect of trade union in the fixation of wages in the organization:

Having collected perceptions from the three categories of respondents, it is worth examining the significance of differences in the perceptions of three categories of employees about the trade union in deciding rate of wages in the organization. The following hypothesis is postulated to measure the differences in perceptions:

H_0: Trade union does not affect the rate of wages

H_1: Trade union affects the rate of wages

Table: Descriptive Statistics

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound

VAR00003	10000	10	1.0000	.00000	.00000	1.0000	1.0000
	10000-15000	30	1.0000	.00000	.00000	1.0000	1.0000
	15000-25000	60	1.0000	.00000	.00000	1.0000	1.0000
	Total	100	1.0000	.00000	.00000	1.0000	1.0000
VAR00004	10000	10	1.0000	.00000	.00000	1.0000	1.0000
	10000-15000	30	1.0000	.00000	.00000	1.0000	1.0000
	15000-25000	60	1.0000	.00000	.00000	1.0000	1.0000
	Total	100	1.0000	.00000	.00000	1.0000	1.0000
VAR00005	10000	10	1.0000	.00000	.00000	1.0000	1.0000
	10000-15000	30	1.0000	.00000	.00000	1.0000	1.0000
	15000-25000	60	1.1000	.54306	.07011	.9597	1.2403
	Total	100	1.0600	.42212	.04221	.9762	1.1438
VAR00006	10000	10	3.8000	.42164	.13333	3.4984	4.1016
	10000-15000	30	4.0000	.00000	.00000	4.0000	4.0000
	15000-25000	60	4.0000	.00000	.00000	4.0000	4.0000
	Total	100	3.9800	.14071	.01407	3.9521	4.0079
VAR00007	10000	10	3.8000	.42164	.13333	3.4984	4.1016

	10000-15000	30	4.0000	.00000	.00000	4.0000	4.0000
	15000-25000	60	4.0000	.00000	.00000	4.0000	4.0000
	Total	100	3.9800	.14071	.01407	3.9521	4.0079
VAR00008	10000	10	4.0000	.00000	.00000	4.0000	4.0000
	10000-15000	30	4.0000	.00000	.00000	4.0000	4.0000
	15000-25000	60	4.0000	.00000	.00000	4.0000	4.0000
	Total	100	4.0000	.00000	.00000	4.0000	4.0000
VAR00009	10000	10	3.0000	.00000	.00000	3.0000	3.0000
	10000-15000	30	3.0000	.00000	.00000	3.0000	3.0000
	15000-25000	60	3.0000	.00000	.00000	3.0000	3.0000
	Total	100	3.0000	.00000	.00000	3.0000	3.0000
VAR00010	10000	10	1.0000	.00000	.00000	1.0000	1.0000
	10000-15000	30	1.0000	.00000	.00000	1.0000	1.0000
	15000-25000	60	1.0000	.00000	.00000	1.0000	1.0000
	Total	100	1.0000	.00000	.00000	1.0000	1.0000
VAR00011	10000	10	5.0000	.00000	.00000	5.0000	5.0000
	10000-15000	30	5.0000	.00000	.00000	5.0000	5.0000

	15000-25000	60	5.0000	.00000	.00000	5.0000	5.0000
	Total	100	5.0000	.00000	.00000	5.0000	5.0000
VAR00012	10000	10	4.0000	.00000	.00000	4.0000	4.0000
	10000-15000	30	4.0000	.00000	.00000	4.0000	4.0000
	15000-25000	60	4.0000	.00000	.00000	4.0000	4.0000
	Total	100	4.0000	.00000	.00000	4.0000	4.0000
VAR00013	10000	10	3.0000	.00000	.00000	3.0000	3.0000
	10000-15000	30	3.0000	.00000	.00000	3.0000	3.0000
	15000-25000	60	3.0000	.00000	.00000	3.0000	3.0000
	Total	100	3.0000	.00000	.00000	3.0000	3.0000
VAR00014	10000	10	1.0000	.00000	.00000	1.0000	1.0000
	10000-15000	30	1.0000	.00000	.00000	1.0000	1.0000
	15000-25000	60	1.0000	.00000	.00000	1.0000	1.0000
	Total	100	1.0000	.00000	.00000	1.0000	1.0000
VAR00015	10000	10	1.0000	.00000	.00000	1.0000	1.0000
	10000-15000	30	1.0000	.00000	.00000	1.0000	1.0000

