

Monday, 30 December 2013

Training to Exploit

You don't see many factories in Mumbai. Many factories have pulled down shutter or have been shifted elsewhere. But the situation is exactly otherwise in Pune; many new factories have been set up near Pune. New factories at Chakan and Sanaswadi are providing employment to many as also factories at Ranjangaon.

In a sense what they provide to many persons is not employment, because they are engaged as 'Trainees' or 'Apprentices.' These schemes are implemented in such a manner that the factories have become big exploitation centres. This is not situation in Pune only; I find it even at Nashik.

I was speaking to production manager of a company. He said, "We take ITI trained persons as well as Diploma Engineers as trainees. They are engaged for one year. They have to leave after one year. But we teach them the Japanese way to manufacturing so they get a job immediately."

"Do they get a *permanent* job?" I asked.

"No," he said, "They again find employment as trainees. They go to Bosch, Kirloskar, Mahindra & Mahindra, and Bajaj Auto after leaving us. If they are lucky they find a permanent job."

I decided to meet a group of trainees. They came from Bajaj auto, Tenneco, Hyundai Construction Equipment, Mather & Platt and some other organisations. The trainees from Bajaj said, "When we joined we were told that we will be put on probation of six months after completing training for one year. But that is not how it turned out. About five or six months ago, that is to say, just before the permanent workers resorted to strike, the Management told us that we will have to undergo two years training."

"So did the trainees continue or did they leave?"

"Some left and others continued. The Company employed more trainees when the permanent workers resorted to strike. But it was very difficult to work in those days. They increased the speed of assembly line. Sometimes they made us do the work of two stages. If you make a mistake, they remove the part. You are supposed to repair it after the shift timings but they do not pay us overtime; it has to be done in our personal time."

Auto industry uses assembly lines extensively. When they increase the speed of such lines, the workers have to increase speed to their activities which is troublesome. Charlie Chaplin has picturised this in his inimitable way in "Modern Times." This then is not a new trick; it has a 'rich' history of seventy or eighty years.

Every task on assembly line is not an arduous task. Some are relatively easy. The arduous tasks are engine tackling and chassis punching. The engine of a two wheeler weighs forty five kilograms; you do not have to lift it but handling it is difficult and hard. Chassis work is similar in nature.

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Who does those difficult and arduous operations? Needless to say that trainees have to do those operations; interestingly permanent workers do not do it, but get those done from trainees. One shift is manned by trainees alone and the other is manned by permanent workers. But even in the permanent workers' shift there are five trainees detailed only to handle this arduous tasks!

A Diploma engineer gets Rs 10 thousand per month. In the second year this is raised to Rs 13,500 pm. Permanent workers are paid much more, more than double these amounts. They get the facilities like provident fund. Trainee is often not an employee; in the sense his contract with the company is not one of 'employment.' So many trainees are not covered under the Employees State Insurance Scheme - at least that is what the companies argue. There are different types of trainees. Some trainees are Diploma holders in Engineering. They are appointed for a fixed term. On completion of the term they have to find another job. Sometimes they are appointed for a two year term.

Some organisations appoint trainees for a two year term after they complete their apprenticeship. After this three year stint they are appointed as a probationer. So they have to work for three and a half years before getting absorbed in a permanent job. The point to be noted is that they can be removed at any time during this three and a half years, and if done, unions do not intervene.

In some organisations like Hyundai Construction Equipments trainees have to work for four years before getting a permanent job. I was speaking to the boy from Hyundai.

"I registered for my Diploma in Engineering with Yashaswi Institute of Technology. They immediately sent me to Hyundai. They told me that my period of training will be four years and then I was asked to sign an agreement. Then I was also asked to sign an indemnity bond."

"Indemnity bond? What for?"

He showed me the entire correspondence. First step is to sign an agreement with Yashaswi Institute [YIT]. It says that YIT will depute the trainee to a company under the Earn and Learn scheme. The trainee is required to register under distance learning program for his Diploma Engineering. If he drops out he is required to pay Rs 17,800 to YIT. The trainee has to execute an indemnity bond to that effect."

