

**ORGANIZATIONAL ANALYSIS OF A PUBLIC ENTERPRISE
- A CASE OF HMT**

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H. RAMESH

DECLARATION

I hereby declare that the work presented in this thesis has been carried out by me under the supervision of Dr. G.S. Aurora and that this has not been submitted for a degree or diploma of any other University.



H. RAMESH

PLACE : HYDERABAD.

DATE : 22-12-91

CERTIFICATE

This is to certify that MR. H. RAMESH has worked under my supervision for his Ph.D. thesis entitled Organizational Analysis of a Public Enterprise - A Case of HMT at the University, of Hyderabad and this is his bonafide work and does not constitute part of any material submitted for a degree here or elsewhere.



G.S.AURORA

HYDERABAD

DATE: 22-12-91.

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SYNOPSIS

This thesis aims to understand the functioning of a public sector organization. In the context of the widely held criticism against public sector, the research focuses on issues such as workers' attitudes to work, the operation of industrial relations and management. The literature concerning public sector mainly highlights the macro-factors like the government control, the criteria to evaluate an enterprise's performance, the government policy on various issues etc. Case studies focusing on the operational problems of individual enterprises are very few and the concentration on issues like the workers' attitudes, the nature of union management relationship and the performance of management is lacking. The purpose of this study is to explore these areas and to understand their relevance to the functioning of the enterprise.

The Introduction of the study (chapter I) begins

with the explanation of the Mahalanobis model of economic development which provides a sound theoretical base for the establishment of public sector in India. The explanation highlights some of the important issues confronting public sector and analyses the performance of public sector after independence. Some of the issues concerning the necessity to study the internal organization find explanation in this chapter. It also comprises of a detailed ethnographic account of the HMT of Hyderabad. A review of the theory of organizations is also undertaken in the introduction.

The Second Chapter deals with the trade-union dynamics of the plant. In this chapter, the union's impact on worker's life and the process of production comes under focus. The chapter attempts to identify the nature of trade-union leadership in public sector and the issues that the union confronts. An attempt to identify the pattern of union's growth and the response of workers to the growth is undertaken. The relevance

of the union for the overall functioning of the organization is highlighted. In particular, its influence over workers forms part of the discussion.

The Third Chapter focuses on the functioning of the management. The management, for its crucial role of decision-making, assumes responsibility for some of the major aspects of the functioning of organization. The viewpoint of management and its relationship with the trade-union and the workers is the basis of the discussion. Some of the points of view of workers, explained in the earlier chapters, reappear in contrast with the management's viewpoint. The causes and reasons of the contrast are analysed. The chapter attempts to show how the management makes decisions in the context of influences ranging from the trade-union leadership to various levels of the hierarchy of the government.

The Fourth Chapter deals with the workers'•

attitudes. While the second chapter provides a glimpse of the atmosphere of industrial relations and the third on the functional aspects of organization, the study of workers' attitudes provides explanation for the workman's conduct on the shopfloor. The worker's needs, his relationship with fellow workers and the supervisor, his choice of the shop steward and his views on the efficiency of the organization are analysed.

The Final Chapter lists the major conclusions of the study and explores the possibility of connecting them with the major theoretical debates on public sector. The drawbacks of the organization come under focus and alternative forms and models of public sector organization attract our attention. The need to review the policy on public sector is highlighted in this chapter.

METHOD OF DATA COLLECTION

Various techniques of research were used to obtain the necessary information. The major contribution to data came from the fieldwork which included the participant observation and a performance survey of HMT employees. An attempt was made to cover all categories of HMT employees ranging from semi-skilled to highly skilled and lower-supervisory to upper-supervisory cadres. The sample was dispersed over different projects/departments of the organization. An interview schedule was administered to derive information on workers' attitudes. The examination of files in the union office, official circulations, pamphlets distributed during various elections and interviews with important personalities provided the rest of the data.

The field work of the study was carried out at two

locations, the factory and the residential colonies. My residence in one of the housing colonies provided an opportunity for close observation of the lifestyle of employees. The two-year field work included regular visits to factory, contact with key personalities and building of a rapport with union leaders and managers. The main technique of field work was the informal interview.

The trade-union office acted as a focal point of collecting information. A number of workers visited the trade-union office for various purposes. The trade-union leaders were very co-operative and allowed interviews with employees to be conducted in their office.

A community hall situated in one of the housing colonies facilitated the celebration of various festivals and important occasions like the May day. The observation of the celebrations yielded information on workers' behaviour outside the factory.

THEORETICAL STANDPOINT

Since the theory of organizations itself has evolved from the contribution from various disciplines like Sociology, Management, Public Administration, Psychology and Economics, the current study derives its theoretical insights from various sources. In short, we can frankly admit that our approach is eclectic. However, a detailed study of the theory of organizations was undertaken and the thesis includes a review of the important theories. It is significant to note here the shift in emphasis in the design of organizations in disciplines like management. Traditionally, the design of organizations was modeled after a hierarchical form. A special emphasis for machine-centered organizations led to the search for alternative models. The alternative models focused on issues like quality of work-life (Q W L) . The alternative forms seek to diminish the domination of **production-centered approach to design organizations.**

The alternative models deal with concepts like self-regulating autonomous work groups which are based on co-operative models and the emphasis in this form of designing organizations is on human beings welfare in the group. It could be understood that the theory of organisations is undergoing rapid transformation with multi-disciplinary approach gaining wide acceptance. Our effort has been to keep in view the various developments while discussing the different aspects of the organization under study.

CHAPTER I

Introduction

The basic character of the Indian industry was influenced by the Mahalanobis model of economic development. The Mahalanobis model underlined the importance of basic industries for the production process. In the initial stages of the industrialisation of India, when the private capital did not flow into infrastructure areas, the government's investments in infrastructure such as basic industries, transport, roads, railways, mining of coal and iron ore, steel mills, heavy machinery etc. were considered essential for providing momentum for industrial progress. The establishment of basic industries by the government was thought essential to evoke a reaction in the development of various spheres of industrial activity. The crucial factor which led to the adoption of Mahalanobis model was the low level of capital-stock formation in the economy. Growth in

income was linked to the expansion of capital-stock and investment by the government was thought essential to expand the capital-stock. In a closed economy, the domestic supply of capital goods influenced the investment pattern and hence the production of capital goods by the public sector became essential. The emphasis was on those capital goods which could lead to the production of other capital goods.

The implementation of Mahalanobis model required centralised control and planning. The industrial policy resolution of 1956 and the second five year plan (1956-61) gave a practical shape to the Mahalanobis model. The 1956 resolution categorised industries under three headings. The first category was the monopoly of the government. In the second category, the industries meant for progressive takeover by the state were enlisted. The third category of industries was left open for the operation of the private sector. As a follow-up to the policy, the second plan placed

emphasis on industrial growth in crucial sectors like oil, steel, coal, power and machine tools. The allocation of resources was done accordingly.

The implementation of the policy resolution of 1956 was planned through various government agencies, such as Director General of Trade and Development (DGTD) and Bureau of Public Enterprises (BPE). These agencies acted as control mechanisms. The broad statements of the policy resolution were,

- a) Control of growth and the industrial composition of output and capacity,
- b) Control over foreign exchange utilisation,
- c) Control of monopoly and restrictive practices in trade and commerce,
- d) Control over investments in certain consumption goods industry to encourage small industrial units,
- e) Control over the location of the industry.

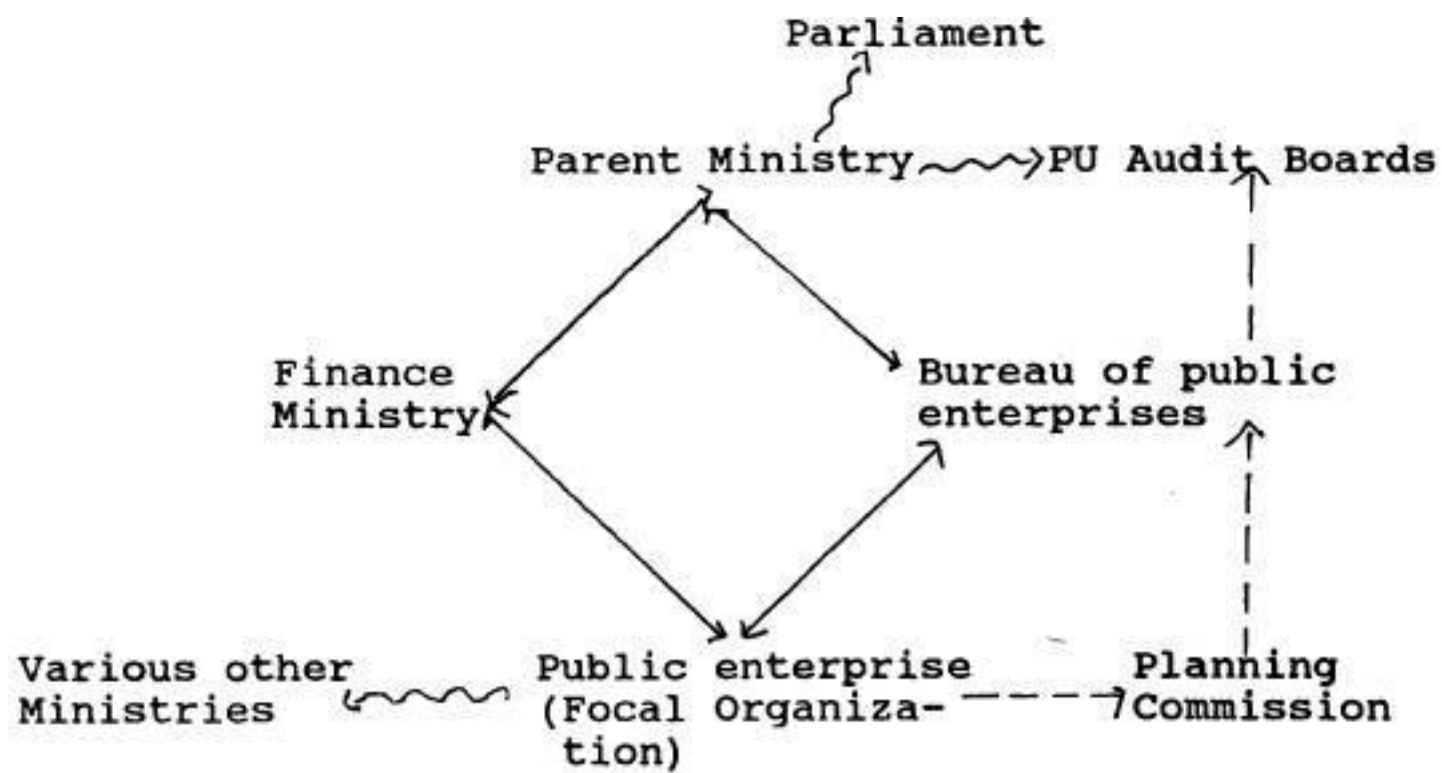
An example clarifies the method by which the government attempted to realise its policy directions. To control the Machine tool industry which was in the second category (category 'B') of the industrial policy, the government created a machine tools committee to control the capacity of the industrial units and a development council for machine tools to assess the demand and recommend the types to be manufactured in India. , In addition, the import licensing committee controlled the clearance of licenses for manufacture, the foreign collaboration committee monitored the foreign tie-ups in technology and the capital issues committee controlled financial investments, these were in; addition to the office of the Director General of Trade and development (DGTD) mentioned above.

Due to the creation of multiple agencies of control, the pace of industrial investment was

adversely affected. To quote Tapas Majumdar, "one major drawback of the public sector undertakings in India is that the three levels of decision-making (the investment policy decisions, the capacity utilisation decisions and the pricing policy decisions) are either left simply un-coordinated or at best co-ordinated only partially and haphazardly through a process of fitful trials and errors."¹ Where control over investments hindered modernisation, overall efficiency of the industry was seriously jeopardised. Not only the public enterprises were affected by the control systems but the private sector units as well. The following diagram provides the pattern of interaction between

1. Majumdar Tapas, 1979. 'Asian scenario - country studies on public enterprises policy on investment, pricing and returns', in, Basu Prahlad Kumar and Nove Alec ed, 'Public enterprise policy on investment pricing returns': Kualalumpur, Asian and pacific development administration centre. PP. 296-297.

various government agencies and public sector enterprises.²



Continuous interaction —————

Occasional interaction - - - - -

sporadic interaction ~~~~~~

2. Chadha, P. 1979. 'Public enterprises and parliament, in Kidwai Warris ed. 'Public Sector - an introspection' : New Delhi, Standing Conference on Public Enterprises. P. 47

Ministerial intervention has often been regarded as a source of dissatisfaction by the public sector managers. They complain that the accountability gets blurred since decisions are influenced by multiple agencies of control. The political and bureaucratic interference remains a major obstacle in the management of the public sector. Bernard Demello explains the adverse effects of bureaucracy on public sector. He says, "the secretarial bureaucracy in the administrative ministry continues to be relied upon by the political authority as the most reliable instrument in the scheme of things. This is the biggest single factor responsible for strangulating professional and technological competence in the public sector. The sengupta committee has sought to impart a measure of operational flexibility to public enterprises within the straitjacket of a framework in which there can be no real autonomy or purposeful accountability to them.

But the entrenched bureaucracy in the administrative ministries has managed to frustrate any move in this direction. This is evident from the decision taken by the government on the recommendations of the committee. The government has not accepted the recommendation that the chief executives of public enterprises should directly assist the minister-in-charge in discharging his responsibility to parliament on their behalf without the intervention of the administrative secretary. The political authority, i.e., the minister in the established setup, actually functions through the bureaucratic machine which exercises the power and prerogative of control and direction on behalf of the political authority. Though the bureaucracy itself is not accountable to anything, the public sector management bodies are obliged to be accountable to the administrative bureaucracy. So long as this position is not radically altered, the concepts of autonomy as well as accountability in the case of public sector enterprises in all areas of commercial, industrial or

technological activity will remain illusory.³ The Sengupta committee appointed by the government to suggest remedial measures indicated two important directions among various suggestions. They were a) the creation of holding company and b) the memorandum of understanding. The committee suggested that the holding company eliminates direct contact between the unit and the ministry. It should not only operate as recipient of ministry's guidelines but also provide considerable room for operational freedom of management. The memorandum of understanding is a written commitment on part of the unit management with regard to performance in a specific period of time. The government and the management together formulate the criteria of performance and the expected targets of achievement. The management's responsibility lies in achieving those targets. While the suggestion of the

3. Demello Bernard, 1986. 'Shadow boxing over public sector' Economic and political Weekly, Vol.XXI, No. 40.

holding company did not find favour with the government, the memorandum of understanding was signed by those industries which volunteered to accept the proposal. The notable point being the absence of a mandatory sanction for all the public sector units to sign the memorandum of understanding. The main drawback of the memorandum of understanding has been its voluntary nature, which evoked response from only successful industries like ONGC, SAIL etc.

While the issue of 'management structure' remained a problematic area, the financial performance of the enterprises posed another challenge. Since the establishment of public sector is closely linked to social objectives, the priority for financial performance became a debatable issue. One point of view suggested that the provision of social benefits involves the sacrifice of profitability and hence the poor financial performance could be justified. A contrary view pointed out that poor financial

performance slowed down the overall growth rate and hence profitability should be given primary importance. Although both the views provide valid arguments, the cause for the poor financial performance should be known to support a particular point view.

The high cost of public enterprises to the public exchequer may be illustrated through a few exemplary quotations. "In the case of Vizag steel, the planning was so uneconomic and the cost overrun so high that, in the opinion of planners themselves this unit will never be viable, will never make any profit for all time to come."⁴ Similarly, "In the beginning of the sixth plan, in the units controlled by SAIL, the annual production was nearly 5 million tonnes of salable steel. In the four years of the sixth plan, another Rs. 5000 crores have been invested and still they propose to produce only 5.7 million tonnes. It

4&5. Patodia. D.N. 1986. 'Problems of loss making units' in Adisheshaiah Malcolm, Ed. 'The why, what whether of public enterprises. New Delhi, Lancer International.

indicates the gross under-utilisation of capacity. As a comparison of cost of productions, "China, which has a similar problem of over-population as in our country and in some respects had lower production in 1949, has today achieved a level of 900 million tonnes of coal production at a cost of less than Rs. 50 per manshift and a productivity of 2 tonnes output per manshift (OMS) in underground mines. As against this, we, in India, after nationalization of coal have reached a production of about 180 million tonnes at an average cost of more than Rs. 220 per tonne and our output per manshift is less than 0.5 tonne."⁶ With regard to the high costs of public enterprises, V.V. Ramanadham, an eminent thinker on public explains that the development status of the developing countries was so low that the first efforts towards development involved them in

6. Sathe Vasanth, 1989. 'Restructuring of public sector in India'. New Delhi, Vikas publishing house.

heavy costs which were analogous to overheads of national economic development. The structural disadvantage of these countries can be known when one examines factors like a) manufacturing as percentage of gross domestic product b) energy consumption per capita c) urban population as per cent to total population d) adult literacy. Dr. Ramanadham explains that these factors aggravate the costs of gestation of national economic development. They raise the costs of technology acquisition and absorption, entail inordinate costs of technical and managerial training, occasion expensive arrangements for skills, saddling the countries with expensive foreign collaboration, and cause uneconomical consequences of capital expenditure on projects. According to Dr. Ramanadham, these are really costs of national gestation. In countries where private enterprises heralded industrial development, such costs were borne 1) through bankruptcies of some enterprises, 2) by virtual enjoyment of monopoly power

by enterprises over a span of time sufficient to compensate their initial high cost and losses, 3) by subsidies offered by the government - e.g. the grant of free land to railway companies in India in the last century and 4) through multi-national operations which either proportioned the manufacturing contents in local activity to suit gradual diminution in structural diseconomies over time or brought the benefits of their global economies to bear on local activity, with a view to some kind of eventual advantage. These costs in some countries tended to devolve squarely on public enterprises. Dr. Ramanadham explains that the costs of national gestation, though applicable to private enterprises as well, are disproportionately associated with public enterprises.

