Chapter II

Review of policies and practices of state level Public Enterprises (SLPEs) of Assam

Part-A

Growth of state level Public Enterprises and training policies of units under promotional and welfare oriented SLPE and manufacturing and mining sector.

Part-B

Training policies and practices of units under trade and services sector, Agro and Plantation based, construction based and miscellaneous sector.
PART - A

BACKGROUND

State Level Public Enterprises are an important segment of Public Enterprises (PE) in India. These are vital instruments of public policy for the states. There has been a spectacular growth in the number of these enterprises and the investment in them have registered a phenomenal increase since the 'fifties. However, their financial performance is poor and managerial performance chaotic Internal resource generation is dismal and their accounting systems are in a disarray.

There has been massive growth in the number of SLPEs. From a mere 51 in the 1951-60 decade, the number of SLPEs shot up to 135 in 1961-70. During 1981-87, the newly established SLPEs was estimated to be 454. During 1980-89, on an average, an increase in one PE at the central Level was followed by an increase of two in the number of SLPEs.

In some states like Nagaland, Assam etc., the growth of SLPEs has been a more recent phenomenon. The State Governments have set up the SLPEs as a policy with deliberate intention to use them as instruments of public policy to quicken the pace of development.\(^{(1)}\)
ROLE OF SLPEs

A considerable chunk of the SLPEs have seen the light of the day on account of the decisions of various state Governments to assume the Entrepreneurial responsibilities, control of Inflation, equitable distribution of scarce resources commodities, mopping up of monopoly profits, creation of job opportunities, exploitation of local resources, extension of balancing facilities and intermediate inputs and raising of revenue. These factors have weighed heavily in favour of this entrepreneurial role.

There have thus been very specific reasons for establishing the SLPEs. The performance of these enterprises should be judged in terms of indicators having appropriate linkages to these objective.\(^{(2)}\)

There is a view that the public role of these enterprises are much more important compared to their 'enterprise' role and therefore these enterprises should not bother themselves about the rate of return on their investment. According to this school of thought the history of these enterprises indicates that most of them have been set up to fulfill the social or welfare role.

RETURN ON INVESTMENT
An objective analysis shows that these enterprises need to concern themselves with the rate of return as much as other economic enterprises, since the objectives prescribed while launching always included their earning a surplus. The successful implementation of the promotional and welfare roles would itself become easy and efficient if these enterprises earn a rate of return regularly, so that in course of time, they stand on their own, expand their activities, reduce their dependence on Government and other institutions. In fact, it could be agreed that no SLPE in the country should be exempted from earning a rate of return. However, it does not mean that SLPEs should earn a uniform rate of return.

It is difficult to fix the optimal rate of return as the products manufactured by these enterprises cover a wide spectrum of goods from consumer durables to engineering goods to consumer products. Besides this, some of the SLPEs under the manufacturing category started off with congenial disabilities as they were located in inappropriate places and were provided with technologies that were outdated. Some were started with sizes that were sub-optimal. Furthermore, in this sector, there are a number of enterprises which have not gone into full production and overcome the initial teething problems. Given these variations, it would be improper to suggest a rate of return on the basis of observed situations. It also does not appear proper to suggest the optimal rate of
return that one sees in the private sector. The enterprises with larger social and political considerations may be asked to keep the networth intact while the SLPEs with minimal social objectives would have to maximise their networth rapidly to become self reliant and growing.

SLPEs OF ASSAM

The SLPEs of Assam have been divided into five categories – Manufacturing, Trading, Promotional and Welfare enterprises. It may be noted that the 48 enterprises as on March 1993, comprised of 9 promotional and welfare oriented enterprise, 21 manufacturing enterprise, 6 trading enterprise, 7 Agro & Plantation based, 3 construction based and 2 under miscellaneous enterprise. This makes it clear that about 40 per-cent of the SLPEs have been set up to promote the enterprenurial role of the state to fill the void arising out of private sector initiative. Further about 14 per-cent of the SLPEs are undertaking trading operations. The promotional and welfare enterprises numbering 9, constitutes about 20 per-cent of the total enterprises, indicating thereby that the SLPEs have been largely expected to play the role of a catalyst in accelerating the pace of economic development. In other words, the evaluation of their performance need to be judged not only by profit making yardstick but also in terms of fulfilment of nonfinancial goals, if any, laid down for them.
PERFORMANCE

Financially, these enterprises do not measure up to the expectations. The financial results point out that they have to go a long way in-order to earn optimal rates of return on their investment. The gross and operating margins in these enterprises are not adequate enough to yield desirable levels of net profit after providing for financial charges and taxes.

If one has to analyse various reasons for making loss/running efficiently by the SLPEs, following are some of which have been enumerated.

a) **Dearth of professionals in the SLPEs i.e. people in higher, middle and junior cadres are mostly basic degree/diploma holders.**

b) **Inadequate/no incentive available to the executives/staff in the State Government undertakings for improved efficiency, since their pay scales are not commensurate with the performance of the company. Very few professionals prefer to join the Government Enterprise.**

c) **Unnecessary restrictions are imposed by the government on the autonomy of the Board of Directors e.g. creation of posts, improvement in pay scales although fully**
justified and agreed by the board, cannot be implemented without Government (Finance Department) clearance.

d) The pay scales and perks of the SLPEs (for both executives and staff) are much lower compared to central government undertakings in the neighbourhood.

e) There is no accountability even when losses are increased. The procedure to pin-point losses is very long drawn. While discussing the question of profitability of public enterprises, it is to be remembered that public enterprises have not been created with the main idea of making profits. A look at the annual status report (1991) of the SLPEs published by the department of public enterprises shows that in many cases, the SLPEs were established to generate growth and development in the region. Many SLPEs like ASEB, ASTC etc. frequently provide subsidised services to the customers and others such as AFC etc. have a purely promotional role. While recognizing that in some cases, the necessity of providing subsidised service may erode overall profitability situation of PEs, there is no denying the fact that the PEs must be able to sustain themselves to function independently and not become a burden on state exchequer.

On the other hand there are some corporations, which have a distinctly commercial character and where
substantial profits can be made. In those cases, management must match their performance with that of similar enterprises in the private sector. There is extreme urgency to make all possible efforts to improve productivity and efficiency.

A rational analysis of the working public sector enterprises would reveal that perhaps the major reason for losses suffered by them is the common belief that governments business is nobody's business and the government losses are nobody's losses. No personal stakes are perceived to be involved by higher management groups since while there is no positive incentive for making the enterprise profitable, there is also no disincentive for making it suffer losses. Withholding of promotions or increments etc. is not linked with profitability, production or productivity targets of the enterprise. On the contrary, some notoriously inefficient and incapable men may rapidly climb the organisational ladder in public sector enterprises and get catapulted to prestigious management positions inspite of poor showing in their own enterprise.

Thus, there is an obvious lack of motivation on the part of management group as a whole. The status of the SLPEs '91 at a glance using various performance indication is shown in the appendix of this chapter.
OBJECTIVES OF SETTING UP SLPEs

The objectives of the SLPEs vary widely across various states. In main, they have been set up to exploit the local resources, mobilise institutional finance fulfil certain social purposes, speed up the rate of growth in gross domestic product, act as catalysts for the development of specific backward areas or target population groups and earn surpluses. (5)

PERFORMANCE

The rate of return of the SLPEs has been negative over the years and since 1992 no new SLPE has been created. The growth in the number of SLPEs during the period from 1987-88 to 1991-92 was insignificant. The sectorwise numbers of SLPEs and their administrative departments during the period of review are given below :-

1991 - 92

(A) NO. OF SLPE'S : 48

a) Promotional welfare oriented 8
b) Manufacturing & Mining 20
c) Trade & Services 7
d) Agro & Plantation 7
e) Construction 3
f) Miscellaneous 3

(B) No. of Administrative Departments 20
The growth of State Level Public Enterprises (SLPEs)

The SLPEs created to exploit the natural resources of the State, to produce goods and services and to implement developmental programmes for the weaker sections of the society due to lack of entrepreneur ship and flow of capital and talent from outside the State, were expected to yield a reasonable rate of return on investment. Unfortunately, the rate of return has been negative over the years and therefore creation of new SLPEs was restricted during the period of review. The growth in the number of SLPEs during the period 1987-88 to 1991-92 was insignificant. The sectorwise number of SLPEs and their Administrative departments during the period of review are given in table 2.1
Table- 2.1

The Growth of State Level Public Enterprise in Assam

<table>
<thead>
<tr>
<th>Year</th>
<th>1987-88</th>
<th>88-89</th>
<th>89-90</th>
<th>90-91</th>
<th>91-92</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. No. of SLPEs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Promotional &amp; welfare oriented</td>
<td>44</td>
<td>47</td>
<td>47</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>b) Manufacturing and mining</td>
<td>18</td>
<td>19</td>
<td>19</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>c) Trade and services</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>d) Agro and plantation</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>e) Construction</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>f) Miscellaneous</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>II. No. of Administrative Departments</td>
<td>18</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Status Report of SLPEs 1991

The Status of Accounts

The status reports of the individual enterprises regarding finalisation of the audited accounts of the enterprises indicate that barring a very few, the enterprises are in heavy arrears in this respect. The following table indicates the number of enterprises as per their position in respect of drawal/finalisation of accounts during the period 1987-88 to 1991-92.
Table- 2.2

Status of SLPEs as Records finalisation of Audited Report

<table>
<thead>
<tr>
<th>No. of SLPEs</th>
<th>1987-88</th>
<th>88-89</th>
<th>89-90</th>
<th>90-91</th>
<th>91-92</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Provisional</td>
<td>23</td>
<td>29</td>
<td>32</td>
<td>31</td>
<td>14</td>
</tr>
<tr>
<td>b) Audited</td>
<td>17</td>
<td>13</td>
<td>9</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>c) No Accounts</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>12</td>
<td>33</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>44</strong></td>
<td><strong>47</strong></td>
<td><strong>47</strong></td>
<td><strong>48</strong></td>
<td><strong>48</strong></td>
</tr>
</tbody>
</table>

Source: Status Report of SLPEs 1991

The P E Department had initiated action to assist the SLPEs in up-dating their accounts within a specified time frame. On the insistence of the P E Department, the Controller and Auditor General of India have decided to advise appointment of Auditors for the entire period of pendency at a time and have allowed continuation of audit of the subsequent year pending adoption of the accounts of the previous year in the AGM. The company Affairs Deptt. in the Ministry of Company Affairs, Govt. of India had agreed to consider the recommendation of the Board of Directors of the Companies in fixation of suitable audit fee, so that any likely disputes do not delay finalisation of the accounts. The P E Department is following up the proposal of exempting test audit of the long pending accounts by the Accountant General and for the engagement of chartered accountants, for the compilation of accounts for the period of pendency to expedite finalisation of the accounts of the Companies.
INVESTMENTS

The capital and the Government investment in the SLPEs during the period of review have been tabulated below. The SLPEs having major Capital investment in the range of Rs.100.00 Cr. and above are highlighted. The paid-up Capital as on 31.3.92 is also indicated in the table:

Table 2.3

Name: SLPEs having Capital Investment of Rs 100 Crore & above

<table>
<thead>
<tr>
<th>Rs. in Cr.</th>
<th>87-88</th>
<th>88-89</th>
<th>89-90</th>
<th>90-91</th>
<th>91-92</th>
<th>92-93</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Capital Invest.</td>
<td>1760</td>
<td>1906</td>
<td>2165</td>
<td>2416</td>
<td>2723</td>
<td>3017</td>
</tr>
<tr>
<td>a) ASEB</td>
<td>1230</td>
<td>1322</td>
<td>1615</td>
<td>1705</td>
<td>1934</td>
<td>2134</td>
</tr>
<tr>
<td>b) Statfed</td>
<td>126</td>
<td>126</td>
<td>109</td>
<td>99</td>
<td>95</td>
<td>100</td>
</tr>
<tr>
<td>c) ASTC</td>
<td>56</td>
<td>67</td>
<td>78</td>
<td>92</td>
<td>110</td>
<td>128</td>
</tr>
<tr>
<td>d) AIDC</td>
<td>54</td>
<td>63</td>
<td>77</td>
<td>95</td>
<td>112</td>
<td>139</td>
</tr>
<tr>
<td>e) Others</td>
<td>294</td>
<td>328</td>
<td>286</td>
<td>425</td>
<td>472</td>
<td>516</td>
</tr>
</tbody>
</table>

2) Govt. Invest. | 1031 | 1123 | 1308 | 1515 | 1805 | 2096 |
| a) ASEB | 747 | 811 | 929 | 1077 | 1295 | 1507 |
| b) Statfed | 23 | 23 | 31 | 37 | 46 | 55 |
| c) ASTC | 56 | 67 | 78 | 92 | 110 | 128 |
| d) AIDC | 38 | 43 | 53 | 67 | 82 | 107 |
| e) Others | 167 | 179 | 217 | 242 | 272 | 299 |

3) Paid-up Capital | 1072 |
| a) ASEB | 800 |
| b) Statfed | 16 |
| c) ASTC | Nil |
| d) Others | 181 |

Employment

Employment in the SLPEs has increased over the years except in 1991-92 as shown by the table given below.

Table 2.4
Table showing Employment Position in SLPEs

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of PE Employment</th>
<th>Percentage growth over the previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987-88</td>
<td>42</td>
<td>56,200</td>
</tr>
<tr>
<td>1988-89</td>
<td>44</td>
<td>59,050 (+) 0.050</td>
</tr>
<tr>
<td>1989-90</td>
<td>45</td>
<td>61,900 (+) 0.050</td>
</tr>
<tr>
<td>1990-91</td>
<td>45</td>
<td>64,590 (+) 0.040</td>
</tr>
<tr>
<td>1991-92</td>
<td>45</td>
<td>64,490 (-) 0.002</td>
</tr>
</tbody>
</table>


The performance

The performance of the SLPEs during the period review is indicated by the following tables.

