A STUDY OF VARIOUS HRM ISSUES IN BEEDI INDUSTRY SITUATED IN NIZAMABAD DISTRICT OF ANDHRA PRADESH

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Abstract

The beedi manufacturing is a traditional agro-forest based industry in India, highly labour intensive and predominantly unorganized. The beedi industry is one of the largest employers of workers in India, after agriculture, handloom and construction. However, the estimates of the numbers of beedi workers engaged in this industry vary depending on who is making the estimates. The beedi rolling is generally done by poor households in backward areas where the workers have usually no other means of sustainable employment. Although beedi rolling began in the factory sector, over the last three decades, the beedi manufacturers have increasingly shifted the work from factories into the household. Currently, about 10% of the beedi manufacturing takes place in the organized factory sector. Beedi industry is completely dominated by the manual work where there is an involvement of 90% women who are either illiterates or semi-literates and have no bargaining power this leads to good chance of exploitation. The basic objective of this research paper is to assess the situations prevailing in the beedi industry especially with regard to human resources from their selection to retirement. And all welfare measures/provisions available to them.

Keywords: Beedi Industry, Issues in Beedi Industry, HRM Issues

Introduction

Every organization irrespective of its nature and size has four resources namely men, material, money and machinery. Of these men i.e., people are the most vital resources and they only make all the differences in an organization. In this connection, L.F.Urwick says, "Business houses are made/broken in the long-run not by the markets or capital, patents or equipments, but by men". Peter F Drucker says that, "Man, of all the resources avaiLabel to Man, can grow and develop". This gives genesis to the concept of HRM. Of all the sub-systems, HR is the central sub-system of an organization. As the central sub-system, it controls the functions of each subsystem and the whole organization. The prosperity and growth of an organization depends mainly upon the policies, programmes and practices of HR sub-system. Therefore, an organization aiming at growth from all the dimensions should maintain a dynamic and effective HR sub-system.

Beedi Industry in Nizamabad

Andhra Pradesh is the largest beedi producer after Madhya Pradesh. It has 6, 25,000 beedi workers (1995) of whom most are in the Telangana region. Out of these, about 4, 27,000 are in the Nizamabad district alone. Beedi manufacturing in Nizamabad started in 1901. Manufacturers like Bandi Laxami Bai Beedi Factory, Shamal Gangaram Beedi Lal Lappa Narayana and Tara Sahab all started manufacturing beedis here in the 1920s. However, the total strength of labour of these factories did not exceed 2, 00,000. Prior to 1947, two manufacturers from Gujarat, Messrs. Kishan Lal Ram Swaroop and Shah Himmat Lal set up production but their output was also very meagre. Still later, two manufacturers of Char Bhai Beedi Saiyed Lal Beedi and Police Mallaiah Beedi also

started production in the same district.

After 1952, many came from Gujrat as well as from Maharastra. Heera Lal Prabhu Ram (Gujrat), Sable Wagire (Sambaji Beedi) and Thakur Savrkar (Langar Beedi) all started production in 1952. However, they were also small manufacturers. Desai Brothers then entered the fray in 1953 and even today is the largest beedi producer here. Since then, every year one or two manufacturers have been setting up business in the area, and within a decade beedi rolling became one of the main occupations after agriculture. In Nizamabad 90% of the employers are from Maharastra and Gujarat, and they said that they preferred Nizamabad, partly because labour laws were enforced much less strictly than in their home states, and partly because workers were so disciplined there. Beedi rolling is still a major occupation here and the survey revealed that there had not been any decrease in the number of workers.

The human resource structure in beedi industry comprises of managing director, directors, general manager, head office manager, head office accountant, clerks, attenders in a hierarchy at the head office and similarly the hierarchy of branch manager, branch accountant, branch clerks, branch clerks, attenders at branch office. In a partnership form of beedi establishments there exists a hierarchy of Managing Partner, Partners, Manager, Accountant, Cashier, Clerks & Computer operators and Peons or Attenders. The operational structure of beedi industry comprises of the branch manager who is assisted by accountant, supervisor, and thekadars or commission agent who are assisted respectively by clerks, computer operator, attenders; sorters, bhattiwala, packers; and beedi rollers, basket carrier, attenders or helpers.



Objectives

The present study is carried out in Nizamabad with an objective to understand the situation i.e. organization structure, recruitment and selection, role of each level, wage structure, exploitation practices prevailing in the beedi industry etc. of human resources in the beedi industry where 90% of workers are women, illiterates or semi-literates and have no other means of work except beedi work.