The governments in the developing countries by definitive reservations of certain sectors of activity for public enterprises restrict the location of activity, attempt to choose technologies that sustain

long term self-reliance and not permit immediate profit. The colonization, and recent independence of these countries create certain conditions like the inexperience of governments, the cost tag of the rapid programmes of indigenising government and economic services and overzealous political and parliamentary interference with enterprise matters. In short, Dr. Ramanadham opines that without reference to the 'givens' that conditioned the genesis and evolution of public enterprises in developing countries, attempts at the appraisal of their performance are unlikely to be fruitful.⁷

Various policies of the government related to the establishment of public sector are prone to criticism. The expansion of public sector into consumer goods industry, the multiple agencies of control and their

7. Ramanadham. V.V. 1984. 'The Nature of Public enterprises'. London: Groom Helm. PP. 77-82.

operation, the justification of financial performance of various industries, the ineffective results of the worker's participation programmes in management, the policies concerning the import liberalisation and various other issues had been controversial. Although the macro-issues that support the public sector in the form of gestation requirement need not be a point of debate, the individual performance of various industries could also be due to various reasons other than those listed by the thinkers who viewed public sector from a broad framework of its overall functioning. Very important micro issues like the workers' attitudes to work, the atmosphere of industrial relations and the operation of the unit level management were not given their due in the scheme of things. After more than 40 years of independence, and the burgeoning expansion of the public sector, the need to understand the internal organization of public enterprises not only grows but the questions of

gestation and the necessity of public sector for the economy should take a backseat in that these questions have been answered in practice by the expansion of the public sector and also by its achieving commanding heights within the rapidly growing overall economy. Infact today the growth of the private sector itself depends increasingly on the efficient functioning of the public sector.

While the cost of operations of the public sector is a major cause of worry, the profitability of various groups of industries has not been satisfactory. Infact, the total investment in the infrastructure of public sector enterprises in the economy amount to over Rs. 2,15,000 crores and the return is barely 1.5 per cent which is clearly unsustainable as government itself has to raise monies at well over 10 per cent rate of interest. "The profit from the 235 central public undertakings in 1988-89 amounts to Rs. 3,500 crores and is largely derived from the monopoly oil and

state trading sectors and through administered prices. over 101 undertakings are still in the red. Very few public undertakings operate in the competitive framework."⁸

The following list of Public enterprises indicates the contribution of the top ten profit making institutions in the year 1987-88.⁹

Organization	Pre tax profit Rs. in Crores	Percentage
ONGC	2402.26	38.98
Indian Oil Corporation	657.76	10.71
NTPC	302.40	5.77
Videsh Sanchar Nigam	277.41	5.29
Mahanagar Telephones Nigam	208.68	3.98
Bharat Heavy Electrical Ltd.	189.30	3.61
Hindustan Petroleum Corporation	123.98	2.37
Oil India Ltd.	93.11	1.78
Bharat Petroleum Corporation	93.04	1.78
Airports Authority India Ltd.	82.75	1.58
	3984.00	76.05

8. Agarwala, P.N. 1990. 'Challenges to the economy' Hindu, 15th March.
9. Public Enterprise Survey, Government of India, 87-881

The top ten companies contributed nearly 80 percent of the profits. The important point that should be noted is that out of the ten companies, five belonged to the oil sector and all these companies are monopolies. Without the oil sector the picture of profitability would have been pathetic.

Until the year 1981-82, the public sector as a whole had made only losses. Since the year 1981-82, it started making profits. In that year it earned a net profit of Rs. 445 crores. With a total investment of Rs. 51,931 crores in 1986-87, the profits after tax represented a return of 3.3 per cent only. If we exclude the profits of 11 petroleum sector companies, there is only loss from the remaining public sector units.

Return on investment in public and private companies.¹⁰

<u>Year</u>	<u>Public Sector</u>	<u>Private Sector</u>
1975-76	2.6	8.2
1976-77	3.2	7.9
1977-78	-14.0	8.8
1978-79	0.6	12.6
1979-80	-0.9	14.1

Another example confirms the trend in the profit-making of public enterprises. In the year 1983-84, 201 public units as a whole made a profit of Rs. 1,486 crores. It is ironical that ONGC alone contributed a profit of Rs. 1,600 crores. Nine others including Oil India, Indian Oil Corporation, BHEL and Air India added up another Rs. 975 crores. However, the other 191 companies made a total loss of 1,097 crores. The

10. Sathe Vasanth, 1989. 'Restructuring of public sector' in India. New Delhi: Vikas publishing house.

meager overall profits were against the total investments of over Rs. 36,000 crores.¹¹

While the government control over the management and the profitability of public enterprises have caused considerable concern, the internal working of the public sector units did not attract the attention it deserves. In particular, the aspects of workers' attitudes and trade-union dynamics which operate as crucial variables in the success of an enterprise. By and large, the efforts of the government to promote workers' participation in management were not successful. As studies indicate, the trade-union movement could not fully perceive its role as a participant in management. Especially the trade-unions did not appreciate the implications of their becoming a responsible part in the production process. The

11. Dey Tarun, 1985. 'Public Sector-A close look'. Times of India, 9th August.

representatives of workers and management on the works committees and the Joint Management Councils in the case of the HMT units in Hyderabad had operated in accordance with the traditional conception of their respective positions. As a result these channels of workers' participation became a part of the bargaining fora that operated in the industry. The multiplicity of unions contributed its share to the lack of consensus among workmen. One point of view on trade-unions suggested that a trade-union is necessarily a system of opposition.¹² Hence the attempt to initiate the participation of the union leadership could not be successful. In addition, the worker-representatives on the works committees and joint management councils were not given a responsibility for decision-making. This reduced the interest of the workers in these committees and councils. It was also observed that the

12. Ramaswamy E.A. and Ramaswamy Uma, 1981. 'Industry and Labour' Delhi: Oxford University Press.

managements of the public enterprises showed a lack of inclination to implement these schemes in letter and spirit. Broadly the causes for the failure of the works committees and the joint management councils could be identified as the lack of participatory culture among both the parties. Infact, the tradition of union-management conflict was built into the system.

The union-management relationship not only influenced the workers' participation in management but shaped workers' attitudes as well. The trade-union affiliation to central trade-union organizations widened the scope of trade-union politics. The trade-unions which tended to be the front organizations of national political parties, opened up the possibility for political leaders' influence in the functioning of a public enterprise. The management of the public sector, already susceptible to political pressure, faced additional stress in the trade-union leaders' manipulation of the corridors of power. The union-

management relations acquired a tendency to go beyond the plant level deliberations. When the process of collective bargaining was overwhelmingly influenced by the political manipulation external to the organizational setting, the workers were impelled to choose and support the politically powerful union leaders from outside. This was particularly true with regard to HMT. Since important policy decisions affecting the workmen took shape in the agencies created by the government, it became imperative for the workers to choose leaders who could influence the government. A contrary view underlined the 'model-employer' stance of central government towards employees. This view pointed out that public sector workers enjoyed various benefits in the form of systematized wage grades, housing, transportation etc. and since the decisions concerning these issues were dealt favourably at the all-India policy level, in the dialogue at the plant level, local issues became of greater importance. The workers then tended to choose

internal leaders who were able to articulate individual issues involving interpretation of rules and consideration of local level physical and inter-personal social environment. In the actual history of HMT trade union, therefore, the internal and external leaders both played their part and accommodated each other in various situations for mutual support. In HMT of Hyderabad, the alignment of various internal and external leaders was quite a reality during various elections.

For analysing the role of a trade-union in an enterprise, we need to look at the specific history of worker-management, worker-leader relationship in the context of the public unit's performance. The trade-union organizations like CITU which are ideology based, operated by developing a committed cadre in the workforce. Over a period of time, in plants where ideology based unions like the CITU affiliated ones operated, the union' politics had come under the

influence of the party cadre. The presence of party cadre tended to create problems of conflict with management. Broadly, it could be seen that the culture a trade-union generated within the organization had seriously affected the attitude of the workforce towards the management.

Workers' attitude to work was affected by various factors such as the trade-union influence, the work situation, the kind of ideology the union propagated and the manner in which the leaders handled workers' grievances etc. However, other specific factors were,

- a) nature of the workers' relationship with fellow workers,
- b) the attitude of the supervisors towards the workers,
- c) the individual personality as well as the social background of the workers and leaders.

These 'base level' factors had not been the focus of attention on the part of the scholars concerned with the public sector. Our study is an attempt to bridge the gap. The issues that confront trade-union within a plant generally emanate from three major areas of management. They are,

- a) setting of production targets by management
(production related issues)
- b) the formulation of disciplinary procedures,
and
- c) the provision of benefits for the workers.

From the workers' point of view, these issues affect their day-to-day work. The trade-unions in order to gain the support of workers have to evolve strategies of close linkages with the management on the one hand and certain type of public postures on the other hand. If one observes the trade-union elections,

various unions resort to discussion of issues and methods to resolve problems. Anti-management postures are a common phenomena. While the general issues related to plant are openly dealt with, an undercurrent of issues operate which do not come out in the common forums. The caste affiliation of the candidates, regionalism etc., although remain subdued in public discussions, have considerable impact on voting pattern. The problem that confronts a researcher is to unscramble the undercurrents of social and personal factors which influence the dynamics of relationship. The questions posed are, how the workers choose a group of leaders? And how do these leaders solve their problems? These questions apart from being central to the study of workers' attitudes also affect the overall performance of the enterprise in a big way.

Some thinkers on public enterprises like Bagaram Tulpule hold the opinion that management within the constraints of government control can still operate

efficiently. They feel that within the parameters set by the governments, an efficient manager has considerable scope of operation.¹³ Seen from this point of view, the operation of unit and its analysis illustrates the strategy of management in industrial relations.

The study of the three crucial variables a) trade-union b) the workers' attitudes to work and c) the operation of the management, in relationship with each other facilitates the understanding of the internal organization and offers a scope to link it with macro-issues external to the organization. In the study of the three variables, the focus of attention is on the functioning of the organization. The study of the major contributions to the theory of organizations has helped us in placing various empirical issues in

13. Bagaram Tulpule, 1977. 'Amidst Heat and Noise'. New Delhi: AIMA.

perspective. This thesis merges various middle range theoretical stand points. The open system approach of Katz and Kahn for example greatly facilitates the analysis of various faces of the organization as sub-systems. Similarly, Etzioni's analysis of compliance within the organizations has helped in grasping the responses of workman's commitment to the organization. In analysing the issues that needed technical expertise, e.g., the issues concerning technology, a general view of the respondents has been constructed. The picture provided on various crucial issues of this kind was obtained by cross checking the general opinion. The absence of technical expertise was compensated by grasping the relevance of these issues to the overall functioning of the organization. Hence, at many points in the thesis, the focus was not on the technical detail but on the relevance of the point of explanation to the objective of the study. i.e. the understanding of the internal organization of a public enterprise.

Theory of organizations - A review

The Weberian conception of bureaucracy is a model of organization which gives less importance to the informal dimension of social structures within organizations. Various elements of bureaucracy such as hierarchy, rules, regulations and procedures, specialisation, predictability and rationality are essential normative and structural elements of the model. Modern organizations have universally adopted bureaucratic forms of functioning. Infact, it could be argued that complex organizations cannot function without using bureaucratic models. However, the dysfunctions of bureaucracy are many. The rigidity of bureaucratic system giving way to conservatism and technician is well known. Similarly, bureaucracy determines the individual initiative. The impersonality of bureaucratic system militates against such human qualities as complexity and uniqueness. It

is argued that bureaucracy even affects the personality to conform to its norms.¹⁴ The excessive commitment of the individual to his own role within the bureaucratic system clashes with the broader objectives of the organization. While the study of formal aspects of organizations can fully utilise the available theory of bureaucracy, the diversity of individual approaches probably linked to the fact that individuals act as complete personalities and not as fragmented roles forces us to look at the informal dimension within organization.

Parallel to the concept of bureaucracy which could be considered as a contribution from the discipline of sociology, other disciplines like management and administrative theory have also contributed to the understanding of the formal dimension of the organization. Henri Fayol mentions the following

14. Weber Max, 1977. 'The Theory of economic and social organization, Ed. Parsons T. New York: Free Press.

principles of formal organization. They are, division of work, authority, responsibility, discipline, unity of command, unity of direction, subordination of individual interest to general interest, remuneration of personnel, centralization of decision-making, scalar chain of hierarchy of command, order, equity, stability of tenure of personnel, initiative and sense of belonging among personnel. These ideas of Henri Fayol are the basic principles on which the administrative theory has been built. He defines management as consisting of five elements namely 1) to command 2) to organise 3) to forecast and plan 4) to coordinate and 5) to control.¹⁵

The emphasis of scientific management rests upon man-machine coordination for efficiency. Frederick. W. Taylor formulated the principles of scientific management. His conception of monetary incentives

15. Fayol Henri, 1949. 'General and industrial management' London: Pitman.

producing the required initiative in workers is no longer popular. The scientific management school was pre-occupied with technical control and maximization of efficiency through the coordination of man and machine. It developed models showing the division of labour in terms of function and authority. Growth came to be shown in the context of increasing specialization, efficient placement of human in the chain of command, and changes in the delegation of authority and responsibility.¹⁶ The treatment of workers as mere appendages to machines by this school is not acceptable to many a management thinker. The inherent assumption in Taylor's principle is that people are lazy and they try to shirk work. Taylorism has been widely criticised of dehumanization of work. The concepts of scientific management are widely used in industrial engineering, industrial management and personnel management.

16. Taylor. W.F. 1947, 'Scientific Management', New York: Harper and Row.

The Hawthorne studies of Elton Mayo initiated a study of informal relationships in organizations. While experimenting with lighting conditions and their effect on production with two groups of workers, (one test group and the other control group) Mayo found that irrespective of the change in lighting conditions, the production of both the groups went up. This baffled the researchers. It was noticed that change was perceived by the groups as a means to improve production. Changes in physical environment were also interpreted as related to competition between control group and experiment groups. The dynamics of informal linkages acting as intervening variables came to be high-lighted.¹⁷ Elton Mayo's observations led to the development of the human relations school. Individual as a member of work group became an important area of study. The emphasis on the individual, the work group

17. Mayo Elton, 1930. 'The human problems of industrial civilization', Harvard: Harvard University Press.

and participation in decision-making has been widely accepted. The human relations school was criticised for its preoccupation with the concerns of the employer as regards the morale, efficiency and productivity of the employees. The basic assumption of this school is that there exists no contradiction in the interests of workers and management and that it is possible to resolve conflict by reorganizing relationships within the organization.¹⁸ It did not look at the organization in the context of its place in the wider society. The human relations school which neglects conflict has also been criticised as having a pro-capitalist bias.

Chester I Bernard described an organization as a dynamic social system of cooperative interactions with the purpose of satisfying individual needs. A

18. Rothlisberger. FF. Dickson. WS. 1939.
'Management and the workers', Harvard: Harvard University Press.

cooperative system is complex of physical, biological, personal, and social components which are in specific systematic relationship by reason of the cooperation of two or more persons for a definite end. He defines formal organization as a system of consciously coordinated activities or energies of two or more persons.¹⁹ His emphasis on the psychological and social aspects of organization leads to the analysis of motivational and non-rational elements of human behaviour. His explanation of the conscious coordination provides the opportunity for the investigator to deal with the level of coordination among different individuals of the sub-units of the organization. According to Chester Barnard the policy decisions concerning the general approach towards goal attainment and the allocative decisions concerning utilization of resources available to the organization fall in the category of providing 'effectiveness' to

19. Barnard I Chester, 1938. 'The functions of executive. Cambridge: Harvard University Press.

the organization, whereas decisions concerning facilitating cooperation and motivation among participants fall in the category of providing 'efficiency' to the organization. In this sense, the second category of decisions imply a higher degree of voluntary human involvement and creative responses and thus, do not yield so easily to analysis.

Philip Selznick explains that organizations may be viewed from two stand points which are analytically distinct but empirically united in the context of reciprocal consequences. In his view any organizational system is an economy and at the same time, it is an adaptive social structure. His view of organization as an economy facilitates the analysis of leadership in connection with the legitimacy of authority and dynamics of persuasion. This view of organization is in concurrence with the management viewpoint that leadership is an art of winning consent and support from the participants. Discussing **about**

delegation as an organizational act he states that it refers to formal assignments of functions and powers to roles and official positions. Delegation often involves concrete individuals, who have interests and goals which do not always co-incide with the goals of the formal system. This situation might result in personalities offering resistance to the formal authority. He further explains that deviations from the formal system tend to become institutionalised so that unwritten laws and informal associations are established. The institutionalisation process transforms the personality differences into structural aspects of formal organization. Conceiving of formal organizations as cooperative systems signifies the relevance of informal structures in the organizational analysis.