Table 2.5 showing turnover of the SLPEs
(Rs in crore.)

<table>
<thead>
<tr>
<th>Year</th>
<th>87-88</th>
<th>88-89</th>
<th>89-90</th>
<th>90-91</th>
<th>91-92</th>
<th>TARGET 92-93</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>378</td>
<td>473</td>
<td>456</td>
<td>512</td>
<td>555</td>
<td>555</td>
</tr>
<tr>
<td>a) ASEB</td>
<td>147</td>
<td>127</td>
<td>140</td>
<td>153</td>
<td>159</td>
<td>160</td>
</tr>
<tr>
<td>b) Staffed</td>
<td>93</td>
<td>124</td>
<td>102</td>
<td>114</td>
<td>128</td>
<td>131</td>
</tr>
<tr>
<td>c) ASTC</td>
<td>11</td>
<td>18</td>
<td>17</td>
<td>17</td>
<td>19</td>
<td>24</td>
</tr>
<tr>
<td>d) AIDC</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>e) Others</td>
<td>124</td>
<td>200</td>
<td>192</td>
<td>223</td>
<td>244</td>
<td>244</td>
</tr>
</tbody>
</table>

Government investment in the SLPEs has increased gradually over the years from 60 to 70% approximately per year. This means that the dependence on Government has increased compared to institutional and other sources of finance. The ASEB is the major recipient of Government as well as outside finance which is in the range of 60 to 70% of the total investment in the SLPEs. The ratio of Government investment to total investment in ASEB rose from 60% in 1987-88 to 71% in 1991-92. The dependence of STATFED on the Government also increased more steeply over the years from 18 to 48% per year. The ASTC has depended entirely on the State budget. The ASEB received 71.7% of the Government investment in 1991-92. The other 47 SLPEs received 28.3% of the total government investment. Amongst these 47, ASTC, STATFED and AIDC together accounted for 13.1% of the total investment with the remaining 44 only accounting for another 15.2%. The equity contribution of the Government has been of the order of 60% of the total Government investment in the SLPEs.

The table 2.5 shows that the turnover of the SLPEs has been very poor. This is in the range of 20% of the Capital Investment. In terms of paid-up Capital it is only about 50%. This means that very significant portions of investment have gone into fixed costs. The growth of turnover has been of the order of only 10% against the growth in investment of the order of 20% per year. This too is a poor performance.
Table 2.6 showing Profit/Losses of SLPEs

(Rs in Crore)

<table>
<thead>
<tr>
<th>Year</th>
<th>87-88</th>
<th>88-89</th>
<th>89-90</th>
<th>90-91</th>
<th>91-92</th>
<th>92-93</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit (No. of SLPEs)</td>
<td>3 (18)</td>
<td>3 (12)</td>
<td>5 (13)</td>
<td>8 (13)</td>
<td>9 (15)</td>
<td>9 (15)</td>
</tr>
<tr>
<td>Loss (No. of SLPEs)</td>
<td>68 (24)</td>
<td>156 (32)</td>
<td>192 (32)</td>
<td>200 (32)</td>
<td>333 (30)</td>
<td>240 (30)</td>
</tr>
<tr>
<td>a) ASEB</td>
<td>36</td>
<td>119</td>
<td>153</td>
<td>163</td>
<td>295</td>
<td>200</td>
</tr>
<tr>
<td>b) Statfed</td>
<td>3</td>
<td>4</td>
<td>10</td>
<td>9</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>c) ASTC</td>
<td>10</td>
<td>10</td>
<td>13</td>
<td>13</td>
<td>15</td>
<td>23</td>
</tr>
<tr>
<td>d) Others</td>
<td>17</td>
<td>22</td>
<td>16</td>
<td>15</td>
<td>16</td>
<td>12</td>
</tr>
<tr>
<td>Net Loss (No. of SLPEs)</td>
<td>65 (42)</td>
<td>153 (45)</td>
<td>187 (45)</td>
<td>192 (45)</td>
<td>324 (45)</td>
<td>231 (45)</td>
</tr>
<tr>
<td>a) ASEB</td>
<td>36</td>
<td>119</td>
<td>153</td>
<td>163</td>
<td>295</td>
<td>200</td>
</tr>
<tr>
<td>b) STATFED</td>
<td>3</td>
<td>4</td>
<td>10</td>
<td>9</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>c) ASTC</td>
<td>10</td>
<td>10</td>
<td>13</td>
<td>13</td>
<td>15</td>
<td>23</td>
</tr>
<tr>
<td>d) AIDC</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>e) Others</td>
<td>14</td>
<td>19</td>
<td>11</td>
<td>8</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Accumulated loss (No of SLPEs)</td>
<td>1370 (36)</td>
<td>1607 (36)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) ASEB</td>
<td>1080</td>
<td>1281</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) STATFED</td>
<td>41</td>
<td>46</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) ASTC</td>
<td>107</td>
<td>130</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) AIDC</td>
<td>2</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Others</td>
<td>139</td>
<td>147</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Status Report of SLPEs of 1991
From the table 2.6 it can be seen that the profit generated by about 15 of the SLPEs is quite insignificant compared to the losses incurred by the remaining enterprises. The losses have been mounting and the contribution of ASEB towards this loss of Rs. 1370 crore incurred by all the enterprises together. The accumulated loss has eroded the capital base of the SLPEs completely and the negative rates of return on the Capital, and paid-up capital have been 12, and 30% respectively as on 31.03.92.

The table 2.7 showing positive and negative networth of the SLPEs.

(Rs in crore)

<table>
<thead>
<tr>
<th>TARGET</th>
<th>87-88</th>
<th>88-89</th>
<th>89-90</th>
<th>90-91</th>
<th>91-92</th>
<th>92-93</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net-worth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Positive)</td>
<td>86</td>
<td>92</td>
<td>133</td>
<td>153</td>
<td>168</td>
<td>197</td>
</tr>
<tr>
<td>(No.SLPEs)</td>
<td>(29)</td>
<td>(29)</td>
<td>(29)</td>
<td>(31)</td>
<td>(30)</td>
<td>(27)</td>
</tr>
<tr>
<td>Net-worth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Negative)</td>
<td>436</td>
<td>575</td>
<td>748</td>
<td>933</td>
<td>438</td>
<td>665</td>
</tr>
<tr>
<td>(No.SLPEs)</td>
<td>(13)</td>
<td>(15)</td>
<td>(16)</td>
<td>(14)</td>
<td>(15)</td>
<td>(18)</td>
</tr>
<tr>
<td>a) ASEB</td>
<td>328</td>
<td>448</td>
<td>601</td>
<td>763</td>
<td>263</td>
<td>458</td>
</tr>
<tr>
<td>b) STATFED</td>
<td>8</td>
<td>8</td>
<td>15</td>
<td>21</td>
<td>21</td>
<td>26</td>
</tr>
<tr>
<td>c) ASTC</td>
<td>56</td>
<td>66</td>
<td>79</td>
<td>92</td>
<td>107</td>
<td>130</td>
</tr>
<tr>
<td>d) Others</td>
<td>44</td>
<td>53</td>
<td>53</td>
<td>57</td>
<td>47</td>
<td>51</td>
</tr>
<tr>
<td>Net Net-worth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Negative)</td>
<td>350</td>
<td>483</td>
<td>615</td>
<td>780</td>
<td>270</td>
<td>468</td>
</tr>
<tr>
<td>(No.SLPEs)</td>
<td>(42)</td>
<td>(45)</td>
<td>(45)</td>
<td>(45)</td>
<td>(45)</td>
<td>(45)</td>
</tr>
</tbody>
</table>
From the table No. 2.7 it can be seen that about 30 the SLPEs retain positive net worth of about Rs 170 crore but the remaining SLPEs have brought down the negative Net worth to about Rs(-) 270.00 crore. This would have been in the order of Rs(-) 1100.00 crore, had the capital structure of ASEB not changed by conversion of loan of Rs. 800.00 crore to equity in 1991-92.

**Table 2.8 showing dividends declared by the SLPEs**

(Rs. in crore)

<table>
<thead>
<tr>
<th>Dividends declared (No. of SLPEs)</th>
<th>87-88</th>
<th>88-89</th>
<th>89-90</th>
<th>90-91</th>
<th>91-92</th>
<th>Target 92-93</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) AMDC</td>
<td>--</td>
<td>0.01</td>
<td>0.02</td>
<td>0.02</td>
<td>0.06</td>
<td>0.06</td>
</tr>
<tr>
<td>b) ASWC</td>
<td>0.05</td>
<td>0.05</td>
<td>0.06</td>
<td>0.01</td>
<td>0.02</td>
<td>0.04</td>
</tr>
<tr>
<td>c) AFC</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
</tbody>
</table>

Source: Field Investigation
From the table No. 2.8 it can be seen that the dividends have been declared by only 3 of the SLPEs namely (i) M/S Assam Mineral Development Corporation Ltd, (ii) Assam State Warehousing Corporation, and (iii) Assam Financial Corporation. The contribution to the exchequer including these dividends are however quite insignificant in relation to the investment made by the government.

Graphical representation of a few performance figures are given in the following pages.

**CAPITAL INVESTMENT (91-92)**

![Pie chart showing capital investment distribution:]

- ASEB 71.7
- ASTC 4
- Staffed 3.5
- Others 17.3
- AIDC 4.1
The Constraints

Each of the SLPEs has identified constraints inhibiting improvement in the performance and these have been stated in the Status Reports along with the remedial measures suggested by the SLPEs. However, there are certain common problems applicable to most of the enterprises as summarised below:

Ineffective management:

Lack of professionalism and a consciousness that the enterprises have to generate reasonable rates of return on the investment made, have contributed greatly towards the underperformance of the SLPEs. Improper selection of the Chief Executives, most of whom are from Civil services and unexposed to professional industrial management. Also their frequent transfer make them unsuccessful in improving the performance of the enterprises. The Board of Directors is also usually not professional and the Chairman are placed not in consideration of their expertise, but on extraneous considerations. Though there is a Public Enterprises Selection Board, its services are rarely utilised for the selection of Chief Executives.

Surplus Manpower:

Poor quality of labour output accompanied by
surplus work force in many of the SLPEs have resulted in losses and a degradation of the efficiency level of employees.

Power Problem:

The manufacturing enterprises suffer through production losses from frequent power interruptions. Even in case of planned power shut-down by the ASEB, the cost of production shoots up heavily in those SLPEs which have acquired captive power plants.

Absence of Corporate Plan:

The inefficiency in management have led to poor planning. Inspite of repeated advice, most of the SLPEs have failed to draw up a Corporate plan to justify their continuance in existence.

Working Capital Management:

Some of the enterprises face acute shortage of working capital to build-up and maintain the desired inventory levels of spares, consumables, raw stocks (in case of industrial undertakings) and finished products (in case of trading enterprises). The geographical situation of the State
with high transport cost and bottlenecks add to the working capital crisis at times because of blockade of working capital in inventory. In the promotional enterprises, poor recovery rate has caused a shortage of capital for recycling.

Social Objectives:

Some of the enterprises have to continue implementation of some uneconomic schemes for public interest. These cause diversion of resources to non-profitable activities ultimately stressing the health of the organisations.

Common Programmes:

There are many enterprises serving common or similar causes at high enterprise-wise overhead cost. Manager of these enterprises/activities can ensure economy. An example will be the various welfare corporations which target specific segments of the population. Another example could be multiple agencies dealing in agricultural inputs.

All the performance indicators point out that the over all performance of the SLPEs is poor. It is necessary to adopt corrective steps to arrest further drainage from the public exchequer. The ASEB, ASTC & STATFED are the main enterprises contributing to the huge amount of losses every
year and therefore, these enterprises should be the focus of attention. While emphasis should be laid to avert losses through other enterprises too, special attention on these three enterprises is likely to change the overall scenario drastically.

Recently, the Govt. has constituted a Committee for the purpose of disinvestment in the SLPEs by inviting private participation so that the current tendency of continuous drainage of resources is stopped and professional expertise is inducted at management level by the private entrepreneurs. It is expected that the privatised industries will start making contributions towards the public exchequer within a reasonable time.\(^6\)

The SLPEs are engaged in a wide spectrum of activities but training is one of the most neglected aspect of personnel management.

The SLPEs, as we know, are highly varied; so it is obvious that while units under one category of PEs may have common training needs, requirements of another category of PEs may be essentially different from those of other categories. For example the welfare oriented category e.g. Assam Plasins Tribes Development Corporation(APTDC) may not at all require the services of highly trained specialists in financial
management. On the other hand, their officers should have the spirit of an ideal gram sevak in good measure. Similarly, the skills required of the General Manager of a trading unit is quite different from his counterpart in the manufacturing units.

There are however some areas in which the requirements of all units converge e.g. in fields of labour relations and career development of personnel.(7)

Public Enterprises in the state are facing critical bottlenecks in managerial positions in various levels. Evidence of this can be seen in the delay in completion of annual accounts by the PEs. Unless accounts are available, neither the PEs nor the Govt. know the exact financial status of PEs.

The SLPEs in many cases are also facing shortage of qualified technical and managerial personnel.

Management practices all over the world are undergoing rapid changes. The SLPEs must keep abreast of these developments.

In order to get a proper understanding of the training and development practices in the SLPEs, the
sectorwise description of every SLPEs, along with their training policy, if any, is stated.

The description and training policy of the enterprises classified under promotional and welfare oriented, and manufacturing and Mining Sector will be made in this chapter while the other enterprises along with the general conclusion will be given in the second part of this chapter.

The state has 9 enterprises which can be categorised as promotional and welfare oriented enterprises. They are:

1. Assam Industrial Development Corporation (AIDC)
2. Assam Small Industries Development Corporation (ASIDC)
3. Assam Hills & Small Industries Development Corporation (AHSIDC)
4. Assam Financial Corporation (AFC)
5. Assam State Film Finance & Development Corporation Ltd
6. Assam Plains Tribe Development Corporation Ltd
7. Assam State Development Corporation for OBC Ltd
8. Assam State Development Corporation for SC Ltd
9. Assam Tourism Development Corporation

The promotional enterprises are charged with the responsibility of developing the economic activities assigned to them with both commercial and non-commercial objectives.