	15000-25000	60	1.0000	.00000	.00000	1.0000	1.0000
	Total	100	1.0000	.00000	.00000	1.0000	1.0000
VAR00016	10000	10	5.0000	.00000	.00000	5.0000	5.0000
	10000-15000	30	5.0000	.00000	.00000	5.0000	5.0000
	15000-25000	60	5.0000	.00000	.00000	5.0000	5.0000
	Total	100	5.0000	.00000	.00000	5.0000	5.0000

Source: Field survey

The above table displays the mean score, standard deviation and standard error and other statistics for the perceptions held by all the three categories of respondents.

The following table highlights the ANOVA results:

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
VAR00003	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			
VAR00004	Between Groups	.000	2	.000	.	.
	Within	.000	97	.000		

	Groups					
	Total	.000	99			
VAR00005	Between Groups	.240	2	.130	.669	.515
	Within Groups	17.400	97	.169		
	Total	17.640	99			
VAR00006	Between Groups	.360	2	.180	10.913	.000
	Within Groups	1.600	97	.016		
	Total	1.960	99			
VAR00007	Between Groups	.360	2	.180	10.913	.000
	Within Groups	1.600	97	.016		
	Total	1.960	99			
VAR00008	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			

VAR00009	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			
VAR00010	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			
VAR00011	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			
VAR00012	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			
VAR00013	Between Groups	.000	2	.000	.	.

	Within Groups	.000	97	.000		
	Total	.000	99			
VAR00014	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			
VAR00015	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			
VAR00016	Between Groups	.000	2	.000	.	.
	Within Groups	.000	97	.000		
	Total	.000	99			

Source: Field survey

From the above table it is clear that all variables have p value of less than 0.05 except one variable. The results indicate that there is a significant difference in the perceptions held by all the three categories of workers as the observed significance level is less than 0.05 and it is evident from the above analysis that the trade union affects the rate of wages.

3rd Hypothesis:

Table showing workers opinion towards Safety and Welfare aspects of employees in the organization

Sl. No.	Questions/Statements	Mean Score	Standard Deviation
1.	Employee grievance redressal machinery is exist and functioning in the organization	3.00	0.000
2.	The existence of a sound channel through which a grievance may pass for redressal if the previous stage has found to be inadequate/unacceptable	1.00	0.000
3.	Industrial accidents result a multiplicity of factors	4.00	0.000
4.	The safety policies of the organization should determine by the management	1.00	0.000
5.	Management and supervisor must be made fully accountable for safety performance	1.00	0.000
6.	All employees should be given thorough training in safe methods of work and should receive continuing education and guidance	1.00	0.000
7.	Safety must be given equal importance consideration with that of other factors of production	3.00	0.000
8.	Safety must be included in all phases of planning, purchasing, supervision and operation	3.00	0.000
9.	Labour welfare is an important aspect of factory life	1.00	0.000
10.	The purpose of providing welfare amenities is it bring about the development of the whole personality of the worker	5.00	0.000
11.	Occupational diseases are the	1.00	0.000

	results of physical condition and the presence of industrial poisonous and non-poisonous dust in the atmosphere		
12.	Silicosis leads to painful death	4.00	0.000
13.	Adequate facilities for emergency care and injuries sustained in the course of work	4.00	0.000
14.	Proper first aid and treatment for occupational injuries and diseases are exists	4.00	0.000
15.	Provision for maintenance of adequate and confidential medical records are made	4.00	0.000
	Aggregate Mean score and Standard Deviation	**2.67**	**0.000**

Source: Field Survey

The above table highlights that the mean score varies from 1.00 to 4.00 and standard deviation results as 0.000. The aggregate mean score and standard deviation are 2.67 and 0.000 respectively. The aggregate standard deviation being equal to zero indicates consistency in the views expressed by the respondents.