Methodology

Techniques of disproportionate stratified random sampling are adopted to collect the primary and secondary data through questionnaires, interviews, observations field surveys etc. in Nizamabad. Sample size is 100 men and women engaged in beedi industry at various levels selected from the specific beedi establishments in Nizamabad.

Analysis and Interpretation of Data

The analysis and interpretation of the data includes the following discussion-

Recruitment and Selection Methods in Beedi Industry

Recruitment and Selection is one of the challenging tasks of any industry. It is the process of estimation and procurement of human resource for the any establishment. In general the recruitment and selection of the persons for various positions differ. The manager is the responsible person of the beedi industry, who looks after all the activities at branch office/head office as the case may. He is recruited and selected on the basis of the personal relations or from own community or from own family members or nearest relations. The accountant is also very responsible person who helps the manager in running the beedi industry and looks after all the activities in the absence of manager. He is also recruited and selected from the own family member or own community person of the beedi industry owners even in the organized beedi industry this is particularly followed as a criteria of selection. The cashier is appointed by the big beedi industry otherwise, manager or accountant of the beedi industry perform this work, as it is very sensitive or more responsible work. He is also a family member or nearest relative of the owners or management. The clerks are recruited through personal contacts. All the beedi industries recruit and select the clerks through their personal contacts or the present workers in the beedi industry to management introduce these people, after verification of the reference they get selection for the post of clerks. The computer operators are recruited generally based on their knowledge in computers; they are openly selected without giving weightage to personal contacts or other things. The sorters are the people who sort out inferior beedis in the branch office or head office, where beedis are further processed after rolling is over. Sorters should know the making of beedi it is the basic

quality required and they are selected through reference or introduction given by the other workers of the beedi industry. The job of bhattiwala is the most difficult work as such to put the beedi in Bhatti and to remove moisture from the tendu leaf. He is selected based on knowledge of beedi making process and personal contact with other workers. The packers pack the beedi bundles and make the packet of beedi bundles in saleable conditions and are selected based on the knowledge of beedi and references given by the workers of beedi industry. The attenders or helpers are appointed by the big beedi industries at branch office and at head office; otherwise sorters will discharge the duties of helpers or attenders at the centre where the production is not so high. The thekedars or commission agents are selected from the areas where beedi industry is planning to establish its centre and are selected based on the good reference and personal qualities like loyalty, discipline, honesty, wellknown person of the area. Supervisors are employed by the beedi establishments who remain a salaried person and are frequently transferred from one centre to another centre to retain the quality of beedies. The beedi rollers are women or men living in and around the beedi centre or branch office, these rollers are introduced by the thekedars or commission agent or the beedi industry branch manager or head office manager and management or owner will decide to whom to be selected based on the basic inputs given by the thekedars. The basket carrier is appointed by the thekedar or commission agent of his or her own appoints him. He is the most trusted person of the thekedars or commission agents. He is selected based on personal qualities like honesty, discipline, honesty etc., he hails from the same area where the beedi centre is located.

Beedi Workers Existing and Enrolled in Nizamabad

In Nizamabad large numbers of workers are engaged in beedi industry it is the first in Andhra Pradesh and second in India in terms of employment to beedi workers due to concentration of more number of beedi establishments in Nizamabad District.

Table 1

Number o	of Beedi Workers in	Nizamabad District
Sr. No.	Year	No. of Workers
1.	2007-2008	4,28,499
2.	2008-2009	4,37,713
3.	2009-2010	4,46,524

Source: Asst.P.F Commissioner EPFO Nizamabad
Table 2

Number of Beedi Workers Enrolled During 2007-08 To 2009-10

Sr. No.	Year	No. of Workers enrolled
1.	2007-08	9368
2.	2008-09	8,612
3.	2009-10	9,214

Source: Asst. P. F.s Commissioner EPFO, Nizamabad

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Table 3

Wages Structure of Beedi Rollers Per 1000 Beedis for Urban Beedi Rollers (in Rs.)