The major objectives of these enterprises include:
- the promotion of economic activities assigned to them through encouraging the private enterprises by direct involvement
- acting as model agencies in their area of operations charged with the responsibility of preparing and implementing the plans for the development of respective activities assigned to them.
- helping to transform the economic structure of the weaker sections through the enterpreneurial role.
- mobilising the institutional credit for the socio-economic restrictions of the weaker sections of the society by functioning as catalyst promoters and guarantors.
- removing regional imbalance in the industrial development of the states.
- formulating programmes for proper utilisation of resources.
The description of the SLPEs sector-wise along with their training and development policies is given below:

A. PROMOTIONAL AND WELFARE ORIENTED

1. Assam Industrial Development Corporation (AIDC)

Formation - The AIDC was formed on 21st April, 1965 as a private limited company under the Companies Act 1956 subsequently, it was converted into a public limited government company.

Basic Objective - Identification, promotion and implementation of medium and large scale industrial project in the State of Assam.

Capital Structure
(Rs. in lakh)

<p>| | |</p>
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<tbody>
<tr>
<td>Authorised</td>
<td>7,500</td>
</tr>
<tr>
<td>Paid up</td>
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Employment in Nos

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<tbody>
<tr>
<td>Executive</td>
<td>75</td>
</tr>
<tr>
<td>Supervisory</td>
<td>58</td>
</tr>
<tr>
<td>Others</td>
<td>148</td>
</tr>
</tbody>
</table>

Regarding the Training and Development function, it
was found that there is no Manager, Training in the Organisation and the Manager (P & A) looks after the training function. The training budget is mostly prepared on an adhoc basis and the organisation does not prepare a training calender. The manager's are sent for attending training both within and outside the state. Normally on receipt of communication from the Institutes, people are nominated to attend various programmes. The reason for selecting a manager for a manager for a particular programme is a combination of factors like: organisational policy to train managers, for improving certain areas of weakness, to facilitate promotion and also because of personal initiative.

Training needs are identified through performance appraisal and discussion for promotion and growth.

The managers of the enterprise get an opportunity for training once in 2-3 years and all the managers have undergone formal training. The organisation had also organised a in-house programme and it was also felt that some useful changes could be seen after managers attended training. However proper follow-up from the organisation was lacking and the managers were often given new assignment after training as a result of which there was limited transfer of learning.

2. Assam Small Industries Development Corporation (AIDC)

Formation - The ASIDC was registered under the
Companies Act, 1956 as a private limited company and subsequently incorporated as a Public Limited Government Company on 27.3.1962.

Basic Objective - To promote, set up/develop SSI units by way of loan, grants, equity participation, provide infrastructural facilities, machinery marketing support/raw materials.

Capital Structure
(Rs. in lakh)

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<tbody>
<tr>
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<tr>
<td>Paid up</td>
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Employment in (Nos) - 341

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<tbody>
<tr>
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<td>Supervisory</td>
<td>30</td>
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<tr>
<td>Others</td>
<td>309</td>
</tr>
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</table>

Training & Development Efforts

There was no training Manager in the organisation. An assistant Research Officer who was under the control of the Managing Director and General Manager looked after the training function. The Training budget was prepared on an adhoc basis and the organisation did not prepare any Training
The Managers of the organisation were nominated to attend training programmes both within and outside the state but it was found there is no set procedure for identifying training needs.

The managers have got a chance for attending training programmes depending on the availability of fund for training. Fifty percent of the managers have attended formal training programme. There is, however, no proper post training follow up.

It was found that the organisational climate as a whole hampered the transfer of training to the job for organisational improvement.

3. Assam Hills Small Industries Development Corporation (AHSIDC):

Date of Incorporation - 30.3.1968

Basic Objective - To promote and assist in setting up of Small Scale Industries (SSI's) in the hill districts of the state.
Capital Structure
(Rs. in lakh)

Authorised - 500
Paid up - 200

Employment - 145
Executive - 6
Supervisory - 4
Others - 135

Training and Development Efforts

There was no training Manager in the organisation. Compared to the other activities, the training and development seemed be an insignificant activity. The budget was prepared on an adhoc basis and there was no fixed procedure for identifying training needs and nominating people for training accordingly.

4. Assam Financial Corporation (AFC)

Date of Incorporation : 16.4.1954

Basic Objectives - To provide financial assistance to industrial concerns in the states of Assam, Meghalaya, Tripura and Manipur.
Capital Structure

(Rs. in lakh)

Authorised  -  2000
Paid up      -  625
Employment in Nos -  151
Executive    -  15
Supervisory -  63
Others       -  73

Training and Development Practice :

This organisation did not have a manager to specifically look after the training and development activities. The Budget for training was prepared on an adhoc basis and the managers were nominated to attend various training programmes both within and outside the state based on availability of funds as provided for by the budget. There was no systematic procedure for determining training needs of the managers.

Although during the last 4-5 years there has been some realisation about the need and importance of training but the training function continues to be one of the most neglected function of the organisation.
5. Assam State Film Finance and Development Corporation Ltd  
(ASFFDC)
Date of Incorporation - 04.09.1974

Objectives - To develop the film activities of the state in modern lines.

Capital Structure
(Rs. in lakh)

Authorised - 10
Paid up - 10

Employment in Nos - 5
Executive - 1
Supervisory - -
Others - 4

ASFFDC being a very small organisation with only one manager, the training and development practice of this organisation was not taken into consideration for the purpose of the study.

6. Assam Plains Tribe Development Corporation Ltd

Date of Corporation - 29.3.1975

Basic Objectives - To promote, establish, improve, develop, administer, run and set up business, trade, profession and to assist with grants, subsidies, loans,
advances etc the members of plains tribes.

Capital Structure

(Rs. in lakh)

<p>| | |</p>
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<tbody>
<tr>
<td>Authorised</td>
<td>300</td>
</tr>
<tr>
<td>Paid - up</td>
<td>222</td>
</tr>
</tbody>
</table>

Employment in Nos - 205

Executive - 27
Supervisory - 21
Others - 157

Training and Development Practices :

It was found that training for managers was very rare. Scarcity of funds was stated to be the main factor for not investing in training. The office had to depend on Government for the finances and often there was a scarcity of funds to run the office.

The Managing Director, however, attended seminars and Training Programmes from time to time.

7. Assam State Development Corporation for Other Backward Class (OBC Development Corporation)

Date of Incorporation - 6.8.1975

Basic Objectives - To help OBC, MOBC and self employment and income generating schemes.
Capital Structure

(Rs. in lakh)

<table>
<thead>
<tr>
<th>Category</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised</td>
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<tr>
<td>Employment in Nos</td>
<td>78</td>
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<tr>
<td>Executive</td>
<td>5</td>
</tr>
<tr>
<td>Supervisor</td>
<td>10</td>
</tr>
<tr>
<td>Others</td>
<td>63</td>
</tr>
</tbody>
</table>

Training & Development Practice

There is no Manager Training in the organisation. Neither a budget for training nor a training calendar is prepared by the organisation. The managers are not exposed to training. It is only sometimes that they attend seminars outside the state.

The Chief Executive/Managing Director (M.D.) however, often gets an opportunity to attend seminars/training programmes. None of the Managers of the organisation were recruited management professionals.

8. Assam State Development Corporation for Scheduled Castes Ltd.

Date of Incorporation : 18.6.1975,
Objectives: To develop the socio-economic conditions of the poor scheduled castes people of Assam by giving them subsidy, margin money, loan etc.

Capital Structure
(Rs. in lakh)

<table>
<thead>
<tr>
<th></th>
<th>Authorised</th>
<th>Paid-up</th>
<th>Employment in Nos</th>
<th>Executive</th>
<th>Supervisory</th>
<th>Others</th>
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</tr>
<tr>
<td></td>
<td>1000</td>
<td>621</td>
<td>157</td>
<td>6</td>
<td>19</td>
<td>132</td>
</tr>
</tbody>
</table>

Training & Development Activity

The organisation did not have a Training Manager. No separate budget for training was prepared. The Managers are not exposed to training. The activities of the corporation are monitored by the Chairman. The office acts as a mediator between the government and the Scheduled Caste (SC) people.

9. Assam Tourism Development Corporation (ATDC)

Date of Incorporation: 9.6.1983

Objective: To promote and develop tourism in
Assam by taking infrastructural development schemes to provide tourist facilities and attract tourists in large numbers.

Capital structure
(Rs. in lakh)

- Authorised: 100
- Paid up: 24
- Employment in Nos.: 47
- Executive: 5
- Supervisory: 19
- Others: 23

Training and Development activity:

There was no manager, Training in the organisation. The organisation also did not have a budget for Training and Development. If the need for Training arose finance was made available to meet the training cost.

It was found that the organisation did not prepare a Training calendar. Officers were, however, nominated to attend training programmes both within and outside the state. In most cases it was found that it is the Training Institution which approaches the Corporation.

The reasons for nominating manager for attending
training programmes were a combination of the following factors for taking up higher responsibilities in future, for improving certain areas of weakness and to facilitate promotion after training.

There was no set procedure for identifying training needs. No inhouse programme had been sponsored by the organisation. Post training follow-up was sometimes done informally.

It was stated that some useful changes could be seen after executive attends a programme.

Often however, the transfer of learning could not take place because training did not relate to organisational conditions or the manager was not enthusiastic or motivated.

**Issues/Problems of Promotional and Welfare Oriented Enterprises:**

The promotional and welfare oriented enterprises are facing complex problems arising out of multiple objectives.

The promotional enterprises form the core of SLPEs in India. These enterprises have been caught in the vortex of
commercial and non-commercial activities. While they need to fulfil the non-commercial expectations, they would do well to achieve a total tradeoff between the two so that they could become self-sustaining economic entities.

Moreover, in many of these enterprises the internal systems for communication and controls such as management information systems, performance appraisal, internal audit, budgeting, budgetary control and computerised data base had not been adequately developed. The chief executive also had very short tenures.

Monitoring was a very weak link in the chain of functioning of these enterprises. The need of the hour is to reform and restructure these institutions to enable them to discharge their roles effectively.

The welfare enterprises like the SC, ST & OBC development corporation have undertaken multifarious activities. They provide margin money to weaker sections for setting up units in the primary, secondary and tertiary sectors of operation.

Some welfare enterprises are implementing schemes of wage employment for the weaker sections by either promoting or sponsoring their own cooperatives or industrial ventures or
giving credit support in such ventures. These enterprises also impart training in various skills to the target group in close coordination with local agencies by way of reimbursing expenditure on such programmes by them.

In case of SC corporation which forms the most important segment of the welfare companies, the disbursement per beneficiary was very low in these enterprises. The overheads were increasing and the growth of capital base was inadequate. The networth was deteriorating. Many schemes did not register any significant progress and most of the enterprises were in the red.

It is pertinent to note that only 10 percent of the funds spent on the development of scheduled castes were routed through the SC Development Corporation. These enterprises were relegated to a secondary importance in the overall institutional mechanism of development by the Government to confront the issues related to the development of the weaker sections of the society.

The margin money advanced was not distributed in a given year.

The recovery of principal and interest was very low in these enterprises and they suffered from lack of systems to assess the inflow of funds. There were cases where
disbursement targets could not be achieved despite availability of surplus funds in the savings bank accounts. These enterprises did not effectively liaise with the banks to ensure timely disbursement of margin money subsidy where loans were sanctioned.

A sustained effort based on a long term perspective corporate plans is not seen in most of the welfare corporates. Short tenure of Managing Directors (MD’s) was one of the reasons for this.

The Welfare Enterprises are characterised by organisational structures inconsistent with their objectives. In most of the cases, the Chief Executive Officers (CEO’s) are not supported by functionaries who could deal with key functions at the enterprise level.

The monitoring of projects is very weak in welfare enterprises. Almost all the welfare enterprises had very poor coverage and poor recovery efficiency.

The return on investment in the welfare oriented enterprises is pitiably low as their superordinate goals are well defined but their economic goals lack clarity and shared perception. Most of the enterprises incurred losses which resulted in slackness and managing their finances not in a
cost effective and managerial way.

It was found that out of the promotional and welfare oriented enterprises, AFC is one of the oldest enterprises which was set up in the fifties. Three others were set up in the sixties, four other were set up in seventies, and one PSE (Assam Tourism Development Corporation) was set up in 1985. In all the 9 promotional and welfare oriented category it was found that the enterprises did not have a training department or a training manager to specifically look after the training function.

Since the mid eighties with the initiative of the P.E. department, some efforts are being made to train up the managers and the SLPEs have been sponsoring managers to training programmes organised by institutes within the state like National Institute of Small Industries Extension Training (NISIET), Assam Administrative Staff College (AASC) and the Assam Institute of Management (AIM). Some organisations like AIDC has sponsored managers to attend courses even outside the state.

AIDC has sponsored one inhouse course which was conducted by AIM in collaboration with Engineering Staff College of India (ESCI) while Assam State Development Corporation for SC Ltd had sponsored one inhouse course which
was conducted by NISIET.