The respondents agreed that the existence of a sound channel through which a grievance may pass for redressal if the previous stage is found to be inadequate/unacceptable, safety policies are determined by the management, Management and supervisors are accountable for safety performance, all employees should be given thorough training in safe methods of work and should receive continuing education and guidance, labour welfare is an important aspect of factory life and occupational diseases are the results of physical condition and the presence of industrial poisonous and non-poisonous dust in the atmosphere (Mean Score 1.00). Respondents made no comments for overall development of workers through welfare amenities provided by the organization (Mean score 5.00).

Inference: The safety and welfare aspects of employees in the organization is not properly followed and which is evident from the above analysis that the respondents disagreed with safety and welfare aspects of employees in the organization (aggregate mean score 2.67).

4th Hypothesis:

Table showing workers opinion towards working condition and motivation to employees in the organization

Sl. No.	Questions/Statements	Mean Score	Standard Deviation
1.	Development of better methods of	5.00	0.000

	production by labour are responsible for the increase in productivity		
2.	More difficult a job, the higher are the wages	3.04	0.281
3.	Managerial attitude have a decisive influence on the wage structure and wage level	4.00	0.000
4.	Psychological and social factors have a significant measure for the compensation	1.00	0.000
5.	Wage should be capable of effectively motivating the employees	3.00	0.000
6.	An incentive plan must consist of both monetary and non-monetary elements	1.00	0.000
7.	Timing, accuracy and frequency of incentives are the basis of successive	1.00	0.000

	incentive plans		
8.	Profit sharing scheme helps to promote industrial harmony and stabilization of workers	5.00	0.000
9.	Profit sharing scheme helps to eliminate waste in the use of materials and equipment	5.00	0.000
10.	Profit sharing scheme helps to instil a sense of partnership among employee and employers and to increase employees interest in the company	5.00	0.000
11.	Profit sharing scheme attract desirable employees and retain them, thereby reducing the rate of turnover and absenteeism	3.00	0.000
12.	Profit sharing encourage employers thrift and ensure employee security and	3.00	0.000

	demonstrate some measure of social justice to employees		
13.	Company offers benefits and services to increase and improve employee morale and creates a helpful and positive attitude on the part of workers towards their employers.	1.00	0.000
14.	Workers should not imagine that their only function is to secure higher wages and shorter hours of work and better working conditions	2.00	0.000
15.	Harmonious working relations between labour and management are essential for the smooth running of the organization	2.00	0.000
	Aggregate Mean score and Standard Deviation	**2.94**	**0.018**

Source: Field Survey

The above table highlights that the mean score varies from 1.00 to 5.00 and most of the variable's standard deviation results as 0.000. The aggregate mean score and standard deviation are 2.94 and 0.018 respectively. The aggregate standard deviation being less than zero indicates consistency in the views expressed by the respondents.

The respondents agreed that compensation management considers psychological and social factors with proper incentive plans as it consist both monetary and non-monetary elements. Best incentive plan is always based on timing, accuracy and frequency of incentives and Company motivates its employees by offering benefits and services to increase and improve morale and creates a helpful and positive attitude on the part of workers towards their employers (mean score 1.00). Respondents made no comments for the profit sharing scheme and its aspects adopted by the company (mean score 5.00)

Inference: The working condition and motivation to employees in the organization is not good enough and which is evident from the above analysis that the respondents disagreed with working condition and motivation to employees in the organization (aggregate mean score 2.94).

Summary of findings, Suggestions and Conclusion

In the previous chapter, the researcher could unearth various issues through a survey conducted. As already stated the researcher has administered questionnaire and gathered responses on various parameters envisaged in the questionnaire. The response has been gathered both from workers and the employers/managers and placed in part I and part II in chapter IV respectively, comprehensive survey conducted could help in tracing the following findings.

1. 100% of the employees are of the opinion that compensation means base wage and variable pay like bonus and incentives.

2. 100% of the workers opined that wages are paid at both on hourly basis and on daily rate.

3. 100% of the workers observe that wage events represent the money an average worker makes in a geographical area or in his organization.