Selznick refers to structure as an adaptive 'organism' which reacts to influence from external environment. He characterises structural-functional

analysis as that which relates contemporary and variable behaviour to the system of stable needs and mechanisms.²⁰ The "needs" in the above statement relate to the self-maintenance of the empirical system. The day-to-day activity serves the purpose of maintenance and defence of the system. The structural-functional approach gives ample scope to study empirical systems as adaptive to external environment. To clarify the structural-functional analysis, he draws homology with individual personality which has the need to defend its ego, utilises repetitive mechanisms such as rationalisation, projection and regression in its defense. The typical pattern of structural-functional analysis can be derived from the homology. Selznick gives three major ideas which are involved in the frame of reference outlining the theory of organizations.

20. Selznick Philip, 'Foundations of the theory of organizations', in Etzioni Amitai, 1963. 'A comparative analysis of complex organizations' New Jersey: Prentice Hall.

They are,

- a) The concept of organization as a cooperative system and an adaptive social structure made of interacting individuals, sub-groups, and informal and formal relationships.
- b) Structural-functional analysis which relates variable aspects of organization (such as goals) to stable needs and self-defensive mechanisms and
- c) The concept of recalcitrance as a quality of the tools of social action, involving a break in the continuum of adjustment and defining an environment of constraints commitment and tension.

Talcott Parsons gives us an interesting model of organizational analysis. His approach provides scope for the analysis of the relationship between

organization and its environment. He states that the attained goal of an organization (system) can be utilised by another system. i.e. the output of one organization becomes an input for another organization. The characteristic of 'goal attainment' thus is given primacy in Parsons' discussion of the social system. The development of power in a political sense takes place in the organization when the persons responsible for mobilising resources for the attainment of organizational goals control the decision-making. The goal of the organization is a specialised or differentiated function for the larger social system. The other sub-systems of the larger social system constitute the situation or environment in which the organization operates. Hence organization has to be analysed as a special system whose primary interest is the attainment of 'system goals'.

The analysis of the structure of an organization, according to Parsons, can be attempted from two

different view-points. The first is the cultural-institutional point of view and the second is the 'group' of role point of view. At the cultural-institutional level of organizational analysis, the system of values should spell out the institutional pattern responsible for the generation of these values in terms of the context of goal attainment, adaptation to the situations and integration of the system. Since the organization is a sub-system, the value system of the organization implies the more generalised values of the super-ordinate system. The value system of the organization should legitimise the goal of the organization in terms of the functional significance of its attainment for the super-ordinate system. The legitimation of the primacy of this goal should take place over the possible interests and values of the organization and its members.

The second approach based on group or role analysis views an organization 'through its constituent

personnel and the roles they play in the functioning of the organization. The administration which carries out the policy formulation, decision-making and their implementation through line and staff comes under the focus of attention. This approach leads to the typical study of the formal authority structure.²¹

In the analysis based on value system as the main point of reference, structure can be divided into three main components. The first concerns the field of institutionalisation of the modes of procurement of resources to attain the goal. The second is the aspect of the institutionalisation concerning the process of goal attainment, and finally, is the aspect of institutional patterns defining and regulating the limits of commitments of the organization as related to other organizations sharing the same environment of the

21. Parsons Talcott, 1956. 'Suggestions for a sociological approach to the theory of organizations' Administrative science quarterly, I PP. 63-85.

inclusive system. In the process of implementation of the three sets of institutionalisation requirements, three kinds of decisions are involved, the policy decisions, the allocative decisions and the coordination decisions.

Exercise of power is seen as a crucial function of organization by Etzioni. The sub-ordinate and super-ordinate relations are seen in terms of the power applied on sub-ordinate participants and resultant involvement of participants. He classifies the power applied on lower participants as comprising of three categories: coercive, remunerative and normative. When the relationship of compliance is congruent, the three categories of power evoke three kinds of responses: aginative, calculative and moral respectively. A congruent compliance relationship exists when the kind of involvement that tends to be generated by the predominant form of organizational power are the same.

He explains that organizations tend to shift their compliance structures from incongruent compliance structures tend to resist factors pushing them toward incongruent compliance structures.²²

Daniel Katz and Robert L Kahn present a theoretical model of organization which they refer to as 'energetic input-output system'. In this model the energetic return from the output reactivates the system. Social organizations according to them are flagrantly open systems, in that the input of energies and the conversion of output into further energetic input consists of a transaction between the organization and the environment. Their conception of organization as consisting of a patterned activity of a number of individuals opens up the possibility to study individual and group behaviour in organizations. They explain that an open system with the characteristic of

22. Etzioni Amitai, 1963. 'A comparative analysis of complex organizations' New Jersey: Prentice Hall.

negative entropy emphasizes the close relationship between a structure and its supportive environment. Without continued inputs the structure would soon run down. Human effort and motivation is the major source of maintenance in almost all social structures. Hence, though the theoretical approach deals with relationships, these relationships concern human beings. This expression of Katz and Kahn's model indicates the relevance of human behaviour operative in every aspect of the various sub-systems in a structure.

The major categories of sub-systems of an organization are production sub-system, maintenance sub-system, adaptive sub-system and managerial sub-system. The criticism of systems approach is severe on the ground that it considers an organization as constantly being in a state of dynamic equilibrium. The concept of dynamic equilibrium is a postulate on which the entire open-system theory rests. The

following arguments indicate the criticism:

- 1) Reaction to extra-systemic change is not always adjustive,
- 2) Social systems can, for longer periods, go through a vicious circle of every-deepening mal-integration,
- 3) Change can be revolutionary (both profound and sudden),
- 4) The social structure itself can generate change through internal conflicts and contradictions.²³

The open system is characterised by importation of energy from the environment, transformation of energy into product and export of the product into

23. Clegg Stewart & Dunkerly David, 1980. 'Organization, class and control, Boston: Routledge and Kegan Paul.

environment. The open system also shares the properties of negative entropy, feed back, homeostasis, differentiation and equifinality. The law of negative entropy implies that it survives only so long as it imports more energy from environment than it expends in the process of transformation. The feedback informs the environment. It acts as a signal to the system to correct its malfunctioning to maintain its homeostasis or dynamic balance. The principle of equifinality asserts that the system can reach the same final state from different initial conditions and by different paths of development.²⁴

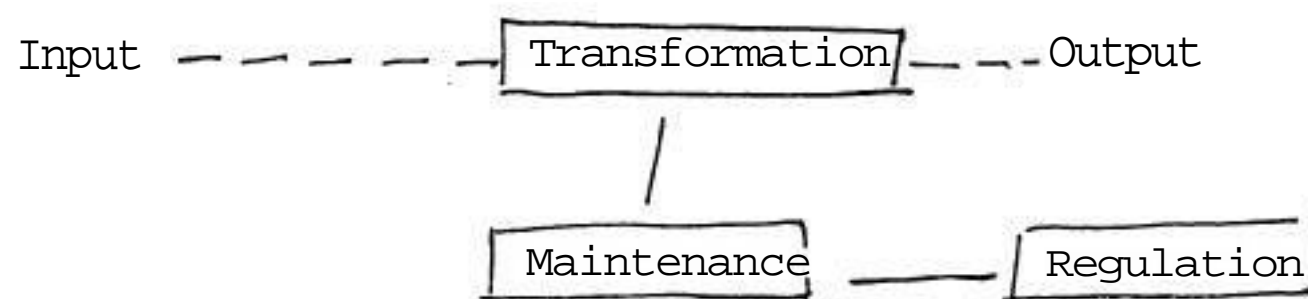
Within the systems approach to the study of organizations, the Tavistock institute of London conceived the idea of 'socio-technical' system, which explains that any productive organization is a

24. Katz and Kahn, 1966. 'The social psychology of organizations', New York: Wiley.

combination of technology (task requirements, physical layout, equipment available) and a social system (a system of relationships among those who must perform the job) . According to this conception, it would be wrong to argue that only the social psychological character of participants determines the nature and performance of job. Similarly, it would be a misconception to think that an established structure and procedure of performing a job (the technical setup) has an overwhelming impact on the conduct of the participants in the organization. The technology and the social system have a mutual impact on each other and it is from this perspective that an organization should be viewed. The properties of the open system in combination with the idea of socio-technical system suggest the multiple channels of interaction of the organization with the environment.²⁵

25. Schein H Edgor, 1983. 'Organizational Psychology', New Delhi: Prentice Hall. P. 193.

Simple view of the organization conceived as an open system.²⁶



Without the coordination of three systems indicated in the diagram, the organization can not function.

The view of organization from the socio-technical point of view questions some of the traditional conceptions of work-organization. The traditional ideas of organization implied an established pattern of activity and influenced organization for over a century in the industrialised countries. Hierarchy and uniform

26. Litterer A Joseph, 1973. 'The analysis of organizations', New York: John Wiley

activity for the participants of organization were considered dominant features. Mechanisation, standardisation and specialisation were the principles on which industrial production was carried out. After a point, it could be observed that organization created by man started creating the 'organization man'. The dehumanisation of work was reflected in jobs like those of the assembly-line workers whose work-life tended to get fragmented, routinised, monotonous and stressful. The new technological developments in the form of automation and later in the micro-chip revolution brought in new forms organization and a new way of improving the quality of working life. But there is widespread opposition to new ideas. Einar Thorsrud explains the reasons why there is widespread opposition to new ideas of organization.²⁷

27. Thorsrud Einar, 1981. 'The changing structure of work organization' in Kanawaty George Ed. 'Managing and Developing new forms of work organization', New Delhi: Oxford. P. 11.

- 1) The traditional formats were quite suitable to the main technological trend, i.e. mechanisation, and it took time to realise that the shift to process and electronic technology required new formats,
- 2) The effectiveness of large-scale, hierarchical organizations was measured in simple economic terms that did not reveal their wastage of energy, human resources and their threat to ecological balance.
- 3) Traditional forms protect the privileges of people with power and high status. This was true not only of owners, members of management and highly educated specialists but also of groups of privileged workers and staff,
- 4) The traditional forms 'conditioned' or taught people to accept what they saw all around.

With time, people stopped looking for alternatives. Those who had privileged positions found good reasons why they needed them or deserved them. Those who had not, learnt to live with the situation.

- 5) The traditional forms included payment systems, planning and administrative routines etc. which needed to be adjusted to new forms of organization. When these adjustments took place, uncertainty arose about how managerial control was to be maintained. This may have been the case even when the new forms were designed to reduce the needs for internal co-ordination and control and enabled the management to concentrate on the more important control of interaction between the organization and outside world,
- 6) It takes time to develop new forms of organization. Before the necessary

conditions for new forms are established, people often give up and return to 'the devil they know' rather than take risks with the unknowns.

This study attempts to understand the traditional form of labour organization in its functioning and its impact on the participants. The views of the participants are given prominence in the observation and various facets of the organization are discussed.

The Plant

The Hyderabad unit of Hindustan machine tools ltd. has been selected for the study. The study is confined to the two divisions of the company, the machine tools and the lamps. The two divisions together employ a workforce of nearly 4500. Both the divisions have separate administrations headed by the general managers. The head office is located at Bangalore and the unit management is accountable to the Chairman and Managing directors and four functional Directors on the board for the functions of personnel, marketing, policies and corporate planning. While the machine tools division is strategic to the economic development providing industrial infrastructure to the country, the lamps division finds its place in the consumer goods sector of the country. This aspect of the organization facilitates the study of government policy affecting different sectors and offers a chance to compare the

two divisions. Situated in the suburbs of Hyderabad, the company owns a fleet of busses to provide transport facility to the employees residing in various parts of the city. Nearly one fourth of the workforce live in the two housing colonies, constructed by the HMT housing board.

Machine tools division

The growth in the productive capacity of the machine tool industry was the linchpin for the Mahalanobis strategy because, in an essentially closed economy, accumulation of capital stock would not be possible in its absence. As late as 1960, machine tools accounted for only 0.3 per cent of the total value of manufactured goods. This itself shows how the machine tools which no doubt, have strategic importance for development, had been neglected. The growth in machine tool production accelerated sharply with the implementation of the Mahalanobis strategy during the

second five year plan. The performance of the industry is apparent from the fact that in the ensuing third plan its production went up by roughly twice as much as for the whole of the preceding twenty years.²⁸

The penetration of foreign machine tools into the economy has been growing since the early 70's. In 1973 imports represented 28 per cent of total consumption of machine tools in India. By 1985, however, the self sufficiency gap had widened to 56 per cent. This unsatisfactory development strongly suggests the increasing dependence on foreign made tools to satisfy the market for the sophisticated high-technology machine tools which India is not yet able to produce.

A more disturbing aspect of the industry's growth performance has been with regard to exports. Although machine tool exports have always represented an insignificant proportion of the machine tool output, no

28. Mathews Ron, 1988. 'Development of Indian machine tool industry', EPW Vol. XXIII No. 40 Oct. P.2061.

progress at all has been achieved in improving the ratio of output to exports. In 1984, the proportion of exports to production was 7 per cent only.²⁹

The fact that India which ranked 11th in world machine tool production in 1966, slipped to 18th in 1986 seems to suggest that other newly industrialising countries are experiencing relatively faster growth in machine tool output. According to 'American Machinist' 35 country survey, India's output value of US\$ 29 billion represented only 0.9 per cent of world machine tool output. The picture is even gloomier for exports. Here India ranked a lowly 28th, with only around US\$ 20 million as export earnings. Against this figure Taiwan, Singapore, Brazil and South Korea earned 12.0, 4.0, 1.9 and 1.2 times as much respectively. India's exports in 1986 accounted for barely 0.2 per cent of the world machine tool exports. In the 1980-81 IMTMA -

29. Mathews, Ron, Ibid.

annual report, the industry's total output of 'machining centers', one of the most advanced pieces of tool technology, amounted to only two units. The same year's output for Japan was 4,820 units, with production as high as 333 units even as far back as 1971. The age distribution of machine tools in India indicates that 53 per cent of tool population is more than 10 years old, whilst over 21 per cent is more than 20 year old.³⁰

The HMT is one of the world's 10 largest machine tool houses. Now it has 14 factories, 20 divisions and 28,000 employees. During the industrial recession of 1966-70, HMT diversified its activities and moved into manufacturing of special purpose machines for the company's continuity in business. HMT of Hyderabad took up this activity. These machines ranged from drum turret lathes to high speed multi-spindle automatics and

30. Mathews Ron, Ibid.

transfer lines. The technological environment of machine tools is rapidly changing in the wake of the electronic and mechatronic revolution in the manufacturing world. The machine tool industry in the country is poised for a high leap forward. The development council for the machine tool industry has visualised a steady 15 per cent annual growth for machine tools in the next decade. This implies that, the production will go up from its present Rs. 330 crores to around Rs. 1,160 per annum by 1992-93.

The special purpose machines manufactured by HMT of Hyderabad require a lead time of nearly 8 to 10 months. Each product has approximately 300 components and around 130 machines are produced every year. These components flow through approximately 25 manufacturing stations taking a considerable amount of time (waiting time, transit time and other delays).

The performance of HMT Hyderabad division (Machine Tools).

(Rs. in Lakhs)		
Year	Production	Sales
1979-80	1202.15	1202.44
1980-81	944.65	906.69
1981-82	1604.62	1603.46
1982-83	2103.63	2042.48
1983-84	2600.91	2339.82

Lamps division

The company set up a plant at Hyderabad for manufacturing lamps, lamp making machines and fluorescent lamps in collaboration with a Hungarian firm Tungsram, in the year 1978. It manufactures range of bulbs, tubes and needed components. Unlike machine

tools division, the lamps division has experienced poor financial performance since its inception. Presently the unit faces tough competition in the market from private sector companies like Philips, Bajaj, Sylvania Laxman and Crompton Greaves.

The performance of the unit during the years from 1978 to 1983.

	(Rs. in Lakhs)
Year	Profit or Loss
1978-79	- 87
1979-80	+ 12
1980-81	-300
1981-82	+ 12
1982-83	-461

One of the reasons attributed for the losses was higher consumption of materials than the norms fixed.

This is evident from the following figures.

Item Particulars	Value in Rupees 1982-83	
	Budgeted norms per 1000 Nos.	Actual per 1000 Nos.
1. Consumption		
A. GLS Lamps		
i) Raw Materials and components	1453	1956
ii) Stores and spare parts, packing materials etc.	410	445
B. F.E. Lamps		
i) Raw Materials	6630	13911
ii) Stores and spare parts, packing materials etc.	1877	4201

Excess manpower and weak marketing policies have also been regarded as the major causes for its financial loss. To reduce the excess workforce, a watch-case division has been proposed for establishment into which the excess workers of the lamps division

will be diverted. While the pruning of man-power is a step towards efficient cost-management the other important factor, viz. competition in the market, needs to be tackled. Bulbs being a consumer product, only the efficient marketing can increase the sales. The retail shop owner gains his share of profit in the of commission for the bulbs and tubes sold. The private companies with their flexible and aggressive marketing policies offer better commission to the retailer and get their products sold. Slackness in devising aggressive market policies is clearly evident in the case of the lamps division.

No specific projections of demand were made for lamp making machinery before establishing the project. The total production during the last five year (1978-83) was only 8 machines which was the annual licensed capacity. The capacity utilisation for production of lamps also was only 74 per cent in 1982-83. There was higher consumption of material than norms fixed. Heavy

rejections and quality complaints like shorter life, caps coming coming off, breaking of holder pins, fusing out etc. were reported. The cost of production was abnormally high, being more than double the budgeted norms for fluorescent lamps in 1982-83. The unit has suffered a total loss of Rs. 8.24 crores during the five years between 1978-83. The parliamentary committee (82-83) also viewed with concern the poor performance of this particular unit. They are of the view that the company should not have gone in for the production of lamps, an area quite different from its main line of production, viz. machine tools. The production management and cost control in the unit left much to be desired. The unit had gone into production twelve years ago, but the modification required in the machinery to achieve the rated production was carried out after nearly six years. The committee also stressed the need for improving the quality of the products and upgrading the technology for the manufacture of lamps as well as lamp making machinery.