There are 21 SLPEs falling under the manufacturing and mining sector. They are:

- Assam Cooperative Sugar Mills Ltd.,
- Chemical Unit of Associated Industries (Assam) Ltd.,
- Assam Cooperative Jute Mills Ltd.
- Nagaon Cooperative Sugar Mills Ltd.,
- Assam Spun Silk Mills Ltd.,
- Assam Gas Company Ltd.,
- Assam Conductors & Tubes Ltd.,
- Assam Petrochemicals Ltd.,
- Cachar Sugar Mills Ltd.,
- Fertichem Ltd.,
- Assam Polytex Ltd.,
- Assam Syntex Ltd.,
- Assam State Textile Corporation Ltd.,
- Assam Cooperative Spinning Mills Ltd.,
- Assam Polyester Co-operative spinning Mills Ltd.,
- Assam Electronics Development Corporation Ltd.,
- Swahid Kushal Konwar Samabai sutabol Ltd.
- Assam Cooperative Sugar Mills Ltd.,
- Assam Mineral Development Corporation.
- Assam weaving and manufacturing Company Ltd.,
- Ashok Paper Mills Assam Ltd.,
The broad objectives of manufacturing enterprises are:

1. Filling up the entrepreneurial gap of the state in the various sectors.
2. Undertaking capital intensive and risk prone industrial activity.
3. Supplementing and supplanting the efforts of private sector in the industrial development of the states.
4. Creating competition with the private sector in various areas of industrial activity.
5. Exploiting the technological advantage in favour of the states in the areas of high technology base.
6. Operating the monopoly business in the state sector.
7. Generating surplus for the planned development of the state and for their own growth.

B. Manufacturing and Mining Sector

10. Assam Cooperative Sugar Mills Ltd.,
    Date of Incorporate : 17.01.1955

    Objective : Production and Marketing of sugar byproducts.

    Capital structure
    (Rs. in lakh)

    Authorised - 300
    Paid up - 214
Employment in Nos — 874
Executive — 4
Supervisory — 20
Others — 850

This mill has been burdened with machinery and heavy financial charges. There are a very few executives and training and development function is not at all an important activity of the organisation.

The managers have not been exposed to training.

11. Chemical Unit of Associated Industries (Assam) Ltd.
Date of Incorporation : 30.3.1988

Basic objective : To manufacture and sell single super phosphate (SSP) and \( \text{H}_2\text{SO}_4 \).

Capital Structure
(Rs. in lakh)

Authorised — 500
Paid - up — 252

Employment — 192
Executive — 20
Supervisory — 21
Others — 151
There is no Training Manager in the organisation. The Budget was prepared on an adhoc basis and there was no systematic procedure for identifying training needs. Few managers have been exposed to formal training in training institutions within the state.

On the whole, it can be said that training as an activity does not rank high in the organisation activity.

12. Assam Cooperative Jute Mills Ltd.,

Date of Incorporation : 23.10.1959

Objective : Manufacturing of jute products.

Capital Structure

(Rs. in lakh)

Authorised - 400
Paid up - 317
Employment in Nos - 921
Executive - 7
Supervisory - 25
others - 889

Training and Development Function : -

The organisation did not have a manager, training and the training function was looked after by the manager
(production). The organisation prepared the training budget on an adhoc basis. Often the training programmes are selected to fit the pre-determined budget.

The Managers have so far been nominated to attend training programmes both within and outside the state. Thirty per-cent of the managers of the organisation have so far undergone a formal training. Since the last 4 to 5 years, the organisation seems to have realised the growing need for training and there has been a positive attitude towards training.

The reason for selecting a manager for training was often a combined organisational and personal initiative for the purpose of improvement.

Performance appraisal of the individual self and others was used for identifying the training needs of the manager.

Some post training follow-up was also done and it was found that the manager was able to introduce useful changes in the organisation.

13. Nagaon Cooperation Sugar Mills Ltd.,
   Incorporation : 1.9.1975
Objective : Production and Marketing of sugar and by products.

Capital structure

(Rs. in lakhs)

Authorised - 800
Paid up - 327

Employment in Nos : - 528
Executive - 6
Supervisory - 20
Others - 520

Training and Development Function

The organisation did not have a training manager and there was no systematic approach towards training and development of the managers of the organisation. The Mill has been facing by a number of acute problems and is run in an unprofessional manner. The managers have not been exposed to any formal training.

14. Assam Gas Company Ltd.,
Incorporation : 31.3.1962
Objectives - To transport natural gas to consumers.
Capital Structure

Authorised - 1,000
Paid up - 712

Employment (in nos) - 473
Executive - 56
Supervisory - 33
Others - 384

Training and Development Function

The personnel Manager was in charge of the training function. The budget for training was prepared on an adhoc basis and the nomination to various training programmes were mostly made to fit the predetermined budget. The managers have been nominated to attend programmes both within and outside the state. However, the organisation did not have a systematic procedure to assess the training needs.

15. Assam Spun Silk Mills Ltd.

Incorporation : 31.3.1960

Objectives : To manufacture and sell spun silk, noil yarn & fabrics.
Capital Structure

(Rs. in lakh)

Authorised - 500
Paid up - 170
Employment in Nos - 441
Executive - 13
Supervisory - 16
Others - 412

Training and Development

The Mill has been incurring losses since 1985-86. The major constraints being faced by the mill are old technology and obsolete machinery and the mill is also facing competition from private mills. The mill does not have any planned approach towards training and development of its managers. Very few managers have been exposed to training. The organisational atmosphere is not conducive for transfer of training.

16. Assam Conductors and Tubes Ltd.

Incorporation 22.06.1994

Objective : To manufacture, deal in aluminium conductors cables, rods, Tubes wires and structures.
Capital Structure

(Rs. in lakh)

Authorized  - 250
Paid  - 154

Employment in Nos  - 87
Executive  - 5
Supervisory  - 6
Others  - 76

Training and Development Function

There was no manager Training the organisation and the training function was looked after by the superintendent of the organisation. No formal budget for training was prepared. However, managers were sometimes nominated to attend programmes organised within the state by organisations like NPC, NISIET, AIM etc.

There was no set criteria for assessing training needs of the managers.

The organisation had also sponsored an in-house programme for the finance and accounts department.

For majority of the training programmes it was
found that there was no post training follow-up.

17. Assam Petrochemicals Ltd., (APCL)

Incorporation : 22.04.1971

Objective : To produce petrochemicals from natural gas and market the products.

Capital Structure
(Rs. in lakh)

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised</td>
<td>1,700</td>
</tr>
<tr>
<td>Paid up</td>
<td>984</td>
</tr>
</tbody>
</table>

Employment in Nos  - 465
Executive - 90
Supervisory - 70
Others - 305

Training and Development function

APCL being a large organisation had a training manager to look into the training and development activities of its managers. Compared to the other SLPEs the approach towards training and development was more systematic.

The organisation prepared budget for training annually but the budget was prepared more or less after selecting training Institutions and there was no set procedure
for identifying training needs.

Ten percent of the managers had undergone formal training. There was some post training follow-up. It was found that training specially in the areas of stores/inventory and accounts have been very useful. Changes in working have resulted in the organisations.

There was however often a lack of supportive climate for transfer of learning in the organisation.

Some attempts at assessment of training needs were made by the organisation and participants were nominated to attend programmes accordingly. However, often the participants did not get an opportunity to discuss about their training need with their boss. They did not have clear idea in mind, why they are being nominated to a particular programme. As a result of which they were undecided about the need for training. There was also not much post training follow-up of the trainees.

However on the whole the managers of the entire organisation had a positive attitude towards training so far as their self development was concerned.
18. Cachar Sugar Mills Ltd.,

Date of Incorporation : 13.03.1972

Basic objectives : Production of sugar.

Capital Structure

(Rs. in lakh)

- Authorised : 500
- Paid up : 338
- Employment : 435
- Executive : Nil
- Supervisory : 11
- Others : 424

Since there are no manager and the mill has been non-functional for quite a long time, this mill was not taken up for study.

19. Fertichem Ltd.,

Date of Incorporation : 29.03.1974

Basic Objective : For manufacture and sell NP granulated fertilizer.

Capital Structure

- Authorised : 50
- Paid up : 43
- Employment : 148
- Executive : 13
- Supervisory : 8
- Others : 127
Training and Development effort

The organisation had not adopted any systematic effort for training and development of its managers. The managers were sometimes nominated to attend programmes outside the state. However, the managers were mostly nominated to programmes organised by Institutes like AIM, NISIET and AASC within the state.

The budget for training was made on an adhoc basis and there was no proper need assessment and follow up of the programmes.

20. Assam Polytex Ltd.,

Date of Incorporation : 29.5.1982

Basic Objective : Manufacturing and trading of PV blended yarn.

Capital structure
(Rs. in lakh)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
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<td>1000</td>
</tr>
<tr>
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<td>Supervisory</td>
<td>16</td>
</tr>
<tr>
<td>Others</td>
<td>587</td>
</tr>
</tbody>
</table>

93
Training and Development activity:

The company is turning to a negative net-worth position.

Though the enterprise is comparatively new, yet, it was found that no serious attempt was made to follow a systematic approach towards training and development of its managers. Training activity was pursued on an adhoc basis and the technical personnel often got a chance for training.

Steps have been initiated by the Government to privatise the mill.

21. Assam Syntex Ltd.

Incorporation - 20.10.1982

Objectiv : Manufacturing trading of PV blended yarn.

Capital Structure

Authorised - 1000

Paid up - 512

Employment in Nos - 570

Executive - 8

Supervisor - 15

Others - 547

Training and Development of the Managers of this
enterprise was not carried out in a very systematic manner. The enterprise did not have any training policy and the budget for training was prepared on an adhoc basis. No proper training needs assessment was made. Based on budget availability and also the availability of the managers, the managers were sponsored both to training programmes within and outside the state.

There was, however, no proper follow-up of the training programme.

22. Assam state Textile Corporation

Date of Incorporation : 22.06.1980

Basic Objective : Manufacturing and trading of PV blended yarn and fabrics and to develop textile Industries.

Capital Structure

(Rs. in lakh)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
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<td>Paid up</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Employment in Nos</td>
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</tr>
<tr>
<td>Executive</td>
<td>29</td>
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<tr>
<td>Supervisory</td>
<td>40</td>
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<tr>
<td>Others</td>
<td>704</td>
</tr>
</tbody>
</table>
Training and Development:

This corporation initially tried to train-up its executives by sponsoring them to training programmes both within and outside the state. However, training was not carried out in a systematic manner and there was also no follow up.

Since the organisation had been accumulating losses and also facing a lot of problems, the organisation has gone for private sector participation and since then there has been a lot of internal management problems. No attempt has been made to train the managers since June, 1993.

24. Assam Cooperative Spinning Mills Ltd.,

Date of Incorporation : 22.3.1979

Basic Objective : To produce 100% cotton yarn of 10,000 kg per day in 25,000 spindles.

Capital Structure

(Rs. in lakh)

| Authorised | 1500 |
| Paid up    | 620  |

Employment in Nos - 245

Executive - 5
Supervisory - 5
Others - 236
The Mill has been running at a loss and on the whole it can be said that no attempt has been made for training and development of its managers. Two managers have attended a formal training programme.

27. Swahid Kushal Konwar Samabai Sutakol Ltd.,

Date of Incorporation : 22.03.1979

Basic Objective : For produce 100% cotton yarn.

Capital Structure

(Rs. in lakh)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised</td>
<td>1500</td>
</tr>
<tr>
<td>Paid up</td>
<td>557</td>
</tr>
</tbody>
</table>

Employment in Nos

|          |  
|----------|------|
| Executive |   5   |
| Supervisory |  1   |
| Others   |  153 |

The Mill is not fully functional even after sixteen years of its establishment. It is under trial run and has been facing problems of irregular power supply and dearth of technical personnel.

28. Assam Cooperative Sugar Mills Ltd.,

Date of Incorporation : 17.05.1955

Basic Objectives : Production and Marketing of sugar and by-products Liqueur.
Capital Structure

(Rs. in lakh)

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
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<tbody>
<tr>
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<td>Supervisory</td>
<td>20</td>
</tr>
<tr>
<td>Others</td>
<td>850</td>
</tr>
</tbody>
</table>

The Mill has been facing a number of problems. Attempts are being made to privatise the mill. No systematic approach had been adopted for training and developing the managers.

29. Assam Mineral Development Corporation

Date of Incorporation : 19.5.1983

Basic Objective : To explore and exploit the minerals including ground water to develop mineral based industries.

Capital Structure

(Rs. in lakh)

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised</td>
<td>500</td>
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<tr>
<td>Paid up</td>
<td>214</td>
</tr>
<tr>
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<tr>
<td>Supervisory</td>
<td>22</td>
</tr>
<tr>
<td>Others</td>
<td>46</td>
</tr>
</tbody>
</table>
The Corporation has very few managers. Except for attending occasional seminars, and Management Development Programme no planned approach has been followed for training of the managers of the corporation.

30. Assam Weaving and Manufacturing Corporation Ltd.,

Date of Incorporation 29.11.1988

Basic Objective : Manufacture of finished fabric and marketing.

Capital Structure
(Rs. in Lakh)

<table>
<thead>
<tr>
<th>Authorised</th>
<th>1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid up</td>
<td>824</td>
</tr>
</tbody>
</table>

Employment in Nos - 123

| Executive    | 10   |
| Supervisory  | 13   |
| Others       | 103  |

Baring a few Managers who have attended training programmes, most of the managers of this corporation have not been exposed to a formal training programme. The organisation also did not have any formal plan for training and development of its managers.
Ashok Paper Mills (Assam) Ltd.,

Date of Incorporation : 7.1.1991

Basic Objective : Revival of the Jagighopa unit of the Ashok Paper Mills into a production point.

Capital Structure
(Rs. in Lakh)

Authorised - 3,000
Paid up - 0.002

Employment in No. - 429
Executive - 2
Supervisory - 7
Others - 420

Initially the Mill faced a lot of problem because of which production could not be commenced.

Attempts are being made to privatise the Mill.

Out of the 21 SLPEs categorised under the manufacturing and mining sector, three enterprises were set up in the fifties, another three in the sixties, six were set up in the seventies while all the others were set up in the eighties. A study of the training and development efforts of these enterprises revealed that none of the enterprises had a
systematic policy for training. While the units set up in the fifties and sixties rarely thought about or felt the need for training, most of the enterprises of the seventies and eighties used to prepare a training budget. This is a welcome development.