"How much stipend they pay to you?"

"Eight and a half thousand rupees a month. If you do not attend work for a day it is reduced proportionately. You receive an increment of Rs 1100 every year."

"And what is the nature of work?"

"We have to do whatever permanent workers do. We also receive double overtime." He showed me his pay slip. It was the pay slip of YIT. It showed that he was paid not just overtime but also production incentive and attendance bonus.

"What about the course? What about lectures?" Now trainee from another company responded. "They used to arrange the lectures after the working hours with Yashwantrao

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Chavan University. But we used to get very tired after eight hours of hard work. They used to arrange lectures in canteen - we used to get annoyed as there was a lot of noise. So we stopped attending the classes. Now they call us at Chinchwad.

Another trainee joined him. "In Tata motors they call a seven month duration as 'period.' After one period of work you are not employed there for four months. I have done five periods so far. He has done four before getting employed for six month in another company. Now he has enrolled for Diploma Engineering with YIT, but there is no certainty of getting a job."

"Your family..?"

"My wife and mother."

"Are you able to manage within Ten thousand rupees?"

No answer. There was silence. Then another boy spoke, "he has been asked to leave."

"Why did they ask you to leave?"

"I do not know. Supervisor decides. Others in the company go by his recommendation."

"Didn't the union take up your case?"

Again silence. Then one boy spoke, "They never take up our cause. I do not know the reason."

"I had got a job in another company. A permanent job."

"Why did you not take it up?"

"When we join my current employer, they ask for our original certificates. If we want to leave the job mid-way during the training, they do not return our certificates quickly - they take very long time. The prospective employer company does not wait so long for you to submit certificates for verification. So you just cannot leave this company."

By sheer coincidence I met a union leader from that company. He was aware of this practice. "Many boys leave training mid-way that's the reason they hold certificates" he said while dodging my question.

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Auto industry is affected by the economic swings like any other industry, but they employ large number of people so it is most visible there. This year [2013] many units in the auto industry had to shut its factories for several weeks because of the downturn. The laws in or country make it almost impossible to retrench workers. It is possible technically to get permission to retrench but in practice it is very rarely given. A fixed term employment is a way out. Appointing trainees and making them work like permanent workers is also a measure to circumvent the law. Among other reasons, the main reason for use of contract labour is the same.

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Let us take a look at some statistics:

Company	Permanent Workers	Trainee Workers	Temporary Workers	Contract workers	Total
Bajaj Auto	884	450	60	550	1994
Bosch	235	400	0	150	785
M&M	1800	700	250	1200	3950
Hyundai Cons	96	335	0	30	461
Tata Auto Comp	350	300	0	450	1100
Fiat	330	700	700	800	2530

On one hand we have outdated laws and on the other hand we have unions disinterested in taking up this case. There is a popular belief about a reputed company in Pune area - it is said that in that company the permanent workers get their work done through contract labour, while they sit idle! Even if you discount this statement, it is true that such a situation exists in many industries - that cannot be denied. The managements on the other hand have tightened their grip on production process by creating such insecurity among the workers.

Maruti Suzuki doubled salaries of workers and contract labour after the infamous strike. The hollowness of the argument that rising labour costs hurt was exposed by that action. I asked two HR managers: What will be the impact of paying wages equal to what a permanent worker gets? Will the employee cost to net sales ratio get affected adversely? The answer was that it will not make much difference because 50% of the employee cost is attributable to executive compensation! A Business Today survey showed that the median salary of a MD in manufacturing industry was Rs 4.11 Crores. This should explain the yawning [is there a better expression?] gap between the highest and lowest paid employees in the industry.

In final analysis, managements have to make decisions on the basis of certain values which they would like to practise. This situation will improve if they do so, otherwise suffering of workers at the hands of unconscionable employers, irresponsible unions and Government is inevitable.

[Vivek S Patwardhan](#)

Vivek S Patwardhan works as Executive Coach and OD Consultant. He is an avid blogger [www.vivekvsp.com]. He can be reached on vivekpat@outlook.com