The heavy losses of HMT lamps division raised certain important issues. The first being the policy of the government to diversify public sector in the highly competitive consumer market. Generating employment seems the only justification the government can offer in starting Hyderabad lamps division. The other objectives of the establishment of the public sector can not be justified. It is located in the industrially developed urban centre, hence the question of bridging regional imbalance does not arise. The other objectives like promoting self reliance in strategic sectors, providing infrastructural facilities, preventing concentration of economic power, generating surpluses for investment, social control over trade and industry can not be justified in the case of the establishment of HMT lamps division.

CHAPTER - II

THE TRADE-UNION DYNAMICS

Trade-union as an Arena of Political Action

The workforce of HMT machine tools and lamps divisions is represented by HMT workers and staff union. This union is not affiliated to any national federation. The union has seven office bearers and eighty working committee members. The seven office bearers are elected by the entire workforce. The working committee members represent various departments of the factory. They are elected by the workers of the respective departments. The different political groups contest the elections on the basis of their panels. Each panel is allotted an elections symbol. The workers have a choice to elect candidates belonging to

different panels for different official posts. Thus, if the president belongs to one panel, the general secretary might belong to another panel. But the elected office bearers represent the united banner of HMT workers and staff union. This factor contributes to the internal dissensions within the union. It becomes imperative for the contesting political groups to win key posts to be able to effectively represent the workers before the HMT management.

The worker's dissatisfaction with a political group need not result in the failure of a candidate representing that group. A candidate's election to the office may be more due to his leadership qualities than to his affiliation to a political group. Since the executive of the union represents popular individuals belonging to ideologically opposed groups, this often creates deadlocks in decision-making. The process of decision making becomes a means for political posturing and playing to the gallery. The ideological and

personal rivalry among the top office bearers offers a scope for the management to split the union and reduce the effectiveness of the union.

The workforce, in the initial stages of the establishment of HMT, were largely unskilled workers. They were sent in batches for training to Bangalore, the HMT training centre. During the late 60's the workers numbered around 500. The early 70's the rapid expansion of the plant and its workforce. The first organised representation of a problem pertained to the lack of air and ventilation on the shop floor. Sanjiva reddy, the leader of the congress party led the technicians union to achieve demands of monthly bonus (production incentive) and standard hours* of work.

* The standard Hours - Monthly bonus of the worker is calculated according to the standard hours of work he puts in. A standard hour is a calculation of the quantity of work which should be performed by the worker in an hour. On a monthly basis a worker has to complete the stipulated standard hours.

The promotion policy was also formulated during his regime. As the work force increased in number, new union leaders emerged. Changes in the political climate also affected the political orientation of the workforce and hence the election of a political personality to leadership position. The Telangana movement for example had a profound impact. The workers, majority of whom belonged to the Telangana region, encouraged Badri vishal pithi. He became the President of union in 1972 to put an end to the congress domination. The Telangana movement did not last long and its decline signalled the decline of Badri vishal in the union politics of HMT. The period between 1967 and 1972 saw the emergence of some internal worker leaders. Poornachandra Rao, Subbaiah and Chandrasekhar had started propagation the communist line. Along with Padma Rao who joined them later, they laid a strong foundation for a communist group. The

communist (Marxist) group from then on, was firmly entrenched in power. From within the workers they recruited a dedicated band of communist cadre, some of whom got elected to responsible positions. Of these Poornachandra Rao and Padma Rao commanded independent following for themselves. While Poornachandra Rao remained with the CPI(M) group Padma Rao conveniently shifted his political loyalties.

The initial phase of communist dominated unionism was marked by beneficial activities for workers. Of these, the establishment of a House Building Society and Consumer Cooperative Society were the two important achievements. The consumer cooperative society had grown from strength to strength. The following figures indicate its development.

Year	Member Ship	Share Capital Rs.	Thrift Rs.	Turn Over Rs.
1975-76	20	200	Nil	Nil
1977-78	477	6,070	44,885	84,510
1980-81	2736	30,940	6,00,993	17,03,320
1982-83	4350	9,49,280	17,08,612	1,39,22,880
1983-84	4750	17,06,190	25,99,473	3,02,39,561

The House Building Society has (1990) completed three ventures. Nearly 1500 workers have acquired their own houses through the House Building Society. The administration of these bodies is carried out by elected representatives of workers. The establishing and developing of these societies has helped the communist leaders to retain their hold over these bodies. The other groups could weaken their position in the main union body but not in the house

building and consumer cooperative societies.

During the emergency period, 8 worker leaders of HMT were arrested. Prominent among them were Chandrasekhar, Koteswara Rao, Bal Reddy and Padma Rao. Some of the activists of the communists under the leadership of Poornachandra Rao helped the families of these leaders survive by collecting donations from workers. After the elections in 1977, candidates supported by the Janata party emerged victorious at the national elections. The arrest of the workers leaders and the triumph of the Janata party created a favourable atmosphere for Nayani Narasimha Reddy to stake his claim for leadership in HMT. The panel of Narasimha Reddy swept the elections. From the communist group, only Padma Rao survived to retain the position of general secretary. His election to the office gave him an independent stature as a leader. Apart from Poornachandra Rao, Padma Rao emerged as a powerful internal leader. He However, realised the

waning popularity of communists and in the next elections, he openly proclaimed his allegiance to Narasimha Reddy. In the next three successive elections, the Padma Rao, Narasimha Reddy alliance actively represented the union. They continued in office till 1984. Meanwhile, another trusted friend of Poornachandra Rao, Bal Reddy, deserted him to join the Padma Rao group. In the elections of 1984 Padma Rao put up a separate panel, ignoring the alliance with Narasimha Reddy. The communist panel (bulb), the Padma Rao panel (Mashal), the Narasimha Reddy (Wheal), the BMS (Bharatiya Janata Party) panel (Watch), and the Badri vishal panel (Balance) contested independently. Padma Rao panel faced defeat and Poornachandra Rao panel (communist) was swept back to power. The 1984 elections indicated that, (1) Padma Rao over-estimated himself as a leader to counter communists (2) the proliferation of contesting groups resulted in a great advantage to communists and (3) the cadre of communists sustained the group following, whereas other groups

mainly depended on the image of their leaders.

The debacle of 1984 taught an important lesson to those opposed to communists that, while divided, they cannot defeat them. The next election in 1986 demonstrated the political acumen of Padma Rao. He actively collaborated with the group of Badri Vishal and combined the splintered opposition. In this election he came back to contest as General Secretary. Badri Vishal contested for the post of President and their alliance won the elections. Badri Vishal did not last long as President. His tall promise during the elections was that he would resign the post, if he was not able to get the "own house to every worker" scheme accepted by the management within six months. He could not achieve this and so he resigned. Padma Rao became the defacto head of the union. After the 1986 elections, three major groups emerged in HMT. The first being the communists with a solid support of

about 800 workers, the second was the regrouped opposition to the communists under the leadership of Padma Rao, and the third, was the group of Nayani Narasimha Reddy.

Until 1978, shifting loyalties to win elections were unknown in HMT. Padma Rao was the pioneer of defections in 1978. Between 1978-84 the important case of changing sides to win elections was that of Bal Reddy's defection from the communist group to join Padma Rao. The success of the communists in 1984 was followed by their defeat in 1986 when Padma Rao mobilised support of the group of workers loyal to Badri vishal pithi.

The alliance of Padma Rao with Badri vishal was based on the resurfacing of regional sentiments since at that time the issue of the Telangana regionalism was highlighted. While Badri Vishal was a known leader of the "separate telangana" agitation, Padma Rao also

identified himself as a representative of the group of workers belonging to the Telangana area. The crucial issue for that election was sub-regional loyalties. Since Padma Rao finally led his group to victory on this issue, the communists and the Narasimha Reddy groups feared that he might consolidate his position based on these issues. These two groups, which were traditional rivals in HMT contested as a united panel in the 1989 elections.

The 1989 elections proved crucial in many ways. In these elections the Congress made an entry under the leadership of Janardhan Reddy, a powerful leader supported by a popular floor level worker, by name of sundaram. Sundaram was earlier dismissed from service on the charge of manhandling a manager, but had to be reinstated by the orders of the court. They scored a resounding victory to displace all the other traditional political groups active in HMT. Many of the workers explain the congress group's victory in

elections to the disenchantment of the workers with the traditional leaders on account of their "unholy" alliances such as that of Narasimha Reddy and Poornachandra Rao. However, despite the opportunism of Padma Rao and later Narasimha Reddy, the two groups had done fairly well in the earlier elections. A more powerful reason infact was the "opportunistic" tendency amongst the workers themselves who felt that the congress leaders with their connections in the state & central government could benefit the workers more than the other group. Another important factor being the fire brand image of Janardhan Reddy in the local trade union situation. It was felt that the traditional leadership was too mild in dealing with the management, who needed to be dealt with firmly.

The above description gives a broad picture of the groups and personalities involved in the trade-union politics of HMT. It is important to know how the workers view these groups and personalities. The

following explanation attempts to provide the same.

When there was a threat to communists in the elections of 1978, the leadership mainly depended on their past achievements and sacrifices during emergency. The issue which led to the arrest of these leaders, i.e. the reduction of bonus from 8.33 to 4 per cent by the Indira Gandhi government, was highlighted. But, in these (i.e. '78) elections, the Narasimha Reddy group had an overwhelming support of workers, because he belonged to the Janata Party which had won the elections at the center in 1977, apart from the strong anti-congress waves, the workers felt safe to support a political leader who had political links with the Central government. From the Communist camp, only Padma Rao was elected to the office. The defeat of Poornachandra Rao created dissensions between Poornachandra Rao and Padma Rao and consolidated the position of Narasimha Reddy in 1978. Eventually the rivalry among these three personalities led to the

downfall of all the three groups in 1984.

Prior to the entry of the congress in the 1989 elections, the three groups mentioned above dominated the union politics to such an extent that they took worker's support for granted. The top communist leader, Poornachandra Rao who was in power for a long time, developed a working relationship with various managers. His hobnobbing with the officials was dubbed as being pro-management by his opposition. His dealings with the management were projected as a soft approach towards the management. Similarly the political opportunism of Padma Rao was not liked by many workers. However, those fed up of Poornachandra Rao's domination accepted his victory as a lesser evil. Later re-alignments between communists and the Narasimha Reddy group however, could not stop the workers from rejecting the communists and other old leaders in 1989. The defeat of all the three groups in the elections of 1989 proved that the workers were

seeking a radically different type of leadership. This leadership combined two somewhat opposite elements viz. militant rhetoric and action at the level of the company in worker-management encounters and secondly opportunistic alliances with political authorities through incorporating top political bosses from ruling party as the leaders of the trade union.

Major Issues

Of the crucial issues that bothered the workers, promotion policy is the most important one. There are six wage grades (WG) of workers from WG-1 to WG-6. WG-6 is a most recent addition. Workers could attain promotion after every three years of service subject to fulfilling the criteria of standard hours of work. Many senior workers of HMT had already attained the WG-6. Since there is no higher grade after WG-6, the problem of senior and junior workers getting 'bunched' together had cropped up. While the stagnation of wages at WG-6 stage is one area of discontentment for senior

workers, the threat to their position of seniority as juniors reach WG-6 is another problem. While the lack of planning on the part of the management is quite evident on this issue, it became an issue for the workers, leaders and the union. This kind of situation is not conducive to managerial efficiency. The alternative for the management is to increase the number of grades by adding a senior grade or convert the senior workers into supervisors. The conversion of workers into supervisors creates another problem. The management gets top heavy i.e. the proportion of the balance between the management and workers' positions gets unwieldy. The union on the other hand loses votes if workers become supervisors. Hence the union opts for the alternative of enhancing the grades.

The other persistent issues had been (1) provision of housing (2) provision of loans and (3) protection from the 'arbitrary' disciplinary procedures of the management.

Taking into consideration the relative financial comfort of the public sector employees, the unions search for ways to generate issues which would help mobilise workers support. The various union leaders' attempt to categorise the other leaders as soft in their approach towards management creates a situation of allegations and counter allegations. If one carefully observes the post-election union-management relationship, it comes out clearly that the scope for new-attractive-issues is limited. The relationship between trade-union leadership and management can hot-up only on a few issues, many of which, again, are confined to sporadic shop floor tussles. On issues like promotions policy the union leadership generally adopts a conciliatory approach considering the impossibility of "once for all" solutions. The workers are well aware of it and promise of final solution is not believed by them.

The impact of the union on the working career of the worker must be seen in two contexts. The first relates to the ordinary worker who, being pragmatic, chooses a leadership which appears to have a majority of workers behind them. One ordinary worker observed, "I would prefer to support the dominant leadership rather than be neutral. By doing so, I have access to the shop leaders of the union who come to my rescue when I face trouble. My supervisor is careful enough not to victimise me because I am identified with the dominant group."

The ideology of the union leaders especially in the case of the communists has only an indirect influence on the ordinary workers. To the political activist, the union takes on a different meaning. While some are active members to spread their ideology, others become members for the economic gains they hope to get through active involvements in representing and working for the union. Union is also a "Power

center". Its leadership has a special status vis-a-vis the workers and the managers. The union activist is called for worker-management dialogues at an equal level. His personal equation with some of the managers can help some workers, whose personal problems can be posed with sympathy before the management. The management, on the other hand uses the union leaders to communicate the "real problems of the managers" to the workers in general. Among the activists there are two types. First are the ones whose activism is confined to the workplace and the second are the ones who extend their influence into the broader political life as well. Both types utilise the union and its dominant status to fulfill their objectives.

Industrial relations and organization

The management while controlling and directing the workforce has to deal with the trade-union at two levels. At the first level are the internal leaders and at the second level are the external leaders with

their political influence. The external leadership derives its strength either from the ruling political party or its potential of mobilising public opinion. The management has to be generally tactful in not antagonising the external leadership since, unlike the internal leadership, it has an ability to directly affect their life. In HMT of Hyderabad, from the individual worker on the shopfloor to the top elected leaders, the world of the workers is highly politicised. It starts from the basic relationship between the worker, Supervisor and the shop steward. Their triadic relationship on the shopfloor is crucial for the process of production. The pace, the quality and the quantity of production is determined by their attitude towards each other. While the worker and the shopsteward derive their strength from the trade union which gains its influence from the larger political atmosphere, the supervisor has the responsibility to carry out the management's objectives of production. While the management provides him with the formal

authority in the form of imposing sanctions against the erring workers, the actual performance of work includes the informal aspect of his treatment of workers. the examination of the relationship between worker, shopsteward and the supervisor in the context of the growth of the union provides us with an understanding of the dynamics of the three roles and their impact on the organization as a whole.

During the initial phase of its establishment, the HMT had a small workforce. The trade union leaders were entirely from amongst its workers, the communists with their working class ideology could gain many benefits for the workers without affecting the cordiality at the shopfloor level. The union activist, apart from gaining benefits for his co-workers was instrumental in the healthy functioning of the organization. The HMT of Hyderabad was a successful and highly profitable institution. Although the ideology of communists created a vigorous political

atmosphere, it was not a threat to the relationship of workers and supervisors.

As the plant expanded and the workers grew in number, the external political intervention started. The workforce of HMT now assumed the proportion of a sizable urban vote bank. The imposition of national emergency in 1975 created conditions for the external leaders to stake a claim for union leadership in HMT. It coincided with a glut in the market for the machine tools. The workers were given a choice to elect external leaders who could interact with the management through the higher political levels. The entry of the external leaders in 1975 brought about a split in the internal leadership and Padma Rao for the first time realised the benefits of aligning with the external leadership. With the split, the grip of the shopstewards weakened. The management taking notice of the fluid situation, decided to take a tougher line with the workers, who could not depend on the

shopstewards because of the dissensions among the union leadership. For a while the attitude of the management resulted in dividing the shop stewards and the workers. At this junction, different political groups realised that only the tough and fearless shop stewards can deal with the supervisors and attract the workmen towards union issue. Hectic activity was recorded, with shopstewards threatening the supervisors, and workers becoming adamant against the management. The activities of the union took on a new turn and shopfloor tussles became major issues. The coordinated activity of the earlier time in putting forward and solving demands was absent. Disciplinary procedures became the major area of confrontation between the union and management. The external leadership was also instrumental in raising various issues like the region and the caste.

The tradition of anti middle-level management postures by the workmen has its roots in the entry of

the external union leaders. The view that the supervisor and the worker share the common objective of maintaining the efficiency of organization got vitiated. With the strained relationship between shopsteward, supervisor and worker on the shopfloor, the management took recourse to applying the formal machinery of rules and regulations to discipline the workforce. As a counter measure to the imposition of rules, the union resorted to go slow and tool down strikes on petty issues. Amongst the workers there was general negligence of work. It affected the quality of product and increased wastage. The pragmatism of the workers operated only to the extent that they chose militant shop stewards who readily offered protection against the supervisors, who on the instructions of the management resorted to the mechanical application of official rules of the book. The shop stewards on the other hand needed the protection of the political bosses. They supported the external leaders because the internal leaders did not have access to the highest

levels in the management. The dependence on the external leadership was clearly illustrated by the results of the 1989 union elections, when all the internal leaders including those who had their connections with the politicians were rejected. Janardhan Reddy, a "fire brand" trade-union leader of the congress, was elected who later became the labour minister in the government of Andhra Pradesh. The workers of HMT now have the labour minister as the President of their union.