The training budget was, however not based on assessment of training needs. Many of the employees of the units classified under the manufacturing and mining sector had their first exposure to training in the middle of the eighties when the Department of Public Enterprises (DPE) started organising training programmes in collaboration with organisation like NISIET, Institute of Public Enterprise (IPE), Hyderabad and also with the setting up of the Assam Institute of Management.

Some enterprises like the Assam Gas Company, Assam Petrochemicals Ltd., and the Assam Electronics Development Corporation (AEDC) have been often sponsoring managers to both training programmes within the state as well as to external programmes. Assam Gas Company had sponsored an inhouse programme for training its accounts personnel. The programme was organised by the Assam Institute of Management. Similarly the Assam Electronics Development Corporation (AEDC) had sponsored an inhouse programme for training its engineers in the area of Sales and Marketing Management.
None of the enterprises however had a training Manager and Training function was looked after by the Personnel Manager. Many of the SLPEs in the manufacturing sector were originally profit making industries which became sick and were taken over as sick industries.

Some of the SLPEs under the manufacturing category started off with congenital disabilities as they were located in inappropriate places for example, and some were provided with technologies which were outdated. Furthermore, in this sector there are a number of enterprises which have not gone into full production and overcome their initial teething problems.

The manufacturing SLPEs did not give any heed to business prudence and commercial working.

All these enterprises had pre-natal and post natal problems. Their prenatal problems mainly related to project management. In many cases site selection itself emerged as a major problem. In certain other cases, wrong demand analysis was the main factor contributing to losses. Again, in some cases, the selection of inappropriate technology was the major limitation. Time and cost overruns were also frequent.

The post natal problems revolved around the
operational deficiencies in these enterprises which include lack of systems and procedures with regard to the purchase and upkeep of materials, recruitment, promotion and motivation of personnel, formulation of suitable credit collection and cash management policies and choice of appropriate product mix. These enterprises also have problems on the interface relationship with the state and central governments, suppliers and consumers. They are subjected to rigorous public scrutiny. Further, they have not done much to transform their supervisors and managerial personnel through training and management development. The management information systems in these enterprises did not take into care the internal and external requirements. Under these circumstances, there was no strategic management and corporate planning in the SLPEs.

The manufacturing SLPEs are operating in the vital areas of the economy. Their efficiency and effective working would strengthen not only their functioning but also the effectiveness of the state governments as a whole. However, these enterprises suffer from many infirmities which could be rectified by suitable policy and operational reforms not merely at the state level but at the enterprise level also.

Promotional and Welfare Oriented SLPEs

There are nine SLPEs which have been classified under promotional and welfare oriented SLPEs. Most of these
enterprises have been sponsoring managers to both external and internal training programmes but very few managers were nominated to external training programmes.

It could be observed that maximum number of managers were sponsored for internal training programmes during the period 1990-91 and 91-92.

Two SLPEs, the Assam Industrial Development Corporation and Assam Plains Tribe Development Corporation have got quite a number of manager left to be trained.

Manufacturing and Mining Sector

21 SLPEs have been classified under the manufacturing and mining sector out of which the Cachar Sugar Mills Ltd., which had virtually closed down, did not have any manager in its rolls.

Depending on the size of the enterprise the total number of managers widely varied. There are some enterprises which had only 4 managers while at the other extreme there were enterprises which had more than 60 managers. The Assam Petrochemicals Ltd had a total of 90 managers.

A common factor which could be observed in all the enterprises whether big or small was that except a few
enterprises, in all the other enterprises almost half of the total managers have not received any formal training. Again while the managers were nominated to attend both External and Internal training programmes, very few managers were nominated to attend external training. Most of the managers were nominated to Internal training programmes. In the internal training programmes again the maximum number of managers were nominated during the period 1990-91 and 91-92.

Table 2.8 and 2.9 show the total number of managers who have attended Internal and External training programmes during the period 1989 to 1994 in the enterprises falling under the Promotional of Welfare Oriented Sector and manufacturing and mining sector respectively.

Table 2.8

External and Internal Training attended by managers of Promotional and Welfare Oriented SLPE's

<table>
<thead>
<tr>
<th>Name of the Organisation</th>
<th>Total No. of Managers</th>
<th>Total No. of Trained</th>
<th>89-90</th>
<th>90-91</th>
<th>91-92</th>
<th>92-93</th>
<th>93-94</th>
<th>89-90</th>
<th>90-91</th>
<th>91-92</th>
<th>92-93</th>
<th>93-94</th>
</tr>
</thead>
<tbody>
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<td>3</td>
<td>2</td>
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<td>8</td>
<td>4</td>
<td>8</td>
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<td>1</td>
<td>3</td>
<td>2</td>
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<td>1</td>
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<td>11</td>
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</table>

Source: Field Investigation

105
### Table 2.9

Showing External and Internal Training attended by Managers of Manufacturing and Mining Sector

<table>
<thead>
<tr>
<th>Name of the Organisation</th>
<th>Total Man. No.of</th>
<th>Total Trained</th>
<th>Total External Training</th>
<th>Total Internal Training</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.of Managers</td>
<td></td>
<td>89-90 90-91 91-92 92-93 93-94</td>
<td>89-90 90-91 91-92 92-93 93-94</td>
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<td>1 - - - - 1 2 3 1 - - - 6</td>
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<tr>
<td>ACTL</td>
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<td>4</td>
<td>1 - - - - 1 1 2 - - - 3</td>
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<td>2</td>
<td>1</td>
<td>- - - - - 1 1 - - - - 2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Investigation

---

**Appendix-A**

Public Enterprises in Assam

**AT A GLANCE (1991 - 92)**

**PARTICULARS**

1. Number of State Level Public Enterprises (Nos) 48
2. Number of Administrative Departments (Nos) 20
3. Paid-up Capital (Rs.in Cr) 1072
4. Govt. Investment (Rs.in Cr) 1805
5. Capital Investment (Rs.in Cr) 2723
6. Turn over (Rs.in Cr) 555
7. Profit of 15 SLPEs (Rs.in Cr) 9
8. Loss of 30 SLPEs (Rs.in Cr) (333)
9. Net Loss of 45 SLPEs (Rs.in Cr) (324)
10. Accumulated loss of 36 SLPEs (Rs.in Cr) (1370)
11. Positive Net-worth of 30 SLPEs (Rs.in Cr) 168
12. Negative Net-worth of 15 SLPEs (Rs.in Cr) (438)
13. Net negative Net-worth of 45 SLPEs (Rs.in Cr) (270)
14. Dividend declared by 3 SLPEs (Rs.in Cr) 0.90
15. Contribution to Exchequer by 24 SLPEs (Rs.in Cr) 11
16. Number of Employees (Nos) 64490

**RATIOS**

1. Accumulated loss/Capital Investment ( % ) 50
2. Accumulated loss/Govt. Investment ( % ) 76
3. Accumulated loss/Paid-up Capital ( % ) 128
4. Return on Capital Investment ( % ) (12)
5. Return on Govt. Investment ( % ) (18)
6. Return on paid-up Capital ( % ) (30)
7. Return on Turn over ( % ) (58)
8. Turn over/Capital Investment ( % ) 20
9. Turn over/Govt. Investment ( % ) 30
10. Turn over/paid-up Capital ( % ) 52
11. Capital Investment/Employee ( Rs ) 420000
12. Govt. Investment/Employee ( Rs ) 278600
13. Paid-up Capital/Employee ( Rs ) 165500
14. Turn over/Employee ( Rs ) 86600
15. Accumulated loss/Employee ( Rs ) 21500

PROFIT MAKING STATE LEVEL PUBLIC ENTERPRISES

I. DIVIDEND DECLARING SLPEs
   1. Assam Mineral Development Corporation Limited
   2. Assam State Warehousing Corporation
   3. Assam Financial Corporation.

II. SLPEs EARNING PROFITS IN THE LATEST YEAR OF REPORT WITH
   NO ACCUMULATED LOSSES :
   4. Assam Gas Company Limited
   5. Assam Government Construction Corporation Limited
   6. ARTFED
   7. Assam Livestock & Poultry Development Corpn Limited
   8. Assam State Textbook Production & Publication Corporation Limited
   9. Assam Petrochemical Ltd.,

III. SLPEs EARNING PROFITS IN THE LATEST YEAR OF REPORT
     BUT CARRYING ACCUMULATED LOSSES

   10. Assam Tea Corpn. Ltd
11. Assam Industrial Dev. Corpn. Ltd.
12. Assam Spun Silk Mills Ltd.
14. Assam Co-operative Jute Mills Ltd
15. Assam Plains Tribes Dev. Corpn. Ltd.

LOSING STATE LEVEL PUBLIC ENTERPRISES AS PER THE LATEST YEAR OF REPORT

1. A S E B
2. A S T C
3. STATFED
4. Assam Syntex Ltd.
5. Assam State Textile Corporation Ltd.
6. Assam polutex Ltd.
7. Cachar Sugar Mills Ltd.
8. Fertichem Ltd.
9. Assam Planatation Corps Development Corporation Ltd
10. Assam Co-operative Sugar Mills Ltd
11. Assam Co-operative Spinning Mills Ltd
12. Assam Small Industries Dev. Corpn Ltd
13. Assam Fisheries Dev. Corpn Ltd
14. Assam State Housing Board
15. Assam State Minor Irrigation Dev. Corpn. Ltd
16. Nagaon Co-operative Sugar Mills Ltd
17. Assam Seeds Corpn. Ltd
18. Assam Conductors & Tubes Ltd
19. Assam State Fertilizer & Chemicals Ltd
20. Assam Police Housing Corpn. Ltd
21. Assam Govt. Marketing Corpn. Ltd
22. Assam Tourism Dev. Corpn. Ltd
23. Assam State Dev. Corpn. for Scheduled Castes Ltd
24. Assam State Dev. Corpn. for O B C Ltd
25. Assam Khadi & Village Industries Board
27. Assam Polyester Co-operative Society Ltd
28. Assam Film (Fin & Dev) Corpn. Ltd
29. Assam Electronic Dev. Corpn. Ltd
30. Assam State Weaving & Marketing Co. Ltd

SLPEs WITH POSITIVE NET-WORTH

1. Assam Industrial Dev. Corpn. Ltd
2. Assam Financial Corpn. Ltd
3. Assam State Textile Corporation Ltd
4. Assam Gas Company Ltd
5. Assam State Warehousing Corpn.
6. Assam Polytex Ltd
7. Assam Mineral Dev. Corpn. Ltd
8. Assam Agro-Ind. Dev. Corporation Ltd
9. Assam Planatation Corps Dev. Corpn. Ltd
10. Assam Govt. Construction Corpn. Ltd
11. Assam Co-operative Spinning Mills Ltd
12. Assam Small Industries Dev. Corpn. Ltd
13. Assam Petrochemicals Ltd
15. Assam State Minor Irrigation Dev. Corpn. Ltd
16. Assam State Fertilizer & Chemicals Ltd
17. Assam Police Housing Corpn. Ltd
18. Assam Tourism Dev. Corpn. Ltd
19. Assam State Dev. Corpn. for Schedule Castes Ltd
20. Assam State Dev. Corpn. for O B C Ltd
21. Assam Polyester Co-operative Society Ltd.
22. Assam Film (Fin & Dev) Corpn. Ltd
23. Assam Electronic Dev. Corpn. Ltd
24. Assam State Weaving & Manufacturing Co. Ltd
26. Assam Govt. Marketing Corpn. Ltd.
27. Assam Cooperative Jute Mills Ltd
28. Assam Syntex Ltd
30. ARTFED

SLPES WITH NEGATIVE NET-WORTH

1. A S E B
2. A S T C
3. STATFED
4. Cachar Sugar Mills Ltd
5. Assam Seeds Corpn. Ltd
6. Fertichem Ltd.
7. Assam Co-operative Sugar Mills Ltd
8. Assam Tea Corpn. Ltd
9. Assam Conductors & Tubes Ltd
10. Assam Spun Silk Mills Ltd
12. Assam Fisheries Dev. Corpn. Ltd
13. Assam Khadi & Village Industries Board
14. Assam State Housing Board
15. Assam Hills Small Industries Dev. Corpn. Ltd
PART - B

In this chapter an attempt is made to study the training practices of the SLPEs in the Trade and Services Sector, Agro and Plantation based enterprises, construction based enterprises and SLPEs categorised under the Miscellaneous sector. Finally the training practices of the 48 SLPEs have been analysed.

Background

The initiative of the government was required to help small producers in marketing their products and thereby provide a fillip to the growth of small and medium industry. Assam is often faced with shortage of foodgrains and other items of common use. There are also large variations in the production of agricultural commodities due to varying monsoon condition and in years of high production price support operation by the government agencies become necessary. The marketing trading and service SLPEs have been set up to fulfil the demand on government for these services.

The trading and service enterprises are diverse in nature and their objectives also vary considerably. Some of the objectives of these enterprises include:

(1) Marketing of goods produced by small producers
undertaking production of perishable and durable consumable items.

(2) Removing poverty, unemployment and strengthening economic base of producers by providing financial assistance, modernising their production, organisation and marketing of their products.

Seven SLPEs have been classified under the trade and services section. They are -

a) STATFED
b) Assam Government Marketing Corporation (AGMC)
c) Assam State Warehousing Corporation
d) Assam State Electricity Board (ASEB)
e) Assam State Transport Corporation (ASTC)
f) ARTFED

32. STATFED

Date of Incorporation : 23.1.1957

Administrative Department : Corporation

Basic Objectives : Procurement and distribution of consumers items, marketing of agricultural produces, market intervention, processing activities including vanaspati, manufacturing, mustard seed processing.

Capital Structure
(Rs. in lakh)

<table>
<thead>
<tr>
<th></th>
<th>Authorised</th>
<th>Paid up</th>
</tr>
</thead>
<tbody>
<tr>
<td>STATFED</td>
<td>2,000</td>
<td>1,619</td>
</tr>
</tbody>
</table>
Employment in Nos : 1961

Executive : 60
Supervisory : 205
Officers : 1693

Training and Development practices of STATFED has been analysed in detail in the third chapter as STATFED is one of the three enterprises selected for indepth study.