.No	Particulars	2007-08	2008-09	2009-10	2010-11
1.	Basic Wages	50-35	50-35	50-35	55-35
2.	V.D.A.	9-80	15-30	24-50	24-50
3.	BASIC +V.D.A=	60-75	65-65	74-85	79-85
4.	Bonus	5-1	5-47	6-24	6-65
5.	Leave Wages	3-1	3-28	3-74	3-99
6.	NFA	1-33	1-31	1-50	1-60
	TOTAL	69-37	75-71	86-73	92-09

Source: Field Survey

The basic wages for rural beedi rollers is Rs.0.50 less than the basic wages of urban beedi roller which makes a little difference in their total wages and other benefits. This is only official difference but in practice there is more difference in rural workers wages at all the levels. Since there is no other means of work avaiLabel at rural level therefore, wage and other exploitative practices take place in rural areas as compared to urban areas. Many unbranded and exempted beedi manufacture have their own wage policy in which welfare of the worker is not considered and this wages is lowest for which beedi workers are forced to work due to non availability of alternative work and social sanctions.

Table 4

Basic Wages for Packers in Beedi Industry Sr.No.No. of beedies Type of Packing Basic Wage for1 per bundle lakh beedies

			(in Ks.)
1.	25	One Wrapper	250.00
2.	25	One Wrapper +One Label	300.00
3.	25	One Wrapper + Two Label	350.00
4.	20	One Wrapper	320.00
5.	20	One Wrapper + One Label	380.00
6.	20	One Wrapper + Two Label	450.00
7.	15	One Wrapper	350.00

8. 15 One Wrapper+ One Label 420.00 9. 15 One Wrapper +Two Label 500.00 10. 10 One Wrapper 500.00 10 One Wrapper + One Label 650.00 11. 12. One Wrapper + Two Label 10 750.00

Source: Notification issued by the Government of Andhra Pradesh dated 30th Nov.2010

Table 5

Basic Wages of Other Categories Workers in Beedi Industry

Sl.No.	Category of Employee	Basic Wages (Rs.)
1.	Tobacco Distributor/Beedi	
	Sorter/Tray Filler/Gampawala/	4000.00
	Watchman etc.	
2.	Packer (Minimum time rate)	4500.00
3.	Clerk/Typist/Cashier	4500.00
4.	Furnace man/Bhattiwala	5500.00
5.	Accountant	5500.00
6.	Manager	7000.00

Source: Notification of Government of Andhra Pradesh dated 30th Nov.2010

For managers and accountants salary is negotiable they get more than specified in above notification since they are trusted and loyal persons of management and they hail from their family or relatives or friends therefore they get as per the desire and wishes of management of beedi establishments. A part from good salary they get free accommodation, travelling allowance, reimbursement of various personal expenses, childrens school fees etc,

Cost of Living Allowance and Contribution to EPF

The minimum basic rates of wages fixed are linked to the Consumer Price Index Numbers for the industrial workers at 800 points (Base Year 1982=100 series). For any rise in the consumer price index over and above this level, cost of living allowance shall be paid as specified below:

Table 6 Cost of Living Allowance

For piece rates workers (Beedi Roller & Beedi Packers etc)

Rs.0.19 Paise per point per day
For monthly paid workers

Rs. 5.00 per point per month

Source: Notification of Government of Andhra Pradesh dated 30th Nov.2010

Table 7 Employers and Employees Contribution to Epf (Rs. In Crores)

Sr.No.	Year	Employer's	Employee's
1.	2007-2008	24.80	24.80
2.	2008-2009	19.08	19.08
3.	2009-2010	30.69	30.69

Source: Asst. Commissioner EPFO, NZB

Issues of Beedi Worker

Rejection of beedies and Poor quality of raw material: It is one the prominent issue in the beedi industry for which beedi workers especially beedi rollers are the victims. In this thekedars/supervisors deliberately reject the beedies rolled by the roller at the point of collection.

This leads to affect the workers socially and economically at large scale. There is no uniform policy of rejection persons to person it various within the same beedi establishment. When raw material is inferior it leads to inferior quality of beedies which are rejected for no fault of beedi rollers which is also accepted fact of industry. According Government rules beedi rejection at collection point should not be more than 2.5% of rolled beedies.

Absenteeism: This is another serious concern with regard to beedi workers which takes place due to the following reasons

1) Most of the workers i.e. 90% are women, who are under more social obligations which lead to absent from the work for more number of days.