The domination of the external leaders was part of the process of the politicization of the workers. The internal leaders like Poornachandra Rao and Padma Rao, who lost their ground continued their efforts to regain the support of the workforce. In 1978, the establishment of the lamps division provided them with an additional workforce of nearly 2000. The lamps division became the battle ground for extending their influence. The industrial relations of the lamps

division were so poor that it started as a loss-Baking unit. The machine tools division continued with its tradition of established procedures of work. It could be clearly observed that the discipline among the workforce of lamps division was poor compared to the machine tools division. The reason was that the senior workers who had experienced discipline and the resultant benefit to the organization continued to influence the younger workers to some extent. The lamps division lacked this tradition. The majority of the lamps division workers were young and heavily influenced by the powerful leaders.

The management of the lamps division also tended to enforce rules and regulations to deal with the shopfloor tussles. The union and the workers responded by questioning the attitude of the management. The repetitive application of the same method of coercion by successive managements created a condition of deep animosity with the management. It is possible that the management, by taking a conciliatory approach, could

have altered the course of industrial relations. It seems as if neither the workers nor the management were really concerned about the health of company.

The close study of industrial relations in HMT reveals that both the management and the workers treat the organization as a milching cow where none of them have the responsibility of caring for the organization. The workers and the union resort to pure 'economism', not caring for the consequences of their actions for the organization. The management on their part also seems interested in concentrating only on the minimum required work, so that some how the company can be kept going. Efficiency of the organization is not the goal of either of the groups.

Approach of the union leadership

Each trade-union leader in HMT adopted a specific approach to sustain his leadership among the workforce.

Poornachandra Rao, the leader of communists depended on the cadre to influence the workforce. He believed in the ideology of communism and when the workers needed a union with an established pattern of operation and with a clear authority structure in the union, they had a ready choice in communists. Poornachandra Rao lead the cadre and involved it in the propagation of the class ideology. His method of operation was to campaign with the help of the cadre. The cadre indulged in a person to person communication with workers. Poornachandra Rao's activity was the ideological training and organizing of the cadre. Padma Rao operated in a different way. In an interview with him he showed scant respect for the workers. He stated that each election brought into focus certain issues. Workers reacted to these issues and elected their leaders. Hence, the clever manipulation of issues can be influence the workforce. During the process of elections, a clever leader can divert the attention of workers which can pave the way for his election to the

office. In his campaign, Padma Rao brought up issues like the Telangana regionalism, the ineffective functioning of the other leaders and the corrupt practices of the management. He projected himself as a tough negotiator with management. For all his opportunistic alliances, he could still maintain the stature of a leader and still be a powerful force in the union politics.

The external leaders like Nayani Narasimha Reddy, Badri Vishal Pitti* and Janardhan Reddy adopted a different approach. They concentrated on the rank and file. Their main focus was on the issues of protection of workers' interests and struggle against the arbitrary disciplinary procedures of the management. They claimed that the internal leaders with their jobs in the factory were constrained in dealing with management. The external leaders sought alliances with the influential groups within the organization. The internal leaders unable to stand on their own supported

the various external leaders from time to time. There was no consistency in the internal leaders in sticking to a long lasting alliance with the external leaders.

Badri Vishal Pathi

As a leader of the Telangana Praja Samithi, he was active during the separate telangana agitation. He commands the support of those workers who strongly feel a threat to the interests of the workers of the Telangana region. This fear of discrimination started when HMT began to expand and workers belonging to the Andhra region signalled the departure of nearly 15 years, with the help of Padma Rao, he successfully contested the election and was elected as the president of the union in 1985.

Chapter - IIIManagement and the organization

Management plays a crucial role in co-ordinating various activities in the organization. In industries like the machine tools, the responsibility of the management is more crucial for the spread of technology to other industries. As Nathan Rosenberg puts it, "the machine tools industry as a result of technological convergence, played a unique role both in the initial solution of the technological problems and in the rapid transmission and application of newly learned techniques to other users. We suggest that the machine tool industry may be regarded as a centre for the acquisition and diffusion of new skills and techniques in a machinofacture type of economy. Its chief importance, therefore, lay in the strategic role

in the learning process associated with industrialization. "1

The Hyderabad unit of HMT specialises in the special purposes machines. The latest in the machine tool technology consists of computerised numerical control (CNC) machines. Advanced countries widely use this technology in various areas of industrial production. In spite of the claim of sophistication, Indian machine tools industry has not kept pace with CNC machine production. Although HMT supplies technology to the other third world countries, it is not in the area of CNC machine production.

An R & D unit within a company such as HMT has two types of tasks, viz., improvement in the current technology through minor innovations and working at the frontiers of technology to introduce more advanced

1. Rosenberg Nathan, 1988. ' Perspectives on technology', Cambridge: Cambridge University Press. P. 18

concepts of machine tools present in the advanced countries. As far as the more mundane task of constant improvement of machines which have a large current market, it appears that very little work is done by the R & D group. This is very unfortunate. Since the potential for improvement in the existing technology has to be fully exploited through more efficient use of materials and energy such an approach could be of great importance for the Indian industry.

Since a few years the R & D group had been concentrating on computerised numerical control machines. Their development is discussed in this section below.

Aspects of technology - CNC machines

Sunil Mani, one of the researchers of public enterprises explains, "at least some of the products claimed to have been developed by the firm (HMT), like

CNC machines for instance is not just the output of in-house R&D, but also due to the joint development agreements which they had with other partners. However, it is quite significant that none of these innovations have been patented implying thereby that they do not appear to be innovations of a major nature."² There are various problems in the production of CNC machines. The application of CNC machines is still limited in the Indian industries. The application of CNC machines is still limited in the Indian industries. Hence the production of CNC machines for specific users is restricted.

Some of the components of the CNC machines, viz. the DC Drives and Software should be of high quality. Although Indian companies like Fenner Drives or Telco Produce these components, HMT opts for importing them

2. Mani Sunil, 1988. 'Technical dependence in Indian public sector', Hyderabad: Institute of public enterprises. P. 114

because of their uncertain quality. The Indian components, the managers pointed out, cause problems of long term maintenance of machines to the users and as a result bring down the production values of HMT products. This situation suggests lack of indigenisation of foreign technology. The dependence on foreign inputs results in the escalation of costs of high-tech products such as the CNC machines.

A CNC machine developed with the help of KTM (Germany) was on display at the machine tool exhibitions held at Bombay and later in Germany (in 1990) . This machine has not been produced for sale yet. The team of engineers who developed this system voice their disappointment. One of the engineers said that the productionising of this machine was stalled due to internal politics. The leader of the team is in conflict with his superior in the hierarchy.

Technology - other issues

The HMT machine tools division depends on foreign collaborations for aggradation of technology. This technology has been absorbed to achieve higher levels of self-sufficiency and also to contribute to the export potential, especially to the other third world countries. But, as one of the managers put it, "with 35% of the market share and a near monopoly in the sphere of special purpose machines, the HMT should have attained much more." In the machine tools area the change is rapid: a simple absorption of one type of imported technology does not result in independence from foreign technology. Innovation and R & D have to be in-built in the system. The sluggish system of public sector enterprise like HMT has not been able to keep pace with the internationally generated technological development. Our concern here is not to undermine the achievements of HMT but to highlight the

negligence of R & D in pioneering areas like the CNC machines. Many of the managers are aware of the internal problems associated with employee morale and co-ordination of production activities with R & D but feel themselves helpless.

Some of the requirements of machine tools by Indian companies are not within reach of production for HMT. The defence factory in Avadi continues to depend on foreign components in the production of T-72 tanks. The Avadi factory purchases its requirements from 'Shies', a German company, The high-precision machines imported by the company require maintenance and for this job the Avadi factory has an arrangement with HMT. The personnel of HMT receive their training in 'Shies' and inturn help Avadi to maintain its machinery from time to time. The technical knowledge of these personnel is put to use by HMT in devising high-tech machinery and to improve its parameters of capacity and quality of production. HMT, through this method, could

improve the production of vertical turning layers horizontal boring machines. But in the production of these machines HMT encounters the problem of raw material and poor quality of components. The raw material available in India is not upto the standard and the components made with this material do not withstand the load. This factor forces HMT to turn to the foreign companies for components. It proves extremely beneficial to the foreign companies to supply not only technology but. the subsequent flow of components. The Indian companies and the process of indigenisation suffer.

Impediments to efficient management - Caste

The issue of promotions in the managerial cadre complicates their performance. The SC's and the ST's receive their promotions on a priority basis and after every block three years of service. The promotion of the rest depends on the availability of vacancies and

on considerations of merit. With very few vacancies in the managerial cadre, the managers belonging to the reserved categories supersede their senior within a short period of time. the following diagram illustrates, the quick promotions and resultant influence of 'caste' in the authority structure.

The following diagram shows how the reserved category employees attain quick promotion inspite of the lack of vacancies

INDEX

A. Senior Managers >
 B. Junior Managers <
 C. Engineers ^
 D. Supervisor ~
 Reserve Categories #

1980

A. >
 B. < <
 C. ^ ^ ^ ^
 D. # # ~ ~ ~ ~

1983

A. < > Retd.
 B. < ^
 C. # # ^ ^ ^
 D. ~ ~ ~ ~ ~ ~

1986

A. <
 B. # # ^
 C. ~ ^ ^ ^
 D. ~ ~ ~ ~ ~ ~

1989

A. < # #
 B. ^ ^ ^
 C. ^ ^ ~ ~
 D. ~ ~ ~ ~ ~ ~

Repercussions - 1. more managerial positions
 2. supercession of seniors 3. imbalance in structure.

In HMT there are many instances of reserved caste category juniors in service who are commanding the seniors.

With vacancies becoming scarce, there is fierce competition among the non-reserved categories for promotions. The managers explain the presence of the rampant casteism in promotion and recruitment as originally due to the introduction of the caste factor in the case of reserved castes. It was suggested by some informants that those managers who belonged to the caste of the General Manager received quicker promotions. Caste related favouritism was also brought out in relation to the selection of personnel to be sent abroad for training, and the promotion to key managerial positions. The caste factor is often strengthened by the fact that it overlaps friendship networks as well. The longer the existence of a caste in the organisation, greater the possibility of informal factors underlying favouritism, helping its members to be ahead in competition. Various issues became highly politicised due to the factor of caste. The tradition of favouritism based on caste is

generally expected. Although managers complain of inefficiency due to this factor usually referring to the isolated cases of lower caste promotions. However, they themselves engage in it when in position of power. This probably is at least one reason which explains the continued dominance of the dominant castes such as Brahmins, Reddys & Kammas in the HMT management cadre.

* A n association o f backward classes exists i n HMT. This association consists of employees of all grades including the managers belonging to the backward classes. When a worker of this association faces a problem, a manager belonging to the same association comes to his rescue. In this way the association bridges the difference between a section of managers and workers. This association, indulges in pressure group politics in the organisation. Since the representation of backward classes is a politically sensitive issue, the management handles it through compromise. However, this produces envy among the rest

of the workers. Their quick promotions and other privileges affect other workers and they express their unhappiness openly. the caste based politics of the workforce affects the productivity and the management is increasingly finding it difficult to maintain a healthy atmosphere of work.

Worker-supervisor relationship - The power game

The officers association, which by and large comprises of middle and lower management cadres is not officially recognised and has a comparatively weaker bargaining strength as compared to the workers' union, the officers' association is not able to handle their grievances especially when the issues also involve the trade-union members. As a result many supervisors feel a sense of 'powerlessness'. They feel that they have no say in the decision-making process at any level. They are also not organised enough to raise their voice against the top management. they are accountable to

the top management for realising the production targets while the workers' cooperation is fitful. The supervisors neither have the collective strength that the workers enjoy nor are they vested with enough authority or power in the formal chain of command to handle situations fearlessly at their levels. In an incident of a worker being caught sleeping in the workplace, the concerned supervisor initiated action against the erring worker. The worker pushed his case through the union and claimed that the supervisor, because of personal grudges, had foisted false charges. Since there was no evidence for the incident, the supervisor was unable to prove the charge. The final outcome of the proceedings resulted in the supervisor being transferred to another department and the worker escaped without punishment. The supervisors very rarely initiate action against workmen. Unless the management adopts a conscious policy of tightening the implementation of rules, the supervisors, in the normal course of doing their jobs, do not use the official

rules because of the fear of retaliation by the workers' union. The end result is that the production suffers in quantitative and qualitative terms. As one of the supervisors explains, "There are several activists in all departments who are given to violent ways. They shirk work but ensure that we do not report the matter to the authorities. Some of us in fact, perform their work and meet the work targets in order to avoid the wrath of the management. Those of us who have risen from ranks escape the mischief created by the negative elements as we have our own contact with the union and other workers. The new managerial appointees, unfortunately get victimised for the truancy of the mischievous elements."

The lamps division

The plight of lamps division is a clear example of the difficulties a public enterprise faces in competition with the private sector. The HMT lamps

division manufactures lamp chains, which consist of the total apparatus of lamp-making from caps to filament and dome. Unfortunately the new manufacturers of bulbs in India are preferring the imported lamp chains. Because of the poor sales of lamp chains, the HMT now depends on the production and sale of bulbs in competition with imported technology led by multinationals. In the extremely competitive market pricing and marketing policies determine sales and profits. The HMT follows Philips, the market leader in its pricing policy. But the margin of profitability of Philips is much higher as compared to HMT bulbs. Excess manpower is one of the crucial reasons for high production cost of the HMT bulbs. In addition to the excess manpower, the workers of the lamps division are comparatively younger and active in trade-union politics. Any effort to reduce manpower immediately causes a revolt in various departments. The private sector dominates the network of retail sales. The absence of emphasis on retail sales results in **poor**

sales and losses. In spite of a market share of nearly 10%, the HMT is not a profitable concern.

The issue of corruption

HMT employs qualified sales executives to scout for prospective customers and increase sales. The sales executives are required to visit different places to convince the customers of the quality and price of products. These sales executives, it is alleged, instead of pushing the products of HMT, succumb to the manipulations of the competitive firms. Workers observe that more often than not, the sales executives, when on tours to promote sales, are known to divert the order to the competitive firms. By doing so, they benefit in two ways. First, they receive the traveling expenses and other allowances from HMT and second, they also receive commission from competitive firms for providing them with orders. The example, if correct, suggests ineffective control over the activities of employees. The private sector engages in a high

pressured marketing and is thus able to retain its dominant position. While the entry of public sector in the area of consumer goods like lamps can be questioned on the grounds that lamps are neither strategic nor a basic input for any other industry, the loss of millions of rupees on this product seems unjustifiable.

Quite apart from the already discussed problems of the lamps division, a union official in a discussion pointed out the following factors -

1. The purchase of packing material in the form of corrugated role boxes and gum tapes is effected to the tune of rupees one crore per annum. Nearly 40 to 50 per cent of this purchase goes waste because of the cheap quality of the material. The allegation from the union is that the management gets a cut in the purchase of the cheap quality material.

2. An important member of the management, for his personal gain reduced prices of lead glass tubes to the extent of Rs. 6 to Rs. 7 per kilo gram and sold it to one M/s. Panama Electricals of Calcutta. The union has lodged a complaint with the management indicating the purchase of bulk components as scrap by Panama Electricals. It was pointed out that this company is manufacturing duplicates of HMT bulbs. The management is also responsible for selling the lead-in-wire machines to this company. These machines were bought by HMT by spending precious foreign exchange.
3. The machine tools division has its share of such practices. Machine designing is an important aspect of manufacturing which can be undertaken by well qualified personnel.

HMT has a designing department which employs qualified personnel. A private company (MIAR of Balanagar) situated near HMT also produces identical machines. The owner of the company infact was a manager of HMT before he started his own company. The machines produced by the private company cost less and therefore enjoy a natural advantage of lower price. The workers in the design department of HMT say that it is not possible for two different companies to produce machines with identical designs unless there is a leakage of designs to the competing firm. When the competing firm secures the design of a machine, it can reduce the cost of production because the investment required for designing is saved. It is alleged that HMT is losing its business to competing firms because of such practices.

While the spread of such information against

management is creating problems of morale among the workers, low morale is affecting the attempt of the management to revive the company. Although individual managers should be held responsible for such practices, the entire management is branded as responsible for such acts because of which even genuine acts of the management are skeptically viewed by the workers.

Profits in public sector

During the year 1990-91, while the target for machine tools division was to complete Rs. 52 crores worth of production, till December '90 only Rs. 12 crores worth of production had been achieved. In the remaining months (three months), the targeted production of approximately Rs. 40 crores was achieved. The engineers pointed out the various methods by which the targets are shown as achieved on a paper. Before the month of March, incomplete machines are 'sold' to the user industries and the remaining part of the work-

completion is effected at the erection site of the buyer. The engineers of the servicing department complain that they had to be outside HMT for much of the time during a year to erect incomplete machines. The buying of incomplete machines helps the other public enterprises because they can spend the allotted government budget within the financial year. Similarly, the Banks which offer loans can also register the amounts of loans as offered before the closure of the financial year. The engineers give the examples of BHEL and Railways where the service engineers of HMT are still completing the unfinished machines sold in the previous year i.e. 1989-90. "Fulfilling the target" in HMT is thus highly dubious. Quality of production is seriously affected by such practices.