32. Assam Govt. Marketing Corporation

Date of Incorporation : 16.12.1959

Basic Objectives : To market handloom, handicrafts, weaving accessories and the products of the SSI units.

Capital Structure
(Rs. in lakh)

Authorised - 500
Paid up - 245

Employment in Nos - 215
Executive - 5
Supervisory - 39
Others - 169

Training and Development :

The organisation did not have any systematic training and development policy and there was an adhoc approach towards training and development of the managers.
The managers have attended various training programmes but the results have not been achieved mainly because the environment was not conducive to transfer of learning. Right persons were often not sent for training. The heads of the organisation often attended various training programmes/seminars etc. but as is the practice with all SLPEs the head of the organisation gets transferred very soon leading to total wastage of the training inputs.

However, with the beginning of 1994, the entire set-up was being changed and better results are expected and a turn around strategy was planned for the organisation. A more positive approach towards training and development could be expected.

34. Assam State Warehousing Corporation

Date of Incorporation : 12.08.1958

Basic objectives : To build, run godowns, warehouses for storage of agricultural inputs and notified commodities as per Warehousing Act'62, to arrange transportation of above and to act as agent of central warehousing corporation for purchase of agricultural inputs, and notified commodities in Assam.

Capital Structure

(Rs. in lakh)

| Authorised | 1,000 |
| Paid up    | 600   |
Employment in Nos - 38
Executive - 18
Supervisory - 70
Others - 292

Training and Development:

No attempt had been made for systematic training and developing the managers of this enterprise. Sometimes the managers were nominated to attend programmes both within and outside the state. However, the main problem has been that the need for training and development of the managers has not been realised by the organisation. The ASWC being a profit making organisation, money is not a problem. However the organisation was mismanaged to a great extent in the recent past and this had an adverse effect on the organisation as a whole. So training requires top priority in the organisation.

After October 1993, things have been streamlined to a great extent and one person was sent to the mother organisation Central Warehousing Corporation in New Delhi and another employee to A.I.M., Guwahati. As and when the training Institute approach the organisation, managers are nominated to attend training programmes. In course of the study it was found that the organisation started realising the need for training.

Assam State Electricity Board (ASEB)
Date of Incorporation : 1958 (MESEB was bifurcated on 21.1.1975)

Basic Objectives : Responsible for power development of Assam and supply of power to consumers of the state in the most efficient and economic manner.

Capital Structure
(Rs. in lakhs)

- Authorised - 81,000
- Paid up - 80,000
- Employment in Nos - 23,528
  - Executive - 1,355
  - Supervisory - 2,317
  - Others - 19,856

The ASEB has been incurring huge losses. It is a highly overstaffed organisation.

There has been no systematic approach followed by the organisation for training and development of its managers. The organisation did not have a training manager and the T&D activities were looked after by the personnel department. The managers sometimes attended programmes organised both within and outside the state but selection/nomination was made on an adhoc basis. The budget for training was also prepared on an adhoc basis.

There was also no post training follow up and the
there was no perceivable transfer of learning to the job.

36. Assam State Transport Corporation

Date of Incorporation - 30.03.197

Basic Objective - To provide efficient, adequate economical and properly coordinated system of road transport services.

The ASTC has a total of 6658 employees. The organisation is presently in the red because of over staffing mismanagement, union problems and fund crisis.

The organisation does not have a training and development policy and its entire approach towards training is adhoc. Management professionals were recruited but they could not do anything because the organisation as a whole was grossly mismanaged.

As the status stands today training for employees cannot be thought of as entire fund is diverted for payment of wages which is not sufficient from the revenue collected.

37. ARTFED

Date of Incorporates : 27.07.1977

Administrative Department Handloom Textile and sericulture

Basic Objectives : To procure raw materials for production of cloth and sale of finished products.
Employment (in Nos.)

Executive - 13
Supervisory - 35
Others - 693 (Weavers etc)

None of the officers had been recruited as Management Professionals. The organisation does not have a Manager Training.

There is no fixed person to look after the training function. It is looked after by someone in the higher authority. The organisation does not have a budget for Training and Development. Depending on the requirements adjustments are made accordingly. People are sent for training, both within and outside the state. There is no fixed criteria for selecting training Institutes.

Normally the Training Institutes approach the organisation.

Till date (November’94) 10 executives have undergone formal training. However, training is often given to the technical staff.

There is no post-training follow up of the executives who have undergone training.
The organisational climate on the whole is not conducive for transfer of learning to the job.

**Investment and Performance**

**Causes of poor performance of trade and services sector**

1. The enterprises have a very low turnover to capital employed ratio which suggests lack of drive in these enterprises for boosting turnover and finding new ways and means to push the sales. The approach being followed seemed to relate more to selling than marketing. Hardly any attempt was made to increase the market share or for creating new markets. Most of the enterprises suffered from glaring incidence of bad cash management. The lingering and increasing overdues, the low inventory turnover ratio coupled with discouraging working capital turnover support this contention. The cost consciousness was lacking as overdues in many cases were above the reasonable norms. The pricing policies were not made on the basis of prudent financial management.

Construction enterprises like the AGCC could not meet their annual target. The shortfall was mainly because of delay in handing over the work sites and drawings, scarcity of cement and steel and disturbed conditions in the state. The company received substantial advance payments for works.
to be executed over a period of years and surplus funds were invested in fixed/term deposits in which the interest earned showed continuously increasing trend but for which the company would have been running in losses.

Some enterprises like STATFED were characterised by bad cash management, laxity in handling procurement and distribution and infructuous and extra expenditure leading to losses, coupled with shortfall in procurement and distribution of essential commodities. There are instances of various enterprises in the trading and services sector where these enterprises barked upon schemes without studying their economics and without having any expertise in the connected areas. On the one hand they were paying interest for cash credits on the other hand they kept large surplus funds in current account resulting in extra expenditure on differential rate of interest. The off season procurements were made and the style pursued in obtaining the surpluses did not reflect commercial prudence on their part.

The marketing and trading SLPEs have a great role to perform in the Indian economy. Their performance has however belied the expectation. They need to transform their working in order to fulfil the mandate given by the policy makers.

Four out of the six enterprises classified under
the Trade and services sector were incorporated in the
fifties and two other enterprises were incorporated in the
seventies.

It was found that none of the enterprises had
clear cut training policy or plan. Since the eighties
organisations are giving some thought to training but there
was no systematic effort. Managers were nominated to attend
training programmes but that was done without a proper
assessment of their training need. During the year 1989-1991
some attempt to carry out training in a systematic way was
made by STATFED but with the change in the Chief Executive
the entire effort lost its importance. Maximum of number of
managers in all the six SLPEs have been exposed to training
at the Assam Institute of Management.

D. Agro & Plantation Based

Seven SLPEs have been classified under the agro &
plantation based sector. They are:

1. The Assam Tea Corporation Ltd
2. Assam Agro Industries Development Corporation Ltd
3. Assam Plantation Crops Development Corporation Ltd
4. Assam Seeds Corporation Ltd
5. Assam Fisheries Development Corporation Ltd
6. Assam State Minor Irrigation Development Corporation
7. Assam Livestock and Poultry Development Corporation Ltd

Of the seven enterprises, two were set up in nineteen sixtees, three others were set up in the seventies while other two were set up in the eighties.

Basic Objectives

The basic objectives of these SLPEs are:

1. Strengthening the economic base of producers by providing financial assistance, modernising their production, organization and marketing of their products; and

2. Acting as nodal agencies in their areas of operations charged with the responsibilities of preparing and implementing the plans for the development of respective activities assigned to them.

The description of the seven SLPEs along with their training and development efforts in given here.

Issues and Problems

The problems of the plantation and agro based enterprises mainly revolve around the operational
deficiencies in these enterprises which include lack of systems and procedures with regard to the purchase and upkeep of materials, recruitment, promotion and motivation of personnel, formation of suitable credit collection and cash management policies and choice of appropriate product mix. These enterprises also have problems on the interface relationship with the state and central government suppliers and consumers. They are subjected to rigorous public scrutiny.

Most of the enterprises had over-stocked inventories, did not recycle their debts, kept huge sums of cash in banks and were operating in minus at the gross margins, operating margins and net margin levels.

These enterprises have been caught in the vortex of commercial and non-commercial activities, while they need to fulfill the non-commercial expectations they would do well to achieve trade offs between the two so that they could become self sustaining economic entities.

For example, the enterprises in the field of fisheries serve no commercial objectives by increasing the availability of infrastructure to fisherman. But, at the same time, they get the margin between the purchase price and sale price of fish. Here these corporations need to provide higher return to the produce than what is normally available in the
market and at the same time they have to sell the fish at a cheaper price.

Agro and Plantation Based

37. Assam Tea Corporation

Date of Incorporation - 9.2.1972

Basic Objectives - To safeguard the future of the Tea Industry, to protect the interest of the workers and avoid concentration of ownership of Tea Estates.

Capital Structure

(Rs. in lakhs)

Authorised - 3,000
Paid up - 2,434
Employment - 16,492
Executive - 106
Supervisory - 60
Others - 16,326

Training and Development Practices

The organisation after running in the red is making profits and aims to increase profits in the rear future. Better Management and higher profit is expected in the future. This organisation provides training on a regular basis but it depends greatly on the initiative Managing Director (MD). However till now, no systematic approach has
been followed for training and Development of its managers. More can be done in future as the training and organisational condition/climate was gradually becoming conducive towards innovation and change.

If in-house training facilities are provided on a regular basis, better results can be expected. In the post organisation had arranged for In-house computer training for its employees.

38. Assam Agro Industries Development Corporation Ltd.

   Date of Incorporation - 27.1.1967

   Basic Objectives - Development of agro based industries and input supplies for improvement in agriculture.

Capital Structure
(Rs. in lakh)
Authorised - 500
paid up - 200

Employment in Nos - 452
Executive - 13
Supervisory - 76
Others - 343

Training and Development:

The organisation is not manned by professionals. This is because the organisation at its initial stages did
not feel the need to recruit professionals.

The organisation does not have a systematic policy for training and development of its managers. In fact the need for training has not yet been felt and so there is no training calender. A certain amount is set aside for training and training is limited to matters relating to agricultural inputs.

Attempts to emphasise on training had been made by some Managing Directors but no concrete change could be observed as their tenure was very limited.

39. Assam Plantation Crops Development Corporation

Date of Incorporation - 1.1.1974

Basic Objective - To provide gainful employment to by shifting to profitable land use through rubber, coffee, Black-pepper cultivation and processing, marketing of plantation crops.

Capital Structure

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
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<tbody>
<tr>
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<tr>
<td>Paid up</td>
<td>500</td>
</tr>
<tr>
<td>Employment in Nos</td>
<td>254</td>
</tr>
<tr>
<td>Executive</td>
<td>5</td>
</tr>
<tr>
<td>Supervisory</td>
<td>19</td>
</tr>
<tr>
<td>Others</td>
<td>230</td>
</tr>
</tbody>
</table>
The organisation did not have any definite and systematic plan for training and development of its managers. The very few managers that the organisation had sometimes attended one or two training programmes.

40. Assam Seeds Corporation Ltd.

Date of Incorporation - 1.4.1967

Basic Objective - Production procurement and distribution of certified seeds.

Capital Structure

| Authorised | 200 |
| Paid up    | 145 |
| Employment in Nos | 368 |
| Executive | 45  |
| Supervisory | 15  |
| Others    | 308 |

The organisation did not have any proper approach towards training of managers. There was no training manager and the budget for training as well as the nomination of managers to various training programmes was made in adhoc basis. Post-training follow-up was also not done.

41. Assam Fisheries Development Corporation

Date of Incorporation - 01.03.1977

Administrative Department - Fishery
Basic Objectives - To develop fisheries, trading in fish and to improve the socio-economic condition of fisherman of the Scheduled Caste community of the states.

Capital Structure
(Rs. in lakh)

<table>
<thead>
<tr>
<th></th>
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</tr>
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<td>Executive</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Supervisory</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>44</td>
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</tbody>
</table>

No officer was recruited as management professional.

There is no manager, Training in the organisation.

The training function is looked after by the Managing Director as and when necessary.

There is a training budget but it varies according to requirement and it is prepared on an adhoc basis. The officers are sent for training both within and outside the state. There is no criteria for selecting the Training Institutes.
No serious thought is given to training.

The organisational climates on the whole is not conducive towards bringing out changes through transfer of learning.

42. Assam State Minor Irrigation Development Corporation

Date of Incorporation - 15.10.1980

Basic Objectives - To install lowlift irrigation projects, shallow tube wells, deep tube wells for Irrigation purpose for the development of agriculture.

Capital Structure
(Rs. in lakh)

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Authorised</td>
<td>1000</td>
</tr>
<tr>
<td>Paid up</td>
<td>1000</td>
</tr>
<tr>
<td>Employment in Nos</td>
<td>783</td>
</tr>
<tr>
<td>Executive</td>
<td>10</td>
</tr>
<tr>
<td>Supervisory</td>
<td>21</td>
</tr>
<tr>
<td>Others</td>
<td>752</td>
</tr>
</tbody>
</table>

Training is mostly provided to the engineering cadre people mainly for technical purpose. At times the technical knowledge or inputs given during such training programmes or seminars comes to no use due to work environment and also because of paucity of funds.
Due to scarcity of funds training or even the need for training is not felt. Even, those who have been nominated to attend training programmes have not been able to introduce or implement any change due to the environment of the organisation.

43. Assam Livestock and Poultry Development Corporation

Date of Incorporation - 6.2.1984

Basic Objective - To undertake development of livestock and poultry trade in Assam through primary Cooperative societies and to increase production and marketing.

Capital structure

(Rs. in lack)

| Authorised | 15 |
| Paid up   | 6.5 |

Employment

| Executive | 2 |
| Supervisory | 4 |
| Others    | 35 |

There is no training manager and no budget for training. However technical personnel of the organisation do get an opportunity for attending training programme.