4. 98% of the workers stated that wage structure does not refers to wage and salary relationship within a particular group.

5. 100% of the workers stated that the employer follows competency based wage plan.

6. 100% of the employee respondents stated that they are unaware of the concept equal pay for both male and female workers.

7. 98% of the respondents observed that competency is an effective way for more expectation.

8. 98% of the respondents agree that authority with a service of competency level can define a clear progression path.

9. 100% of the workers observed that competencies are not difficult to define and easy to measure.

10. 100% of the workers observed that the organization does not follow the principle that good sales tend to pay higher wages than those which running at a loss.

Suggestions

The researcher has shown concern to ameliorate the compensation management in the unorganized sector and has offered the following suggestions and all this has been drawn based on the above findings.

1. One of the most important gender issues in compensation is equal pay for comparable worth. The issue in unorganized sector is all about why women get paid less compensation when compared to their male counterparts. Hence it is suggested to have an equitable practice should be adopted for the recognition of individual differences in ability and contribution.

2. There should be a clearly established procedure for hearing and adjusting wage complaints.

3. Wage should be sufficient to ensure for the worker and his family reasonable standard of living. Workers should receive a guaranteed minimum wage to protect them against conditions beyond their control.

4. Prompt and correct payments of the employees must be ensured and arrears of payment should not accumulate.

5. For revision of wages, a wage committee should always be preferred to the individual's judgment.

6. Wage and salary payments must fulfil a wide variety of human needs. Hence it is suggested to provide, housing facilities free education to employees ward etc.

7. Under the national labour relations Act, employees have a right to discuss their wages, hours and other terms and conditions of their employment. As a result, there do no way that a firm can keep anything away from public gaze.

8. It is suggested to enhance the effective workers participation in management.

9. Need for elimination of child labour.

10. Need for guidance and counselling.

CONCLUSION

Indian economy is to a great extent characterized by large number of people working in unorganized sector as unorganized worker; transitional nature of the Indian economy, disparity in education, skill and training some of the major factors abetting such a large concentration of workers in an area where workers are more vulnerable.

NCEUS has noted that the employment in India can be meaningfully classified into:

a) Formal employment in the organized sector

b) Informal employment in the formal sector

c) Formal employment in the informal sector

d) Informal employment the informal sector

Amongst these form categories reports have shown that the Indian economy is largely characterized by huge numbers of people employed informally in the unorganized sector. Unrecognized sector has a pivotal role in the Indian economy in terms of its contribution to GDP and employment, but the role of this sector is fully ignored. It is in his regard there an urgent need to study the working conditions, safety and security wage and salary administration of unorganized sectors with special reference to stone crushing units of Mandya district.

The researcher has put effort in most utmost good faith to unearth the problems of working in stone crashing units of Mandya district.

The study highlights the following points

1. There is a disparity between organized and unorganized working as regards the compensation concerned

2. The wages paid in stone crushing industries is less than the wages of workers working under MGNAREGA scheme of GOI (Mahatma Gandhi National rural employment guarantees Act.

3. Literacy is one of the parameters to measure the level of entrepreneurship. Mandya district is having comparatively good education infrastructure. There

Bibliography

Compensation management – www.ellimuniversity,ac.in

Personnel management – Text and Cases – C.B. Memoria and VSP Rao., Himalayas Publishing House.

Management and behavioural processes – Saraj Kumar – Thakur publishers – Bangalore.

Handbook of perspective plan 2013-18 – Mandya district.

Report of the committee on unorganized sector statistic- national statistical commission Government of India February 2012.

Compensation management – best practices.

A comprehensive assessment for extracting value from compensation analysis and practice – DB squared www.dbsquared.com.

Unorganized sector – Arthapedia.

National commission for enterprises in the unorganized sector report.

   (a) Social security for unorganized workers may-2006.

   (b) Conditions of work and promotion of livelihood in the unorganized sector – August 2007.

Report on conditions of Work and promotion of livelihoods in the unorganized sector. 1-1-2008 P1>>4th March 2013.

Rapaka Sathya Raju (1989) Urban Unorganized Sector India Mittal Publications 26-March-2013.