The HMT is not only a company producing commodities, but the capabilities of its technical personnel are often used by other public sector

concerns for repairing and re-erection of machines. Some of the income and profits are generated by these technical/consultancy service. In the erection of the Railway conveyor (wheel and axil), the company earned a profit of nearly Rs. 4.5 crores. Similarly, in the dismantling and re-erection of old machinery at BHEL, Haridwar plant, HMT earned huge profits. The HMT has also undertaken re-conditioning of machinery at BHEL, Hyderabad and at Durgapur steel plants. This kind of work, though beneficial for the company, is in no way related to the actual goal of the company which is the production of quality machine tools. These activities which should be subsidiary to the main activity of machine tool production, are often providing a major proportion of the profit. Since the profits of a public sector concern are earned from performing work in another public sector concern, there is sometimes a feeling that the turnover and profits are being increased through collusion between managements of public sector concerns. There is need for proper

monitoring of these activities by impartial technical experts.

Hierarchy - the role of General Manager

It can be seen that a policy decision has to pass through the hierarchy of managerial positions to reach the level of implementation. At various levels, the co-ordination of management is very crucial for the formulation of guidelines. The general manager provides a direction to the various operations of the management. Each general manager brings with him a style and a pattern of functioning. When Krishna Urs was the General Manager it seems the material purchases were systematically planned. A pre-planned budget for purchases led to approaching the right seller who not only offered credit but also supplied good quality material in appropriate quantity. Prior to Krishna Urs's tenure, the arbitrary spot purchases had resulted in the purchase of poor quality raw material at **excess** cost. Similarly, the following illustration explains

how the policies of the top management affect efficiency of the worker. Although lamps division has the required machinery to manufacture all the components for making bulbs, some components are bought from a private firm. Workers argue that some of the officials of the lamps division who had links with the private company, obstructed the manufacturing of components within the factory. At one time this was facilitated by the fact that the technical supervisors, who were trained by the foreign experts to handle the imported machines, had left the company. Some workers pointed out to the management that they were confident of operating the machines which were idle. The management did not bother to consider their offer. This situation prevailed till the appointment of a new General Manager. The new General Manager took initiative and gave the workers an opportunity to prove their efficiency. He was enlightened enough to allow the workers to operate the machines and prove their mettle. The workers on their part were successful in

operating the machines. The purchase of components from the private company was stopped which helped in reducing the cost of production. The revival of idle machines is considered a significant achievement by the workers. They feel that given the right attitude of the management, the workers will go to the extent of assuming a lot of responsibility to make the organization sound.

In another incident, when the corruption charges by the union were not yet taken up for investigation, the management, without a complete grasp of the causes for the deteriorating economic situation, concentrated on stepping up the production by increasing the speed of the machines. The work load consequently increased and the workers viewed it as arbitrary. The increase in the workload not only put strain on the workers but also resulted in higher wastage of raw materials. The workers explained, "when the speed of the machine was increased, our movement on the machine became so rapid

that it could not provide us with enough time for careful utilization of raw material. For example, the bulbs are generally put on slots on a rotating disc at a pre-determined speed. Because of the increase of the speed of the disc some of us could not keep up with the speed and due to improper handling, wasted a lot of material. The bulbs either broke or did not light up." Hence even if the production increased, the cost of production also went up. The very purpose of increase in production was defeated. Such policies adopted by the management and ratified by the General Manager not only created distrust among workers but also contributed to the already deteriorating financial situation.

Broadly, the functioning of a General Manager affects the following factors,

- a) the policy concerning the disciplinary issues,

- b) the decisions concerning the pace of production and the procedures to implement the production schedule,
- c) the guidelines concerning the approach to handle the union, and
- d) the orientation of managers towards the objectives of the company. This aspect is related to the informal cliques that form part of any managerial set up.

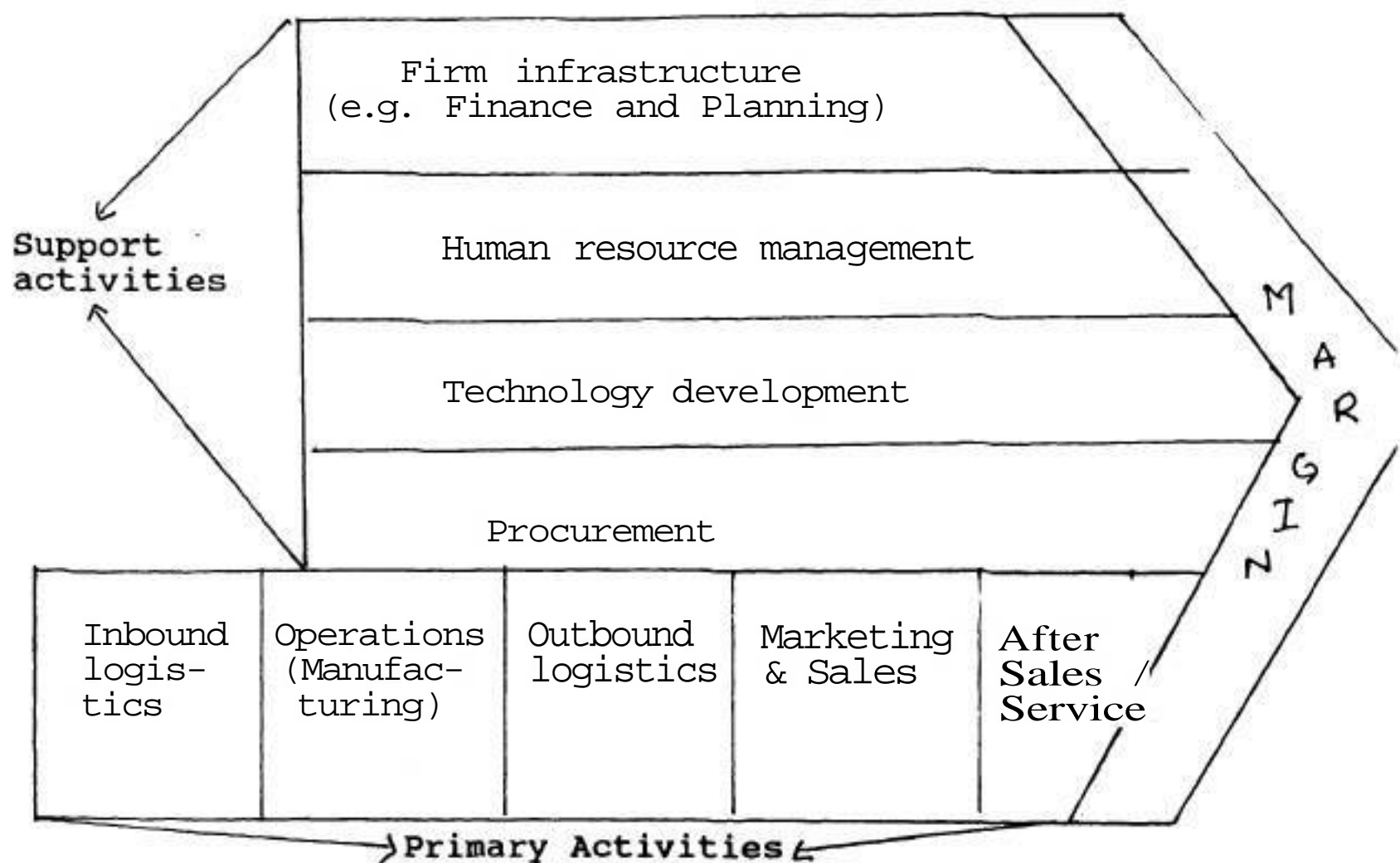
Five General Managers operated within a span of 15 years. It can be observed that the frequent changes of General Managers in HMT adversely affected all the above listed issues.

Personnel

The HMT had been facing an artificial shortage of highly qualified manpower. For each technical

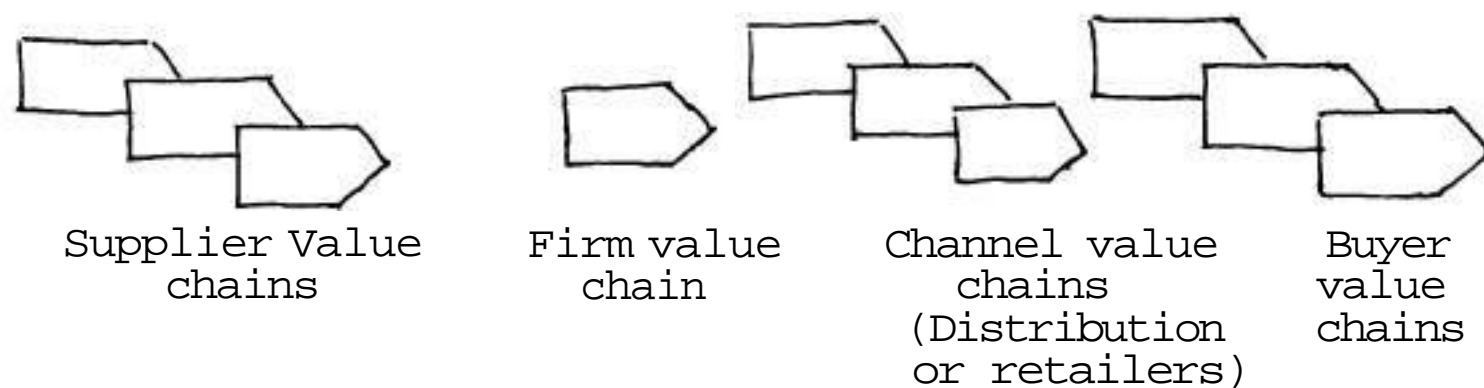
collaboration with a foreign country, personnel are sent abroad for training. They undertake a service bond of three years which legally restricts them from moving out of the company for that period. Invariably, after three years, they take up jobs in private sector where they are offered attractive salaries and better working environment. The computer professionals in particular do not find employment in public sector attractive. The computer-professionals are in short-supply in the high-tech areas in India. The private sector offers very attractive salaries to those personnel trained abroad. As discussed earlier, the production of CNC machines gets affected by the migration of the trained personnel. In addition to the unattractive salary structure, the career growth in public sector is hampered by reservations and highly politicized environment. In general, the problem of turnover of trained workers to the private sector is a major problem.

The various issues discussed earlier contribute to the overall functioning of the organization. The following diagram illustrates how the global industries gain competitive advantage.³



3. Porter E Micheal, 1990. The competitive advantage of Nations. London: Billing & Sons. P. 43

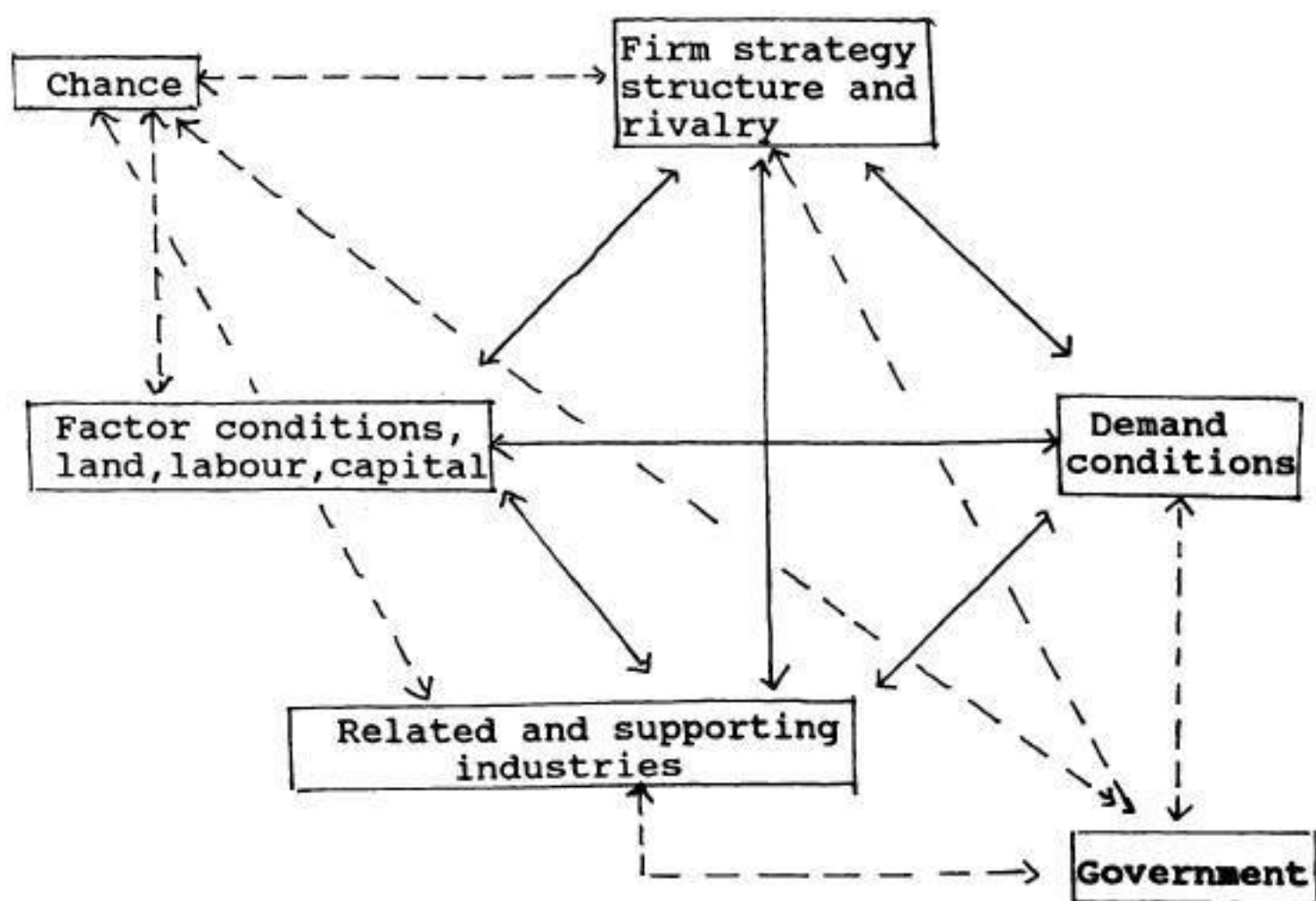
This diagrams illustrates how the margin of profit of a firm is dependent upon the efficient coordination of various activities. As explained earlier, in various activities like planning, human resource management, technology development, procurement, marketing etc. HMT has serious drawbacks. As a consequence the cost of production is very high. As the following diagram illustrates, a firm has to maintain standard performance in various activities.⁴



Apart from the non-establishment of performance values in the various spheres explained above, the analysis of HMT can be attempted by viewing machine

4. Porter E Micheal, 1990 Ibid.

tools as a global industry. The main link of HMT to the global industry being technology, the other determinants of national advantage explain the survival of HMT.⁵



5. Porter E Micheal, 1990 Ibid.

Factor conditions. Land Labour, Capital etc.

In factor conditions, HMT has a natural advantage of being a public sector concern. There is no inadequacy of land and capital. However, it could be observed that the labour policy was ineffective in retaining qualified technical personnel. Similarly, with regard to capital, regeneration from within was not possible.

Demand conditions

HMT started off with perfect demand conditions. Being a monopoly in various categories of machine tools a ready market exists for HMT. But after the initial advantage, the consolidation of demand was not possible. Buyers now find it advantageous to import machine tools. The process of indigenisation was not smooth and also HMT could not keep pace with rapid

technological change. In the changed market condition when HMT no longer has a monopoly in various categories of machine tools, there is an urgent need for alternative strategies based on,

1. concentration on capital intensive and high-tech areas of machine tools,
2. concentration on supportive R & D,
3. complete rethinking on manpower in line with
 - a) higher technological status of company
 - b) improved retraining facilities
 - c) pruning labour and management costs through modernisation of the organization.

Related and supporting industries

Raw material and components are the key inputs from supporting industries. There is unfortunately a dearth of quality raw materials and components. This

factor results in a major burden for HMT because both raw material and components have to be imported. To avoid this situation, the HMT can play a positive role through its R & D and extension services in improving the quality of raw materials and components which is dependent upon higher technological status of ancillary and supplier industries.

Firm strategy, structure and rivalry

The strategy of HMT has changed over a period of time. The initial euphoria around special purpose machines did not last long, due to high cost of production, the margin of profit became less because of which the HMT had concentrated on general purpose machines. But after the 80's, the general purpose machines proved less profitable because the private sector vigorously entered the market. As discussed earlier, the structure of HMT is too large and its

management lacks maneuverability which is the key requirement for competitive market conditions. This is illustrated by the political interventions in retaining the unproductive manpower and the control over investment in high-tech areas by the government which itself is slow moving and unresponsive to changing market conditions. The government policy acted as a crucial determinant of HMT's performance. The HMT till 80's had enjoyed protected market. The shift of government policy towards import liberalisation has thrown HMT open to international competition. As trends indicate, the government is inclined towards further liberalisation due to global economic pressure. It is essential to note that HMT could not consolidate its initial advantage to face global competition. The adaptation to the new policies is not just the concern of HMT but many public sector enterprises in the high-tech areas.

CHAPTER - IVWorkers attitudes to work

The workplace acts as an important source of generation of attitudes. The attitudes to work in turn have a crucial bearing not only on the quality of work but also on the health of the organization. The workers' attitudes to work affect the organization in various spheres of its activity. The productivity of an organization is a major issue that depends on workers' attitudes to work. A disgruntled worker can seriously impair the smooth functioning of an organization. Various issues like the union-management relationship, the relationship among employees, the flexibility for innovation in the organization, the goodwill of the organization depend on workers' attitudes to work.