A study of the training and Development efforts of
the units falling under the Agro and Plantation based enterprises reveal that none of the enterprises have made a systematic effort towards training and development of its managers. It was only towards the end of the eighties when the DPE took the initiative of organising training programmes that one or two managers attended a training programme. However, with the setting up of the Assam Institute of Management more and more managers started attending training programmes. Some of the enterprises started having a budget for training.

However the budget was often not based on any proper estimation. Similarly, the selection and nomination of managers was often not based on training needs.

Construction Based

Three SLPEs have been classified as construction based public enterprise. They are:

1. The Assam Govt construction corporation Ltd (AGCC)
2. Assam state Housing Board.
3. Assam Police Housing Corporation.

The AGCC was set up way back in 1964, while the Assam Police Housing Corporation Ltd was set up in the eighties and Assam state Housing Board was set up in the seventies.
The Basic objectives SLPEs are:

1. Strengthening the economic base of weaker section and lower income group through construction of residential accommodation;

2. Achieving economy in execution of construction works. A brief description of the SLPEs along with their training and development policies is given below:

44. Assam Government Construction Corporation

Date of Incorporation: 24.03.1964
Administrative Department: Public work

Basic Objectives: To construct, execute, carry out all types of civil, Mechanical, electrical and other allied works.

Capital Structure

(Rs. in lakh)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised</td>
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</tr>
<tr>
<td>Paid up</td>
<td>50</td>
</tr>
<tr>
<td>Employment in Nos</td>
<td>518</td>
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<tr>
<td>Executive</td>
<td>44</td>
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<tr>
<td>Supervisor</td>
<td>212</td>
</tr>
<tr>
<td>Others</td>
<td>262</td>
</tr>
</tbody>
</table>

Majority of the executives of this organisation are
engineers. There are very few architects.

The organisation does not have a Training Manager. The budget for training is prepared on an adhoc basis. There is no training calender. In fact not much importance is given to training.

The engineering people do get a chance of attending training programmes both within and outside the state. Other section of people do not get the opportunity to attend training. Seminars for new technological inputs are held which are attended within the state by the engineers, architects or the higher level personnel.

People in the accounts section sometimes undergo some sort of training.

45. Assam Police Housing Corporation Ltd.

Date of Incorporation : 5.11.1980

Basic Objective : To construct residential and non-residential buildings for the police and other departments.

Capital Structure (Rs. in lakh)

Authorised - 20
Paid up - 3.5
Employment (Nos.) - 288
Executive - 14
This corporation had no policy for training and development of its managers. The managers sometimes attended training programmes.

**46. Assam State Housing Board**

**Date of Incorporation** - 1.8.1974

**Basic Objectives** - To improve residential housing facilities.

**Capital Structure**

- Authorised - NIL
- Paid up - NIL
- Employment - 384
- Executive - 68
- Supervisory - 11
- Others - 305

**Training and Development** - The organisation did not have a training Manager and the training function was looked after by the head of the organisation. There was no budget for training and development and the training cost was taken from the general funds head.

The organisation did not have a training calender
Managers were nominated to attend training programmes both within and outside the state. However, nomination are often not need based. The managers are nominated as per directives of Chairman/Managing Director.

On the whole, it can be said that the organisation did not have any systematic training and development policy.

Review and Analysis

A review of the training and development efforts of the construction based enterprise revealed that none of the three SLPEs had a systematic approach towards training and development of its managers.

Till the early eighties the Assam Government Construction Corporation did not sponsor managers to attend training. Sometimes the head of the organisation or the departmental head attended workshops or seminars organised by various institutes. Even after the initiative of the Department of Public Enterprise, the AGCC did not make any systematic effort towards nominating of managers for training programmes. Similar was the situation in the other two construction based enterprises.
Training needs are seldom carefully and systematically analyzed by the SLPEs and the selection of trainees was often based on informal requests from management or from the employee himself.

**Issues/Problems**

All the three construction based enterprises are in deep trouble. They have a very low turnover to capital employed ratio. This suggests lack of drive in these enterprises for boosting turnover and finding ways and means to push the sales. The approach followed seemed to relate more to selling than marketing. All the enterprises suffer from the incidence of bad cash management. This is reflected in lingering and increasing overdues, the low inventory turnover ratio coupled with discouraging working capital turnover. The pricing policies showed disrespect to well established canons of prudent financial management.

The construction corporations were set up with a view to break the monopoly of the contractors. They, however, did not develop their own infrastructure facilities and depended on private contractors. They often became intermediaries and often worked behind the schedules with respect to various contracts. They were cash rich not because of turnover but because of advance payment received from...
their clients.

The AGCC often could not achieve its annual target. The shortfall being mainly due to delay in handing over the work sets and drawings, scarcity of cement and disturbed conditions in the state. The company received substantial advance payments for works for execution over a period of years and the surplus funds were invested in fixed, term deposits in which the interest earned showed continuously increasing trend, but for which the company would have been running in losses.

Miscellaneous:

Two SLPE of Assam, Text Book Production and Publication Corporation and the Assam Khadi & Village Industries Board (AKVIB) have been categorised under the miscellaneous category.

They have been established with two specific objectives. While the Text Book Corporation has been formed to produce and publish text books for students, the AKVIB has been set up to organise, develop, regulate Khadi and Village Industries in the state of Assam.

A brief description of the enterprises along with their training and development policies is given below.
47. Assam Text Production and Publication Corporation Ltd.

Date of Incorporation - 30.3.1972

Objectives: Production, publication and distribution of text book for classes I to X in all recognised languages of Assam.

Capital Structure
(Rs. in lakh)

Authorised - 100
Paid up - 100

Employment (in Nos) - 144
Executive - 13
Supervisory - 19
Others - 112

Training and Development - The managers of this organisation were not recruited as management professionals. The organisation did not have a manager, training and the training function was looked after by the Chief Executive of the corporation. There was no training budget and the expenses relating to training was met from general expenditure (non-plan). Managers were nominated for training programmes as per availability of fund. There was no
systematic method for nomination of personnel and no proper follow up of any training programme was made.

48. Assam Khadi and Village Industries Board

Date of Incorporation - 27.07.1953
Administrative Department Handloom Textile and Sericulture.

Basic Objectives - To organise, develop regulate Khadi and Village Industries in the State of Assam. The AKVIB has a total employee strength of 1082, out of which 29 are Executive, 29 Supervisory personnel and 1024 are other category of employees.

There are no management professionals. The organisation also does not have any manager training. The Chief Executive Officer looks after the training function.

Out of the total annual budget of Rs. 205.00 lakhs for 1993-94, Rs.3.06 lakh was provided for training.

Budget is prepared on an adhoc basis.

No training calendar is prepared but sometimes the sectional heads demand that some officers have to attend a particular training.
The officers are sent for attending training programmes both within and outside the state. The managerial training outside the state are sponsored by the Khadi Commissioner, Bombay in their training centre at Bombay.

Within the state the Managers are nominated to organisations like - SISI, AIM, NISIET. There is no criteria for selection of the training institutes. There is also a set procedure for identifying training needs of the managers nominated for training.

Twenty percent of the executives have received a formal training.

As in other PEs, there is no post training follow up in this PE also.

Not much change could be brought in the organisation after any training because of the following factors.

- Executive was given new assignment.
- Training did not relate to organisational conditions.
- The executive was not enthusiastic or not motivated.
The training and Development efforts of both the enterprises classified under the miscellaneous category reveal that although both the enterprises have been set up with different objectives yet as far as training efforts are concerned, a lot of similarities could be seen. Both the enterprises did not have any systematic policy for training and development of its managers. There was no budget for training but some amount of money was kept aside for training. Similarly selection and nomination of managers was not done on the basis of assessment of training needs. There was also no post training follow-up of the managers who were nominated to attend to various training programmes.

In the table 2.10 the total number of managers in all the SLPEs, the number of managers trained (year wise) within the state and outside are given.

Table 2.10

<table>
<thead>
<tr>
<th>Name of the Organisation</th>
<th>Total No.of Managers</th>
<th>Total No.of Trained</th>
<th>External Training 89-90</th>
<th>90-91</th>
<th>91-92</th>
<th>92-93</th>
<th>93-94</th>
<th>Total Internal Training 89-90</th>
<th>90-91</th>
<th>91-92</th>
<th>92-93</th>
<th>93-94</th>
<th>Total Training 89-90</th>
<th>90-91</th>
<th>91-92</th>
<th>92-93</th>
<th>93-94</th>
</tr>
</thead>
<tbody>
<tr>
<td>STATFED</td>
<td>31</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ARTFED</td>
<td>32</td>
<td>5</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>1</td>
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<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ASWC</td>
<td>33</td>
<td>18</td>
<td>14</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>6</td>
<td>4</td>
<td>2</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ASTC</td>
<td>34</td>
<td>1355</td>
<td>N.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ASTC</td>
<td>35</td>
<td>N.A.</td>
<td>N.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ARTFED</td>
<td>36</td>
<td>7</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Field Investigation
Trade and Service SLPEs

Analysis – Of the five SLPEs falling under the Trading and service sector, information could not be obtained from two enterprises - ASEB & ASTC. Both the organisations were very large in size. But they did not maintain proper record of the total number of managers trained. The other four organisations, (except Assam Government Marketing Corporation) the others i.e. AGMC, STATFED, Assam State Warehousing Corporation, and ARTFED had sent their managers to attend both Internal and External training programmes. However, out of the total managers trained, 80% of the managers were nominated to internal training programmes.

In the internal training programmes, it was found that maximum number of managers were sponsored to attend training programmes during the year 1990-91 and 1991-92.

Table 2.11

<table>
<thead>
<tr>
<th>Name of the Organisation</th>
<th>Total No. of Managers</th>
<th>Total External Training</th>
<th>Internal Training Total</th>
<th>Financial Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATC</td>
<td>106</td>
<td>2 3 2 7 3 10 5 2 3 23</td>
<td>89-90 90-91 91-92 92-93 93-94</td>
<td>89-90 90-91 91-92 92-93 93-94</td>
</tr>
<tr>
<td>AADDC</td>
<td>13</td>
<td>8 1 1 2 1 3 1 1 - 6</td>
<td>89-90 90-91 91-92 92-93 93-94</td>
<td>89-90 90-91 91-92 92-93 93-94</td>
</tr>
<tr>
<td>APCDC</td>
<td>5</td>
<td>3 - - - - 1 2 - - 3</td>
<td>89-90 90-91 91-92 92-93 93-94</td>
<td>89-90 90-91 91-92 92-93 93-94</td>
</tr>
<tr>
<td>AFDC</td>
<td>10</td>
<td>7 1 1 2 1 2 2 - - 5</td>
<td>89-90 90-91 91-92 92-93 93-94</td>
<td>89-90 90-91 91-92 92-93 93-94</td>
</tr>
<tr>
<td>ASMIDC</td>
<td>10</td>
<td>4 - - - - 1 1 2 - - 4</td>
<td>89-90 90-91 91-92 92-93 93-94</td>
<td>89-90 90-91 91-92 92-93 93-94</td>
</tr>
<tr>
<td>ALPDC</td>
<td>2</td>
<td>1 - - - - - 1 - - 1</td>
<td>89-90 90-91 91-92 92-93 93-94</td>
<td>89-90 90-91 91-92 92-93 93-94</td>
</tr>
</tbody>
</table>

Source: Field Investigation

144
From table No. 2.11 it can be seen that of the six SLPEs falling under the Agro and Plantation based sector, two enterprises - The Assam State Minor Irrigation Development Corporation and the Assam Livestock and Poultry Development Corporation had not sponsored any of their managers to attend external training programmes. The other four enterprises had no doubt sponsored managers to external training programmes but out of the total managers trained, the number of managers sponsored for external training programme formed a very small percentage.

Except Assam Plantation Crops Development Corporation, all the other five enterprises had sponsored managers to both internal as well as external training programmes. In case of internal training programmes, it was found that 50% of the managers were sponsored to Internal Training Programmes during the year 1991-92.

Table 2.12

<table>
<thead>
<tr>
<th>Name of the Organisation</th>
<th>Total No. of Managers</th>
<th>Total No. of Trained m c c</th>
<th>89-90</th>
<th>90-91</th>
<th>91-92</th>
<th>92-93</th>
<th>93-94</th>
<th>89-90</th>
<th>90-91</th>
<th>91-92</th>
<th>92-93</th>
<th>93-94</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASCC</td>
<td>44</td>
<td>12</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>APHC</td>
<td>14</td>
<td>5</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>ASHB</td>
<td>20</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>6</td>
</tr>
</tbody>
</table>
From the table No. 2.12 it can be seen that the three SLPEs falling under the construction sector had sponsored their managers to attend both internal and external training programmes. The number of managers sponsored for internal programmes were much more than that of external training programme. Out of a total of 78 managers in the three SLPEs, only 25 of them have been exposed to a formal training and 19 of the 25 managers were sponsored to internal training programmes. The number of managers being sponsored for Internal Programmes was more during the period 1990-91 and 91-92. It can be observed that in the construction based sector, more than half of the managers are yet to receive a formal training.

Table 2.13

<table>
<thead>
<tr>
<th>Name of the Organisation</th>
<th>Total No. of Executive Trained</th>
<th>Total No. of Executive Trained</th>
<th>No. of 89-90 90-91 91-92 92-93 93-94</th>
<th>No. of 89-90 90-91 91-92 92-93 93-94</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASTIBC</td>
<td>13</td>
<td>8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AGHIB</td>
<td>20</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Source: Field Investigation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2.13 shows that of the two SLPEs classified under the miscellaneous categories, the Assam Khadi and Village Industries Board had sponsored its managers to attend both internal and external training programmes. The Assam
Text Book Production and Publication Corporation Ltd did not sponsor any of its managers to attend External Training Programmes.