- Women who suffer from various health problems due regular contact with tobacco leads to absenteeism.
- Family responsibility, childrens education, marriages etc are also the reasons.
- 4) Exploitation practices i.e. low wages, rejection of Beedis, issue of inferior quality of raw materials etc., leads to discouragement from the work.
- 5) Seasonal type of workers forces them to absent from the work.
- Availability of more remunerative work under various schemes of state and central government leads to absenteeism.
- 7) Bad working conditions ill treatment from thekedars/supervisors etc.
- 8) Trade Union leaders' encouragement to participate in political functions, strikes, agitations etc.
- Rejection of beedies, inferior quality of raw-materials and underweight of issues.
- 10) Various other issues/reasons leads to absenteeism Labour Turnover: Labour turnover causes due to frequent resignations or leaving the work due to family and other problems of the beedi workers. It causes due the one or more factors as such the age and health factors of the workers, tobacco related diseases will change their mind to leave the work of beedi, marriage of female beedi workers and their migration to other places, migration of beedi workers other than married to various places from time to time, other better opportunities of work avaiLabel to beedi workers under various schemes, for availing pension/gratuity benefit after working for 10 years, which assures them pension at the age of 58 years and immediate withdrawal of their own share in EPF scheme, non availability of adequate work leads them to see towards another work, exploitation practices in rejection of beedies or non issue of adequate raw materials, and working conditions at the work place

Health and Medical Care of Beedi Workers: The ailments which are most commonly found among the beedi rollers are asthma, tuberculosis, back-strains, and sponditilies, swelling of lower limbs and indigestion menstruation and pregnancy where they have heavy bleeding and lower back pain during menstruation and pain in lower abdomen. They also have a high degree of leucorrhoea. There have also been a large number of miscarriages. All these due to bad working conditions, continuous contact with tobacco, sitting for long hours at one place, no proper ventilation etc. The other health issue is the lack of access to BWWF health schemes due to the usual problems of lack of identity cards and employer certification of health forms. The number of hospitals and dispensaries set up under the BWWF is inadequate relative to the number of workers and their families. These standard of medical care provided is not

satisfactory considering the per capital expenditure incurred on medical care out of the Welfare Fund nor even comparable to standards of medical care provided under the ESI Scheme. There is therefore a need to tie up health services under the BWWF with the primary health care centres of the state governments to broaden access. In order to overcome these health related problems government of India established various hospitals and dispensaries. There are 7 hospitals and 204 dispensaries throughout the country for the welfare of beedi Workers out of these 3 dispensaries are working in Nizamabad district which are not sufficient to meet the needs of large number of workers. Therefore it is also an issue in beedi industry related to beedi workers

Table 8

Number of Beds in Hospitals for Beedi Workers			
Sr. No.	State	No. of Beds	
1	West Bengal	65	
2	Jharkhand	50	
3	Karnataka	50	
4	Madhya Pradesh	30	
5	Uttar Pradesh	10	
6	Tamilnadu	30	
7	Bihar	30	
8	West Bengal	15	

Source: Press Information Bureau Government of India

Table No.9

Number of Dispensaries for Beedi Workers in India			
Sr. No.	Name of the Region	No. of Dispensaries	
1	Ajmer 16		
2	Allahabad 18		
3	Bangalore 34		
4	Bhubaneswar 15		
5	Hyderabad 38		
6	Jabalpur 27		
7	Karma 21		
8	Kolkata 18		
9	Nagpur	17	
	TOTAL	204	

Source: Press Information Bureau Government of India

Working conditions: Working conditions in the beedi industry, which is also an unorganized, are very poor which affect the workers and their family directly and indirectly. Following are the situations under which workers of beedi industry work.

- 1. In view of the operation of middle men/thekedar no employer-employee relation is established in between worker and employer
- 2. The conditions under which the women beedi rollers work are very poor and unhygienic
- 3. Most of them live in one small room where they do the beedi work as also cook, and sleep which leads to spread to tobacco related diseases to all of them
- 4. Children are exposed to all the hazard of tobacco

- 5. The wages are not only not paid on time, but also not fully paid. The signatures are obtained on the amount which is higher than the actual amount paid to them.
- 6. Even very small girls as young 5, are engaged in the beedi work. They begin with unwinding of the thread which needs no expertise to tie of rolled beedies etc.,
- Most of the workers are not given identity cards or other documents, which are required for obtaining benefits under the various laws enacted for beedi workers.
- 8. Tobacco related disease possibility is not only to beedi workers but also to family members who help/living in the same premises
- 9. There is an utter lack of awareness of the laws as well. However, even if some awareness is there, the industry being home based, the workers are scattered and collective action is difficult. The worst part however is that helplessness and poverty with no alternative work prospects- impels them to suffer in silence.
- 10. The issue of raw material i.e. inferior quality of tendu leaves supplied and under weight of raw materials will cause them to produce the less beedies which will count to less wages and financial hardship