In the current effort to study workers' attitudes,

the focus is on those issues which affect the organization directly. The study also attempts to explain the relationship between workers' attitudes and the health of the organization. An interview schedule had been administered to observe various facets of workers' attitudes. The sample frame included both machine tools and lamps divisions. A total of 200 interviews (100 from each division) had been carried out. The workers' views discussed in this chapter are not only derived from the interview schedule but also from the participant observation that preceded the administering of the interview schedule.

In devising the stratified purposive sample, the four important factors, age group, wage-grades, trade-union affiliation and region of origin had been used to gain the representation of the universe. One major difference can be observed between the samples of machine tools and lamps divisions. Lamps division has comparatively higher percentage of younger worker's.

The reason can be identified as the time-gap of establishment between the two divisions. The machine tools division which was established in 1967 has higher percentage of senior workers compared to lamps division which started its production in the year 1978. The age group representation in the sample had been proportional to their number in the universe. With regard to the wage grades, the sample had been proportionally divided into six categories. The combination of agree group and wage grades provides the coverage of various sections of the workforce. Further, the trade-union affiliation of workers had been equally distributed in the sample. The four major political groups are represented in the sample. The two regional groups are represented in the sample. The two regional groups among workmen, the Andhra and the Telangana, had been given equal representation in the sample. The following tables indicate the actual number of interviews conducted in each category of sample selection.

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The sample frame
Machine tools division

Age group		25-34		35-44		45-60	
Number of interviews		30		50		20	
Wage grades		I+IA	II	III	VI	V	VI
Number of interviews		10	15	20	30	15	10
"Trade union" Sympathy	CITU	PADMA RAO	NAYANINARA-SIMHA REDDY		INTUC		
Percentage	25	25	25		25		
Region	Telangana			Andhra			
Percentage	39			61			

Lamps division

Age	25-34		35-44		45-60	
Percentage	50		40		10	
Wage grades	I+IA	II	III	IV	V	VI
Percentage	20	20	30	20	5	5
Trade-union INTUC Sympathy	CITU	PADMA	RAO	N.N.REDDY		
Percentage	25	25		25	25	
Region	Telangana			Andhra		
Percentage	43			57		

The Analysis

Education/Job held

Category of workers	Education helpful	Education not helpful	Education has no relevance for the Job
Non-technical workers Wage grades I and IA	20	10	70
Technical workers Wage grades II & above	68	12	20

The majority of non-technical workers feel that their education has no relevance for the job they are doing. They assist the technically qualified workers in such jobs as providing raw material and cleaning the premises etc. Their promotion to wage grade III is contingent upon their acquiring technical qualification. The technically qualified on the other

hand get the allocation of jobs according to their specialisation. Ex. Fitters, turners etc. They feel that their past training is essential for their jobs. The difference in the replies can be attributed to the nature of their jobs. For the question on their interest to pursue higher education, the following replies are given.

Category of workers	Yes	No
Non-technical	28	72
Technical	32	68

The majority of the workers do not intend to pursue higher education. The opinions of both the technical and the non-technical workers are similar. Although the technical workers feel that their past education is relevant for their job, they are disinclined to pursue higher education. The secure job and the time-bound promotions make higher education

irrelevant for them. This attitude can be regarded as a typical response of public sector employees. The mere acquisition of a public sector job offers a comfortable career with periodic promotions and regular increase in salary. A typical response of a worker explains the attitude.

"I had waited so many years to join a company like this. I am secure now and my life will continue like this until I retire. I have no intention to change the job. I do not think other workers will have such intention."

Another worker says,

"There is no need for me to pursue higher education. The salary is adequate and the job not difficult. The promotions are regular. The pursuit of higher education disturbs my peaceful routine and I do not intend to do it."

A similar response of another worker indicates, "why do I have to pursue education? I get my promotion after every three years. As I become a senior worker, I enjoy a number of other benefits as well. I neither have to change the company for a better job nor do I have to worry about promotions. I do not want to trouble my peaceful life by worrying about higher education."

The replies of workers clearly indicate their complacency about, more or less automatic promotions. The replies point out that time-bound promotions create a comfortable atmosphere of work to the extent of breeding laziness. Efficiency of a worker is not a criteria for promotions. Hence, commitment to the work is not linked to career advancement which leads to a nonchalant attitude towards work in the workforce. As a result, one can observe the workers diverting their energies into various areas other than work. For example, the workers involvement in petty business like

selling cloth and chit fund indicates the leisure available to them. The time a worker devotes to the activities of the union is considerable and would not be possible in a situation of committed involvement in the work.

Within the 28% of the non-technical and 32% of the technical workers, the majority are willing to pursue education for career advancement within the company.

The following figures indicate the responses.

Career advancement within the company	Knowledge for the job	To change over for a better job
90%	2%	8%

The non-technical workers require a technical diploma in the form of LCE or LME for promotion to the wage grades above WGI and IA. The workers of these categories express willingness for higher education only because their promotions are contingent upon

acquiring these qualifications. The two other options "knowledge for the job" and "change over a better job" seem irrelevant for the rest of the workers. The workers in HMT do not exhibit the tendency to be mobile. The vertical mobility of promotions is taken care of by the time-bound promotions and a change over of job offers them little possibility of better conditions than they enjoy at HMT, either monetary or in terms of the working environment. It indicates that the job security offered by the public sector had been causing a negative impact in restricting the worker's potential to offer his best. To probe the views of workers on the training facilities, a supplementary question is included. The question pertains to the response of workers to the "on job" training.

'On job' training adequate for the job	The training not adequate	The training is a waste of time
41%	46%	3%

After the recruitment of a worker, the training department acquaints him with the job and later as per the requirements the worker learns various techniques while performing the job. The workers of machine tools division feel that the initial training is not always helpful because a change in the nature of orders brings in a change in the nature of work. The 'on job' training does not have any set procedures. There is an absence of proper linkage between the formal training and the actual job requirements within the plant. Even those who receive training in the training department of HMT have to rely on senior workers to learn the finer techniques of the job. So, the training preceding the job is of limited use. However, the study reveals that the informal procedures dominate the mode of imparting "on job" training. While this approach has its positive aspects, much depends on the employee-commitment to learn and the commitment to impart training by senior workers. This indicates that

the planning for the 'on job' training is ad-hoc. Unlike the machine tools division, the lamps division workers feel that their initial training is sufficient. The nature of the on stream jobs in lamps division are semi-skilled, routine, repetitive and monotonous. Only the initial training is sufficient for performing the job.

To assess how far they felt satisfied with their jobs, the question asked was whether they preferred a change of job (within the company); the majority answered affirmatively. Those who do not prefer a change are by and large senior workers.

Wage grades	Prefer change	Do not prefer change
Wage grade IV and above	32%	68%
Wage grade III and above	57%	43%

The nature of work tends to support a worker's continuity in the same department for a long duration. Since the work is monotonous and tends to be routine, there is little room for innovation. The senior workers who establish a network of social relationships are content with their work routine. This feeling may also be there because only a very few can expect a change of job any way. In the interviews, the senior workers speak about their friendships and problems related to promotions. It is the junior workers who speak about the boring nature of the work. The operators in particular feel the necessity of a change of job. The management on its part is aware of the negative aspects of the monotonous work and in the new personnel policy, is attempting to introduce a 'multi-job' scheme which would equip a worker with training to deal with multiple jobs rather than one single job. However, how this scheme would fare is for the future to reveal. The analysis of the replies of the workforce indicates that apart from the necessity of a viable promotion

policy, the linking of the rotation of jobs to the promotion policy has become absolutely necessary. In other words the job satisfaction of a worker is linked not only to the promotions but also to the nature of work. However, a new scheme in the environment of HMT of Hyderabad needs to be viewed with skepticism. The various schemes introduced by government in the form of quality circles and programmes of workers participation failed because of a disinclination for change in the employees, both workers and managers. The required motivation for change has been lacking. These schemes had been formally launched and left without a sustained effort to make them a success in the longrun. The planners of the programmes at a higher level adopted the successful practices of the industrialised countries. (Ex. the programme of quality circles from Japan and later US) . But, the actual performance depended on the conditions of the individual enterprises. The managers showed a lack of interest in facing the challenges of change. Their lack of

interest and absence of pressure from above contributed to the failure of various programmes.

The next question pertains to the facilities for the workers. The following table indicates the choice of some of the major concerns of workers. The workers were asked to indicate their concerns in the order of their importance.

Concerns	The percentage of respondents considering it as the most important
Housing	25
Provision of good raw material	10
Improvement in machinery	15
Promotions	20
Flexibility in rules	25
Others	5

The responses to the above question are not uniform. It appears that workers' perception of their needs differ. However, a pattern can be identified in their replies. Those workers who do not qualify for the 'own house' scheme indicate higher importance for housing. Similarly, the senior workers who are stagnant at wage grades V or VI indicate promotions. Those who are or have been involved in cases of conflict with management on various counts indicate "flexibility in rules" as the most important concern. Those who point to the economic situation of the company and suggest remedial measures, have a wider viewpoint. Such persons constitute nearly one fourth of the respondents. In the case of the machine tools division, the workers explain the growing competition and the repercussions of the import policy liberalisation. They suggest the modernisation of plant and machinery as the immediate need. The workers of lamps division criticise the marketing policies of

the management. They feel that the government as a matter of policy should direct all its departments to by their requirement of lamps from HMT. They question the corrupt practices of management and slackness in the method of production. While their arguments do not support the private sector, they feel that in order to be efficient, the public sector needs to learn from private sector in areas like management and marketing. Reacting to the list of concerns, the workers discuss the lacunae of public sector and explain various practices that result in its slackness. Since the responses to this question resulted in discussion, qualitative observations become imperative. Some points of view expressed by the workers need to be recorded here. The workers explain the leisurely pace of work in the public sector. To quote a group of workers in conversation,

"If one visits the factory during the months between May and December, one would certainly notice

the leisurely pace of work. The production gains momentum only during the months between January and March. The company gears itself to meet the annual production targets during this period. The wastage of raw material during this period is high because of the higher pace of production which also effects the quality of the product."

The workers of lamps division explain that the problem of attaining production targets leads to the sub-contracting of work during the months between January and March. Sub-contracting not only results in the under-utilisation of the existing facilities in the factory but also creates dissatisfaction among the workforce. The workers point out that even distribution of work throughout the year is essential to increase the efficient and reduction in costs.

The analysis of the replies leads to the understanding that contrary to the popular notion of public enterprises, some of the workers are concerned

about the health of their company and would like to remove the anomalies of the organization.

Their concern for the organization may be genuine. But the justification of their role in the organization has an influence by the trade-union. Although they fight for and secure better economic gains than their counterparts in private sector, the slackness in their work it appear as larger reasons than the secure job they enjoy and the relative lack of accountability. As explained in the chapter concerning trade-union dynamics, the workers' every day life is governed by the equations of power on the shopfloor. A worker affiliated to a dominant union enjoyed better privileges. A neutral worker does not exist. The politicization of the workplace is so complete that workers essentially identify themselves on party lines. When it comes to their relationship with the supervisor, the political issues of power come in the forefront. This factor is a major contributor to the

lack of work-ethic on the shopfloor. When economic issues are sufficiently taken care off and (ideologically inclined) political activity is rampant around him, the workers' priorities of work life take a diversion from productivity. A typical answer from a worker is "the public enterprises are beyond redemption. The management is not bothered about profits. When they (management) face the task of completing orders, I am forced to work. When they think of relaxing, I have no work to do. I will try to make them realise that I cannot be taken for granted. The union's job is to put the management to trouble because management tries to be arbitrary with regard to our performance. I support the militant activity of the union."

Although it is largely true that the secure job and economic gains contribute to their well being, yet the economic prosperity of the workforce does not reflect the over all economic health of their company.

One needs to opine that various other factors like the politicization of the workforce and the weak management in combination with the security of service create an atmosphere of poor productivity. Their socialization in the environment of public sector creates a situation of politicization and concentration on those issues which irritate management, including the productivity related ones. That the workers work only for monetary rewards cannot be true in the case of the HMT workers.

The worker-supervisor relationship is the next area of inquiry.

	Antagonistic towards supervisors	Not antagonistic
Active members of the political groups	70%	30%
Ordinary workers	22%	78%

Respondents feel that the active members of the trade-

union, i.e. shop stewards stand up against the supervisors; while the ordinary workers do not oppose the supervisor where workers interests may be in jeopardy. As one worker put it.

"If I am friendly towards the supervisor, he reciprocates the feelings. I understand that he has his constraints of getting the work done. When I fulfill my responsibility of performing the work, there is little chance for confrontation and ill-feeling. But not all workers have a similar attitude and the union activists take on their interests in harassing the supervisors."

Contrary to this view, the shop stewards feel that the supervisors tend to exert undue pressure on workers. Only the presence of the union checks them. They feel that supervisors always want to please the management. This situation necessitates the intervention of the trade-union to check the improper use of power by the supervisor. As one union steward

put it.

"My responsibility as the union representative is to curtail the authoritative tendencies of management on the shopfloor. Due to the pressure of attaining targets, the management arbitrarily introduces procedures and pace of work. The supervisor is the key person with whose influence the management tries to control the workforce. If the supervisor is not controlled, the workforce becomes a puppet in the hands of the management."

On the contrary some of the supervisors feel that the trade-union leaders exploit their lack of power for political gains among the workforce. By threatening and controlling the supervisor, the trade-union leaders gain the sympathy of the workforce. To the question why they can not use the powers to check the union representatives, they reply that the management expects peace on the shopfloor. A supervisor who constantly

complains of trade-union or one who causes trouble to the management by resorting to disciplinary action on stewards, runs the risk of being incompetent in the view of the management. Over a conversation some of the supervisors explain.

"The management is interested in having a good relationship with the union rather than in production. The management does not want to handle the union constantly because it is an irritable job. Hence they expect us to handle the union at the shop level so that they could be free of trouble. . We are caught between the trade-union and the management. The management expects us to maintain order on the shopfloor by accommodating the union leaders. We are not protected by the granting of enough power to counter the trade-union."

The supervisors explain that the management arranges to seek the cooperation of trade-union during

To quote a worker,

"I approached the union representative to get the clearance of my loan form the office. The union representative had his way of getting things cleared. It would have been difficult for me to get this loan cleared on my own because the officials never would have cared to listen to me. I always approached the union representative for the work in the office."

Another worker adds,

"The union representative has an obligation to help me or I will vote for a different person next time. I do not hesitate to approach the union representative for my work."

The workers develop an informal network of relationships. While some networks operate on the basis of their affiliation to the trade-union, others operate on various common interests like the small

businesses they operate outside the company but often in their residential neighbourhoods. The various political groups involve in a fierce competition to gain a following among the workforce. Also, the performance of the official trade-union comes under constant scrutiny by the workforce and change of opinion about a particular party or leader takes effect within a short period of time. Issues like the delay in the release of money for the purchase of shoes and the insistence of the management for cash receipts as evidence is viewed as an affront by the workers, and if the union leaders are unable to get the administration to accept the claims of the workers, their image goes down in the eyes of the workers. These infact were the "complaints" reported against the recently elected union. The workers also complained that the provision of uniforms was delayed and they blame the union for not handling the issue effectively. The following statement of a worker explains the process.

"Last year the provision of uniforms and release of money for the purchase of shoes was prompt. The union of last year was able to influence the management. This year, these things were not only delayed but the management insisted on production of cash receipts of purchase. I voted for this year's union, thinking that it would be powerful against the management. If the union can not handle such small issues, what will they do about complicated and bigger issues."

The issues concerning discipline and fringe benefits appear very important to the workers of HMT. Also, a union's image depends on how it handles these issues. The union leadership is under workers scrutiny during the entire duration of its office. At election time the effectiveness or failure is judged against their record.

The answers to the question on political loyalties

showed that except for the communist supporters, the rest of the workers shift political loyalties frequently. The specific political atmosphere at each election is different. All types of internal and external issues are bandied about. Personality based following among workers is a major factor in HMT politics and despite having ousted the communists from leadership of the union, the workers feel that the later crop of leaders after communist "regime" are not only over-confident, but take the worker for granted. However, at election time some issues take on an over-riding importance. Thus the issue for the 1989 election was the loyalty and commitment of leadership. They detest the opportunist alliances between various groups. The workers prove that neither the leaders nor the political groups can predict the behaviour of workers. The pragmatism of the workforce is evident to the extent that they can keep the political groups busy working for the interest of the workers. It also leads to the proliferation of groups and vibrant political

activity. Surprisingly, the workers of HMT exhibit a tendency to give decisive mandates during various elections. The choice not only varies from time to time but the crystallisation of workers' views in the choice of union is clear. The voting behaviour reflects the strength of their collective thinking.

The workers' attitudes towards management provides the following responses.