With respect to Internal Training Programmes, it was found that in both the enterprises, the maximum number of managers were trained during the period 1990-91 and 91-92.

The Assam Khadi and Village Industries Board has sponsored only 20 of the 85 managers to attend training programmes.

Construction Based SLPEs (Analysis): The three SLPEs falling under the construction sector had sponsored their managers to attend both internal external training programmes. The percentage of managers sponsored for internal programmes were much more than that of external training programme. The number of managers being sponsored for Internal Programme was more during the period 1990-91 and 91-92.

It was found all the three enterprises that out of the total number of managers, less than half of them have not been sponsored for any training programme.

Agro and plantation based SLPEs (Analysis): 

Of the six SLPEs falling under the agro and
plantation based sector, two enterprises - The Assam State Minor Irrigation Development Corporation and the Assam Livestock and Poultry Development Corporation had not sponsored any of their managers to attend external Training Programmes. The other four enterprises has no doubt sponsored managers to external training programmes but out the total managers trained, the number of managers sponsored for external training programme formed a very small percentage.

Except Assam plantation Crops Development Corporation all the other five enterprises had sponsored managers to both internal as well as external training programme.

In case of internal training programmes, it was found that maximum number of managers were sponsored to Internal Training programmes during the year 1990-92.

Miscellaneous (Analysis):

Of the two SLPEs classified under the miscellaneous categories, the Assam Khadi and village Industries Board had sponsored its managers to attend both internal and external training programmes. The Assam Text Book production and publication corporation Ltd did not sponsor any of its managers to attend External Training Programmes.
With respect of Internal Training Programmes, it was found that both the enterprises had sponsored maximum number of Managers during the years 1990-91 and 91-92.

The Assam Khadi and village Industries Board has sponsored only 20 of the 85 managers to attend training programmes.

Review of Training Practices

The review of training practices of the SLPEs reveals that training in public sector enterprise tends to be informal, superficial, sporadic, partial and subjective.

In most of the enterprises the training function seemed to be aesthetically important but not functionally essential. The low priority given to training and staff development is often rationalised by many arguments. The most common objections include the lack of sufficient funding to invest in the area, the difficulty of evaluating results and the problems of finding qualified staff in this area.

In some organisations, of late, there has been greater awareness to have a full fledged, separate training set up. The major function of the training department is either to organise company training programme or sponsor
executives for external training programmes.

The status of the training department differed from organisation to organisation. In some cases, the head was equivalent to the level of the Deputy General Manager while in other cases, the position was much lower, and the training function was headed by someone in the middle or lower middle management level.

It was interesting to find that though budget has been increasing and there is a greater awareness about the need of training, in most organisations very little effort have gone into a systematic identification of training needs, job analysis and evaluating training effectiveness.

Most of cases, training need identification was made on an adhoc basis where neither the trainee nor his boss were consulted. Often, just two or three days before the training programme, the executives were ordered to attend a particular programme and many a time inspite of their reluctance to go, they are forced to go under threat of disciplinary action.

A major complaint by trainees was that many of the courses selected were not relevant to their job. In some cases, the same person was nominated twice to attend the same programme within a span of two years and the theme of the
training programme was neither connected to the persons current job nor was it likely to be helpful in the near future. This resulted in a lot of hostility towards training and contributed towards development of cynicism about training. The result was that often the trainees perceive training as a paid holiday or as a free trip than as a means to learn or implement something new.

Regarding identification of training needs, in most organisations, there was a column in their annual appraisal report with regard to the training needs. However, in most cases it was found that while taking training decisions, the appraisal reports were rarely consulted and even if they were consulted, not much weightage was given to them.

Moreover, the sponsoring of trainees was often done arbitrarily. For example, in one organisation a marketing man was sent for a materials management training. The assumption was that in the future postings, as job rotation, they may get posted in some of these areas in which they are trained. However, the managers interviewed felt that chances of such posting were very remote and if at all they materialised, it was not in the foreseeable future. They would have certainly appreciated atleast part of the training to be linked to their present job.

In the SLPEs, sponsoring of managers for training
is linked to the training budget. In the recent times there has been a trend of increasing the budget allocation. In many situations, there is a pressure particularly towards the end of the financial year to send more personnel for training, without really considering the specific training requirements of the managers concerned.

This has two fold effect

a) It is perceived as a waste of money

b) Develops negative attitude towards training.

In many organisations the budget was decided first and then selection of trainees was done while in reality it should be the other way round i.e. the training needs should be identified first based on which the training budget should be prepared.

In some organisations, the budget was strictly adhered to, while in a few cases, the budget was not only flexible but also inflationary pressures were built into it. In some cases, the training budget could not be utilised for training at all because training always took second place compared to other exigencies of work.

One of the indicators of commitment to training is the amount of money organisations are prepared to spend in training their managers. But in 90 percent of the
organisations, it was prepared not on the basis of training need but was adhoc.

One method of preparing the budget is by identifying all training needs in the organisation and on the basis of these needs preparing the budget. The other method is less systematic one where on some adhoc basis or after a general study, a budget is determined and personnel are trained strictly in accordance with it.

Eighty five percent of the SLPEs indicated they selected training programmes keeping in view the pre-determined budget.

There are two other methods of preparing the details of a budget for training purposes.

1. Identifying training needs at department levels and preparing budget in accordance with needs and incorporating in Central Budget.

2. Preparing the budget at corporate level and then allocating it to different departments.

Table No. 2.14 gives an overview of the methods and procedures followed by the SLPEs in preparing a training budget.
Most SLPEs had a budget flexible enough to accommodate any reprogramming or rescheduling of training courses. However, one interesting fact which emerged was that if any budgetary or financial squeezes were in the offing, the first department where cuts were made was the training department.

From the point of effectiveness of training activity it is always advisable that the budget be prepared at the departmental level and then incorporated at the corporate level.

Table 2.14

<table>
<thead>
<tr>
<th>Training Budget - Methods and Procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sl. No.</td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td>1.</td>
</tr>
<tr>
<td>2.</td>
</tr>
<tr>
<td>3.</td>
</tr>
<tr>
<td>4.</td>
</tr>
</tbody>
</table>

Source: Field Investigation

Selection/Nomination of Participants

The selection process for external training programmes was normally based on reputation of the training
institution, reputation of its faculty, physical facilities available at the training institute, feedback from earlier training programme and at times the relevance of the course to organisational needs. In certain situations the physical location of the training was also counted example, hill stations are preferred.

In the course of the study, various reasons/criterion for selection of trainees was found. For example, in one organisation, certain courses were earmarked for every executive who completed a minimum period of service and based on their seniority and budget availability, the manager who completed a minimum period of service was sponsored for training. Neither the trainee nor his boss were consulted on training needs and ultimate selection was done by the personnel department or by the various heads of the department in the organisation arbitrarily. This is shown in tabular form in table No. 2.15.

Table 2.15

<table>
<thead>
<tr>
<th>Process of Selecting Managers for Training (considerating)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sl. No.</td>
</tr>
<tr>
<td>1.</td>
</tr>
<tr>
<td>2.</td>
</tr>
<tr>
<td>3.</td>
</tr>
<tr>
<td>4.</td>
</tr>
<tr>
<td>5.</td>
</tr>
</tbody>
</table>
6. To develop new systems and procedures in the organisation after attending the training programme
7. Selection without any specific organisational changes in mind
8. At the initiative of the Manager himself
9. Manager could be easily spend for training from his/her day to day job

Source: Field Investigation

Training Needs:

One of the common methods of training needs identification and selection of trainees is based on notification and circulation of the training brochures to various departments inviting nominations. The departmental heads based on their own judgement or in many cases on the initiative of the executive themselves make the nomination for different training programmes and then training department based on the budget allocation sends the nominations for training. In certain cases, if all the aspiring managers could not be accommodated, then priority list was prepared and as soon as funds were available, the nomination were sent. In such cases, very little effort was made to link training with the needs of the particular individual, the department or the organisation.
Training Process:

In any training process, the organisation plays an important role in selecting the participants for a training programme. Since all training activities not only begin but also end with the organisation, the organisation becomes an important aspect of the total training activity. The organisation features prominently in the pre-training, the post training and the follow-up stages.

From the responses received, it was obvious that most of the organisations were conscious of training their managers either through internal or external training programmes.

When any manager is nominated to attend a training programme, the requirement of undergoing the training are best known to the manager himself or his boss. Hence, while the top management and other functionaries may decide on the formal procedure of sponsoring, a manager and his boss should play a significant role in identifying training need.

In the SLPEs, it was found that the manager and his boss did not play a major role in training decisions. Table 2.16 indicates involvement in determining training needs.
Table 2.16
Personnel involved in identification of training needs

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Major Role (%)</th>
<th>Minor Role (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Trainee himself</td>
<td>40</td>
<td>60</td>
</tr>
<tr>
<td>2. Personnel Department</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>3. Boss of the trainee</td>
<td>60</td>
<td>40</td>
</tr>
<tr>
<td>4. Top Management</td>
<td>20</td>
<td>80</td>
</tr>
</tbody>
</table>

Source: Field Investigation

The SLPEs sometimes identify training needs of their manager but it is often based on numerous considerations that manager are nominated for a training programme. A number of factors about the training Institution itself go into making the decision about the type of course a particular nominee should attend. Table No. 2.17 shows some of the factors which influence the training decision.

Table 2.17

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Factors with influence the training decision</th>
<th>Main consideration (%)</th>
<th>Some consideration (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The content of the programme as given in the brochure</td>
<td>40</td>
<td>60</td>
</tr>
<tr>
<td>2.</td>
<td>On the opinion of the participants who attended the course</td>
<td>60</td>
<td>40</td>
</tr>
<tr>
<td>3.</td>
<td>Location of the Institution conducting the course</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>4.</td>
<td>Physical facilities and amenities available in the Institute</td>
<td>40</td>
<td>60</td>
</tr>
<tr>
<td>5.</td>
<td>Fee structure of the course</td>
<td>70</td>
<td>30</td>
</tr>
<tr>
<td>6.</td>
<td>Training methodology adopted by the training Institute</td>
<td>20</td>
<td>80</td>
</tr>
</tbody>
</table>
Post Training follow-up:

The training process remains incomplete if it is not supported by a proper post training follow-up mechanism. The post training follow-up enables the individual trainees to transfer learning to the job and also assess the factors which help or hinder them in the process of learning and transfer. Only a follow-up of training can indicate whether training had any impact on organisational improvement.

In post training follow-up, the following aspects must be considered.

1. Involving the top management to a great extent.
2. Appraising the performance of the participant before and after training.
3. Holding informal discussion with the participant after the training.
4. Assessing the quality of discussion and the improvement in analytical and creative ability of the participant subsequent to training.

The major thrust in post training follow-up has to
be on how the individual trainee has been able to transfer learning to the job and the interrelated factors which help or hinder them in the process of learning and transfer.

The study of all the SLPEs revealed that most of the organisations did not resort to a proper post training follow-up. In some cases where it was done, it was limited to feedback about the training at the end of the course, about whether they liked the sessions or not. No information was sought regarding the actual training, its relevance and applicability to the job. Often the training was forgotten after conclusion and was never followed up.

Again, although massive amounts are invested in training, there was no cost benefit analysis of the training. No objective evaluation of training was done. Often the managers after returning from the training was asked to submit a formal report of the course attended. These reports were later used mainly to decide whether the organisation should further participate in the programmes or not.

The organisations in fact had a routine policy to train people. Output was neither defined nor expected and hence there was no seriousness about management training. The managers felt that the organisations were aware of the generalness of the courses and hence there was no expectation in terms of transfer of training.
The organisational climate was also conservative. Suggestions for changes or innovations from all quarters were not really encouraged or welcomed. In fact, it was seen that the managers, particularly at the middle level had no authority to change. There was no freedom to perform independently, rules and regulations were rigid and the managers often felt tied down because of these.

It is desirable that after attending a training programme, the manager takes some initiative to introduce changes. For this, appropriate follow-up steps have to be adopted by the management. If follow-up steps are not taken, the training activity can have two types of reactions. Either the managers become critical of the training activity, considering it impractical, unreal, theoretical and not suited to their conditions of work or they become critical and dissatisfied with the organisation when they find they cannot bring in any changes. This happens because after undergoing training, executives are more aware of the organisational drawbacks and find themselves helpless while trying to rectify them. In such a situation, the training activity becomes damaging to the organisation rather than resulting in improvements. Follow-up of training thus assumes great importance.8

Table 2.18, gives an idea of the extent of post
training follow-up done by the various SLPEs.

Table 2.18
Post Training follow-up by SLPEs

<table>
<thead>
<tr>
<th>SLPEs</th>
<th>(Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Follow-up done regularly</td>
<td>33%</td>
</tr>
<tr>
<td>2. No follow-up done</td>
<td>16%</td>
</tr>
<tr>
<td>3. Follow-up done sometimes</td>
<td>50%</td>
</tr>
</tbody>
</table>

Source: Field Investigation

Table 2.19 gives an idea of the steps taken by the organisations in conducting a follow up of training.

Table 2.19
Steps taken in post-training follow-up

1. General discussion with the training manager regarding changes envisaged. 70%
2. Trained manager prepares an action plan for changes/improvements to be introduced. 50%
3. Follow-up of the action plan 20%

Source: Field Investigation

Note: Total does not become 100 since some SLPEs take more than one step.
Around 50% of the SLPEs asked the trainees to prepare a formal action plan consisting of changes he wanted to introduce. The most important factor is not the preparation of the action plan, but the followup of the action plan.

It was found that when the managers on return from their training programme were asked to prepare an action plan they most often prepared a general report about the utility of the course and their general reaction to the course.

Again, at the follow up stage also, only 20% of the SLPEs gave a serious thought to follow-up. The top management very rarely got involved in the follow-up process. Follow-up data provides information about the relevance and applicability of the training to the job situation of the trainees. This kind of information is essential for making training programmes more job oriented.
References

2. IBID
3. IBID