Government Legislations and Welfare Measures for Beedi Workers: The government legislation comprises of the beedi and cigar workers (conditions and employment) act, 1966; the beedi workers welfare fund act, 1976; the beedi workers welfare cess act, 1976; the minimum wages act, 1948; the employees provident fund and miscellaneous provisions act, 1952; the employees state insurance act, 1948; payment of wages act, 1936 (vide sec 28 of the b&cw (coe) act,1966); industrial employment (standing orders) act, 1946 (vide sec.37of the b&cw act, 1966); maternity benefits act, 1961 (vide sec. 37 of the b&cw (coe) act, 1966); chapter iv and section85 of the factories act, 1948 (vide sec38 of the b&cw (c0e) act, 1966); workmen's compensation act, 1923; and payment of gratuity act, 1972. the welfare measures for beedi workers initiated for the Beedi Workers by respective governments are starting of static-cum-mobile static dispensaries, scheme for reservation of beds in t.b. hospitals, scheme for domiciliary treatment of t.b., scheme for treatment of beedi workers suffering from cancer, treatment of workers suffering from mental diseases, scheme of leprosy relief for beedi workers, grant of financial assistance to beedi workers, scheme for reimbursement of expenditure as a financial assistance to beedi workers suffering from heart diseases, scheme for reimbursement of expenditure as financial assistance to beedi workers for kidney transplantation etc., scheme for payment of monetary compensation for sterilization to the beedi workers, maternity benefit scheme for female beedi workers, group insurance scheme for beedi workers and scheme for grant of subsidy/financial assistance to co-operative societies.

Suggestions

Following suggestions are suggested based on the present study:

- Beedi industry is a major employer in the unorganized or informal sector, particularly of women and children from poor families. The decline in the prospects of this industry will entail grave social consequences if thousands of workers are thrown out of jobs.
- 2. While it is important to hear the voice of women workers in such initiatives it is to be recognized that existing circumstances and lack of exposure may condition their choices. It is therefore necessary to widen their array of options.
- 3. Proper implementation of all the government rules regulations, provisions, welfare measures and giving all benefits honestly it is enough to say there is no professionalism in the managing beedi industry's human resources.
- Proper and timely payment of wages and benefits will improve the morale and socio- economic conditions of all the workers in the beedi industry.
- 5. Production of beedies should take place in a healthy environment, with all provisions as stipulated in the various acts will also bring society's acceptance to beedi industry.
- 6. Medical/health facilities must be within a reachable distance and can be utilized on even holidays which will improve the health conditions of the workers
- 7. Management should also practice its strategies, policies, plans etc with a human face which will increase the morale of the workers.
- 8. Exploitation of any type should be properly checked by the management or owners or managers to encourage the workers for better and more production of beedies.
- 9. Government should withdraw the exemption given to manufacturer with less than 20 lakh beedies in a year because it is mostly misused which will harm the interest of workers who depend on this industry.
- 10. Government should use proper check on thousands of unregistered beedi manufacturing units to bring them in to the folds of the law so that beedi worker working in these establishments can also avail benefits under the various acts.
- 11. Government should give more benefits to the beedi workers and their childrens to promote a good society for the future of nation.
- 12. Employment at all levels including at the managerial/ supervisory should be offered to even outside people i.e. non-relatives and friends this will create



- good working environment and will open the opportunities to other aspirants.
- 13. Government Financial Institution should come forward to assist the workers of beedi industry to fulfil their financial requirement for noble causes i.e. House construction, Marriage of their childrens, Children's Education, Heath and other requirements.
- 14. The systematic identification of beedi workers, especially home based workers: this is important if the benefits under the Beedi Workers Welfare Fund are to be availed.
- 15. The Government should consider the future of lakhs of workers before framing the law relating to advertisement and consumption of beedi and tobacco products.
- 16. An option of employment diversification should be considered with suitable and alternative employment for the beedi workers
- 17. Beedi manufacturer must be encouraged to fulfil social responsibility especially towards workers needs. This leads to good relations and betterment of workers
- Government enforcing agencies should enforce various rules, regulations, provisions, welfare measures provided by the government from time to time
- 19. Management of beedi industry should settle the matters of those workers who stop work due to various reasons
- 20. Management of beedi industry should manage the industry with human face which will lead to all round benefit to all.

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