Management as efficient	Management as not efficient
18%	82%

The majority of the workers of HMT do not regard the management as efficient. In their judgement of the management, the workers largely ignore their own responsibility for company's affairs. While they can explain the policy lapses of the management, the productivity aspects of a worker does not attract their

attention. The workers consider that the factors of efficiency like proper utilisation of raw material, curtailment of wastage and a proper balance between quality of production and pace of production are the sole responsibility of the management. The same failures of the company are presented as the failures of the management. As we know, the go slow tactics, the deliberate increase in wastage and abuse of raw material form part of any protest which result in a direct loss to the company. For the question whether this behaviour of workers does not amount to being irresponsible, they justify their stance by the argument that only activities of this kind bring the management for immediate negotiations and settlement. They feel that management by its negligence towards workers' grievances forces them to indulge in these activities. They feel that these 'forms of struggle' are weapons in the hands of the workers to protect their rights. The explanation of the workers has a connection with the broader economic aspects of the

company. The successful and profitable machine tools division is currently facing rough weather in the market due to lack of orders and severe competition. It is unanimously agreed that the situation of lack of orders is due to the inept handling of affairs by the management. Similarly, the persistent losses of the lamps division is a cause of dissatisfaction amongst the workforce and they blame the management for this situation. The workers feel that one need not question their methods of protest because they adopted the same methods of protest even when the company was successful. It is the management that makes the difference. Hence, their attitude towards management. In reality, the trade-union and the management are both responsible for the generation of this attitude. The unions' continuous propaganda against the management and the managers' inability to communicate their view to the workers contributes to the building of an image of management as irresponsible. The management's failure is its inability to develop proper

communication channels to educate workers about its efforts. The management and the workers entertain false notions about each others' role in the effective functioning of the organization. The following replies to the question whether workers are/are not responsible for the economic performance of the company is self-explanatory.

Workers responsible for the
economic conditions of the
company

17%

Workers can improve the
conditions

26%

The trade-union has a share
of responsibility in the poor
economic performance

23%

Workers not
responsible

83%

can not improve

74%

trade-union
does not have
a share of
responsibility

77%

The workers are very critical about the functioning of the management, they complain that many

managers are selfish, negligent and corrupt. The top management on the other hand is not firm enough against corrupt and inefficient individual managers. The management not only blames workers but also other factors like the major policies of the government. The workers do not see reason in the argument of the management and feel that if the management is sincere, the company certainly would have performed better. Corruption among managers irritates the workmen and they express unwillingness to work because their hard-work has no meaning when the management is corrupt.

A few senior workers whose average age may be around 40 years look upon themselves as a group with commitment and discipline. Several of them infact attribute the prosperity of the earlier era to their diligence and hard-work. They take pride in the fact that the younger workers need them. However, They complain that the tradition of senior workers imparting training and discipline to the juniors is being

questioned. If this continues, they fear, the younger generation may not grow into good workers, which in the final analysis would affect the organization. The attitude of the younger workers is in their view certainly not conducive either to productivity or healthy industrial relations. they find that the younger workers frequently shirk work and are uncooperative with the senior workers. While the senior workers admit that the management is given to corruption, which is affecting the organization, they believe that the workers need not confuse their duties with the goals of the organization. It is the burden of the union to take up these questions. They also feel that the present economic crisis of the company is just a passing phase and the workers would do well by keeping out of the politics of the management. These views of the senior workers are however, not shared by the younger workers.

To the question whether the unions in public

sector differ from private sector, the majority reply in the affirmative.

<u>Unions are different in public sector</u>		<u>not different</u>
91%		9%

They explain the difference in terms of the restrictions the private sector unions face. First of all, the unions in private sector wage battles for minimum wages and amenities whereas the public sector unions start off with a comfortable economic condition of the workforce. The implementation of factories act requires protracted battles from the unions of the private sector because the managements often evade its implementation by various means. The public sector unions need not bother about the implementation of the factories act because, as a policy the management abides by the provisions of the factories act. Similarly, the organization of union faces stiff

resistance from the management of the private sector. The fear of losing employment causes the workers of private sector to approach the union with caution* the unions of private sector struggle to organise the workers whereas the secure employment provides the public sector unions with a ready membership. The workers also readily join the unions because there is no fear of the management. the profit-orientation of the private sector toughens the bargaining process whereas the 'welfare orientation' gives room for liberal bargaining in the public sector. In short, the workers feel that they are part of the government machinery whereas the private sector workers are at the mercy of the private individuals. This causes the difference in the unions.

Security of Employment

The worker exhibits a tendency to take his job for granted. it gives him a confidence that irrespective of performance there is assurance of a career and with

resistance from the management of the private sector. The fear of losing employment causes the workers of private sector to approach the union with caution, the unions of private sector struggle to organise the workers whereas the secure employment provides the public sector unions with a ready membership. The workers also readily join the unions because there is no fear of the management. the profit-orientation of the private sector toughens the bargaining process whereas the 'welfare orientation' gives room for liberal bargaining in the public sector. In short, the workers feel that they are part of the government machinery whereas the private sector workers are at the mercy of the private individuals. This causes the difference in the unions.

Security of Employment

The worker exhibits a tendency to take his job for granted. It gives him a confidence that irrespective of performance there is assurance of a career and with

it a secure status in society. The fact that the company continues to function inspite of its poor economic health gives him the feeling that his individual performance does not matter in the performance of thousands of employees and in the operation of various factors like production, marketing, quality control, procuring raw material etc. In any case, his duty is to perform the work allotted. He comes under the influence of the unions which advocate that management is responsible for the plight of the organization and hence if he does not perform once in a while, to protest against the supervisor, it really does not harm the organization. In fact, there are other important considerations than to perform efficiently. For example, if he does not contribute to the election of a union which can provide him with more benefits, his financial interest suffers. He should also be supporter of the powerful shopsteward because it shall help in getting a house allotment in his favour. If he concentrates on improving work

efficiency he may be losing the benefits which he can obtain through unions. He shall do what other workers are doing for the last twenty years. In short, he exhibits an empirical attitude towards his work.

Lack of faith in management

"When the manager without doing anything could build a big house, why should I stick to notions like conscience and work?" Says one worker. Like the manager he too directs his efforts towards gaining more benefits. The union rhetoric infact revolves around this type of thinking. In the garb of "social role of the public sector'', the private interests of the corrupt managers have to face the strident demands of the unions supported by politicians whose interests the unions subserve. It is thus a conspiracy against the company in which every one seems to participate with least fear of consequences.

High degree of politicisation

Politics influences various phases of a workers' life right from the point of entry in the factory. It casts a spell on his relationship with fellow workers, supervisor and the shopsteward. The routine of a worker comprises of how effectively he uses various linkages for his own good. The time he "spares" from his work he may use to carry out activities like selling cloth and chit fund collections. The job in the factory is just another source of income. In order to protect the business interests he maintains a cordial relationship with the union members.

Chapter - VCONCLUSION

The following major conclusions can be drawn from the study. Let us begin with the trade-union dynamics (Chapter - II) .

1. In Chapter - II, we took up issues related to the manner in which the political factions consolidate their support base amongst the workers. The consolidation of the support base requires the trade-union leadership's ability to articulate the workers' demands and through interaction with the management demonstrate to the workers their superior capabilities. The more dedicated the activists with each one of the political factions, the greater the possibility of that group maintaining the lead in the union. We

could see, that although there were some issues of importance for the workers such as housing and promotion policy, these issues were found to be intractable and hence, despite their importance, did not occupy the center stage in the issues articulated. Since most of the issues related to wages, allowances, bonus etc. are handled at the level of the total organization, the unit level leadership concentrates on the day-to-day modes of functioning of the unit level management.

2. The workers preferred to support the militant political groups since they took up day-to-day confrontation with the lower levels of management. One of the major factions were communists. While the communists took the help of ideology to build cadre, others took recourse to region and the potential political issues outside the organization.

The communists were successful in the initial stages but the entry of external leaders changed the political scenario. The external leaders depended on their political contacts to influence the government and the management. The influence of external leaders directly affected the internal leaders who came to accept the alignments *mm* initiated by the outside leaders, as a technique of political survival.

3. Both the external and internal leaders depended on the shopstewards for enhancing their clout. An ideal shopsteward was one who actively protested against the decisions of management on the shopfloor. His main rival on the shopfloor was supervisor who represented the management. With the help of the internal and external leaders, he countered, all the measures of the management

by mobilising workers and opposing the supervisor. The supervisors feared the shopstewards.

4. The comparison between machine tools and lamps divisions revealed that machine tools enjoyed an initial period of relatively peaceful union politics. The machine tools division was financially sound in the initial stages. The senior workers during this period experienced systematic procedures of work. Their influence continued even after the trade-union situation became turbulent. Another feature of the machine tools division was the gradual recruitment of the workforce. The lamps division on the other hand started with a young workforce of nearly 2000. All the political leaders of HMT concentrated on these workers for support. In the lamps division there were no experienced workers to influence the workforce in both the culture of work as

well as the inter worker and management worker relations. It started as a loss-making unit and continues to be so. The comparison of the two divisions highlights the advantages of gradual expansion of an organization.

In the III Chapter we have discussed the organizational aspects of management. The major conclusions are,

1. In an organization which aims to be at the leading edge of technology, the R & D set up is one of the crucial components. The R & D in HMT, however shows shortage of personnel, internal politics between R & D and non-R & D managerial personnel and insufficient thought for assigning lower importance to constant improvements in machine tools and greater importance in developing advanced CNC

machines which lack market because of their being too advanced for Indian users.

2. The efficiency of an organization depends a great deal upon the morale of the middle level management consisting, by and large of shopfloor supervisors. The factor of 'caste' had an all-pervasive influence in the organization. Employees were divided on the basis of caste. This affected promotion and other crucial issues. The 'caste' vitiated the discipline in the of production. The middle level managers constantly experience tensions generated by caste alignments and expressed "caste-terms."
3. The supervisors felt 'powerless' in the hierarchy. They were exposed to the truant shopstewards on the one hand and on the other hand the higher management was unable to

protect them from the workers' union. The supervisors as a result were ineffective in carrying out production according to schedules.

4. The development policy of the organization is partially brought out in the lack of R & D directions. It is also demonstrated by wrong decision-making in the area of diversification. HMT diversified into a relatively low-tech area such as the manufacturing of lamps in competition with highly efficient private sector units. The in efficiency of this policy is demonstrated by the fact that the lamps division has been consistently a loss-making unit since its inception. Even the decision to initiate lamp-making machinery was wrong since the over-head costs of HMT products are for higher than the imported machines. The HMT

should not have gone into an area especially where the import of machines were being allowed easily by the government. Lamps division suffered from the problems of marketing. The private sector exploited the inability of lamps division to counter its strategies.

5. According to our understanding the corruption is primarily in the 'top levels'. It has affected the design centers, the purchases, sub-contracting of work and security. In these circumstances the workforce is highly skeptical about the moral fiber of the management and tends to support the union vociferously, particularly when the union raises such issues to denigrate the management.
6. The achievement of target by the company

appeared dubious. This is done through highly skewed production schedules concentrated between the months of January and March every year. Two of the profitable subsidiary activities are consultancy and maintenance of machines at the buyers' sites. These are, however, not the primary tasks of HMT. The overall profit levels shown are therefore deceptive. There is infact a lot of disguised sickness in this "profitable" public enterprise.

The frequent change of General Managers affected the continuity in policies. The workers were subjected to different procedure of discipline whenever there was a change in General Manager. It only led to a further alienation of management from the workers. The union took advantage of the change in General Managers.

The following conclusions could be drawn from the study of workers' attitudes to work.

1. The security of job and the time-bound promotions made them feel disinclined towards higher education for career. The very entry into a public enterprise puts an end their career aspiration. They depended on the union to solve their problems of career advancement.
2. There is a relationship between seniority and satisfaction with the job. The senior workers with established network of friendship expressed a general contentedness with the job. The junior workers preferred a change of job. The senior workers spoke about their promotions as the major problem whereas the junior workers considered monotonous work routing as the cause of

dissatisfaction. The junior workers were more actively involved in union activity at the shopfloor level than the senior workers.

3. The issues concerning discipline and fringe benefits affected workers choice of union leadership.

The following discussion highlights some of the important organizational aspects and link it with some of the broader issues of public enterprises management.

Looking at the case study of HMT as a whole we come to the conclusion that even a so called successful enterprise such as HMT had depended for its past success on the sheltered economic environment provided by a near monopoly enjoyed by the organization in a crucial area like machine tools. The profitability curve of the organization tended to dip as the competitive element in the market began to predominate. If for some time the demand of HMT machines has

continued to remain it was partly linked with demand generated by other public sector institutions and government departments.

One would have expected an organization dealing with sophisticated products to manage its R & D in such a way as to keep constantly in touch with the state of the art machine tools. To a limited extent this indeed was attempted through the development of CNC machines. However, we found that the overall state of Indian industry is not yet ready for the absorption of such high technology and therefore the introduction of CNC machines have been .a relatively unsuccessful venture. This brings us to another facet of technological development. Unless the state of the general industry within the country is not advanced enough, production of highly sophisticated machines in large enough quantities to be economical is only possible if export of such machines can be ensured. This inturn is only possible if the quality of product, its packaging and

its international marketing is of a high order.

The HMT is not in a position to undertake ventures where it has to be open to competition. This was brought home by the anfractuous entry of HMT in the field of lamps. We have seen that the lamps division had shown consistent loss from its very inception primarily due to its weakness in the area of marketing of its products.

We also need to mention the lethargic and even corrupt work-culture of HMT as a major contributory factor for its relatively inefficient status. Our study, has clearly pointed out the complicity of the corrupt managers and the corrupt union leaders in creating a situation where neither the workers nor the managers pay much attention to running a public institution with any degree of responsibility.

The case of HMT is not an isolated one. In our

very first chapter, we have tried to demonstrate the wide spread sickness discernible in the public sector. Could we say that a politically dominated system of economic production will tend to loose its economic viability because of contradictory expectations? For example, can the expectation that a public sector provides jobs in a backward region be justified against the expectation that it should be located in a region where its supply of raw materials and intermediates would be most economically available? In the case of HMT itself, we know that the number of workers is far in excess of that required by the mechanical capacity. The overhead costs are also much higher than would have been possible in any privately run enterprise.

The failure of the highly centralised planned economies of the eastern Europe and the Soviet Union have also focused on the enormous costs which a society has to pay to bolster inefficient workers, Managers and the corrupt officials in industry and government. In

the ultimate analysis the social welfare dimension of the public sector can be seen as leading to unmitigated social evils such casteism, regionalism and corruption.

In the light of new industrial and trade policy the public sector concerns will have to face increasing demands for being profitable or atleast self-reliant, under these circumstances, the public sector units will have to re-orient their policies. The new policy orientations will have to take corrective measures in such areas as,

1. A more efficient labour management policy which would make serious attempts to motivate the workers and the take their help in the efficient management of the production process.
2. The pronounced role of external leaders in the union is to some extent encouraged by the management since the interface of internal

leaders and the management is not feasible because of the hierarchical culture of the organizations. The managements must therefore encourage internal leadership by institutional devices that break the hierarchical culture of the organization. This might require the creation of facilities which bring managers and workers together such as open canteens, informal associations and clubs and leisure time activities. Also a regular open discussion with workers on the overall policy frame-work of the organization.

3. Strengthen the R & D base and have a clear-cut policy towards product range, nature and development of technology.
4. Strengthening of marketing strategies.

At this stage we can suggest some areas of further research in the field of public enterprise

organization.

Many more case studies that deal with Railways, Airlines, the Banks whose monopoly character is being accepted as the inevitable element of the industrial organization of the country. There could be also some case studies of the public enterprises which share the sector with private sector organization. Infact comparative study of private and public organization in the steel sector, in the machine tools sector would also be enlightening. The role of the public sector in the consumer industries needs a thorough examination. A more detailed and wide spread case studies of public sector intervention in consumer product sector could throw some light on the authenticity of the general criticism that public sector is not suitable the consumer industry. We also need studies of industrial sickness in the private as well as the public sector in order to explore the varied causes of this sickness.

Interview Schedule

Study of Workers attitude to work in HMT of Hyderabad

1. Name
2. Designation
3. Wage Grade : I IA II III IV V VI
4. Relegion : Hindu
Muslim
Christian
Other
5. Caste : Brahmin
Non-Brahmin Non-reserved
Reserved
6. Educational Qualifications:
Primary School
High School
S S C
I T I
Technical Diploma (LCE, LMB
etc.)

7. Your education for the job had been
Helpful
Not helpful
Education has no relevance for
the job
8. Would you like to pursue higher education?
9. If yes, the reason is
Career advancement within the
company
knowledge for the job
To change over for a better job
10. The on-job training of the company is
Adequate for the job
Not adequate
'on job' training is a waste of
time
11. For how many years had you been on the current
job?
12. Do you prefer a change?
13. If yes, which work do you prefer?

14. Does change of job help your performance?
15. Are your skills adequate for the job?
16. If no, what can the company do to help improve your skills?
17. In the facilities provided by the company which one of the following do you think needs improvement to improve your performance?

Housing

transport

provision of good raw material

Improvement in machines
Promotions

flexibility in rules and
regulations

Any other

18. If you have ticked a choice in the above question how should that facility be improved?
19. Does your supervisor strictly follow rules and regulations to get work?
20. Do you accept his approach?

21. Do your colleagues in the department hold the same opinion?
22. Is the union representative sympathetic to your grievances?
23. Do you prefer a change of leadership at the department level?
24. If yes, what are the reasons?
25. Is the newly elected union effective in handling the grievances of workers?
26. How do you rate it compared to the earlier union?
Better or worse
27. In the following trade-union representation of the past, which group do you think was the most efficient?

CITU

Narasimha Reddy - Padma Rao

INTUC

Badridishal - Padma Rao

28. What are the reasons?

29. Which management of the past was the most efficient?
30. What are the reasons?
31. When was the company at its worst in terms of financial performance?
32. What are the reasons?
33. What is the responsibility of the work force for such condition?
34. Does the union contribute to the economic performance of the company?
35. Do the unions in public sector differ from private sector?
36. How?
37. With similar capital, product and work force, how would a private company perform?
38. DO you suggest any changes in the current management?

39. If yes, the changes could in the following direction:

Shifting of managers
Better handling of the trade-
union

Less emphasis on rules and
regulations

A change in the general
manager of the company
Any other

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