INTRODUCTION
PROBLEMS OF ADMINISTRATIVE MANAGEMENT IN SOME PUBLIC SECTOR UNDERTAKINGS IN JAMMU AND KASHMIR STATE

1. NATURE OF THE RESEARCH PROBLEM

The present study is an attempt to focus attention on the problems of Administrative Management of Public Sector Undertakings in Jammu and Kashmir State. The Research Problem has been selected with the object of getting first hand information and knowledge regarding the administrative bottlenecks and other managerial, personnel and financial problems of public sector undertakings in Jammu and Kashmir State. An attempt has been made to explain in length these problems and assess in depth the repercussions of these problems which have resulted in retardation of industrial and economic development of the state.

The main reason for undertaking the present research was the fact that very little work has already been done in this field in the state of Jammu and Kashmir. There is abundant literature available regarding the organization and functioning of the public sector units at the national level and also in some states, yet, administrative and fiscal aspects have so far been dealt with scantly in these works.
In case of J & K State, in fact, with the exception of some reports viz. Industrial Potential Survey etc., no work has so far been undertaken in an exhaustive manner. Since industrial sector is the key sector of the economy and as the policy of the Government has been to encourage the expansion of public sector, it has been considered proper and appropriate to conduct an empirical study of the public sector undertakings in Jammu and Kashmir State. The performance of these units has not been satisfactory in any area of activity. In this context, it is worth while and appropriate to assess the performance and output of the public sector undertakings in Jammu and Kashmir State.

2. **UTILITY OF THE STUDY**

The utility of the present research proposal lies in the fact that in order to arrive at some conclusion with regard to these problems, it is worth-while to collect first hand information and knowledge about the working of these industrial units. Thus once the problems i.e. administrative, managerial, personnel and financial being faced by these public sector undertakings in the state are required into through empirical research, it would be convenient to arrive at appropriate solutions or suggest remedial measures. Further, suggestions could also be of some help to these public sector units on the basis of our study and would add to the literature already
available that could provide guidelines to research investigators in future.

3. **HYPOTHESIS**

The following hypothesis is formulated in case of the present research work: "The public sector units in Jammu and Kashmir State face serious administrative, managerial, personnel and financial problems which have retarded the industrial growth and development in the state of Jammu and Kashmir".

4. **CRITICAL ASSESSMENT AND EVALUATION OF THE WRITTEN MATERIAL AVAILABLE ON PUBLIC SECTOR UNDERTAKINGS IN INDIA AS WELL AS IN THE STATES**

It is essential that a beginner should acquaint himself with the whole available literatures, before, he embarks upon the field investigation. In order to fulfil this desired pre-requisite a general reading coupled with critical analysis and assessment of the available written material written by other authors concerning the field of study is essential. In this regard one should grasp thoroughly the problems highlighted in the existing literature. Some of the books and articles on Public Sector Undertakings published in various journals are being reviewed on the proceeding pages.
I. **Macro Structure of Public Enterprises in India**
   (By. Ishrat H. Farooqui).

In first section of the book, the author discusses the causes for the growth of public sector in general and in India in particular. For the purposes of analysis, the countries are divided into two groups, the developed and the developing. There are frequent references made to the United Kingdom, France and Italy in the first group and Pakistan and Turkey in the second group. The causes for the expansion of public sector in India are dealt with at length. After giving a brief historical sketch of industrialisation in India before and after independence, the role of the public enterprises in the National economy has been analysed.

In other chapter the author lays stress on the fact that there is no particularity in different countries so far as the form of organisation is concerned. However, departmental, managerial company and corporation structural forms have been adopted in different countries, with significant variations to suit the administrative, political and economic conditions of the particular countries. In India, since, 1956, the trend is to set up companies, although and then a controversy is raised with regard to the form of organization. Some of the public enterprises set up in pre-independence period, and immediately
after, are departmentally managed. The defence establishments and ordinance factories are also managed departmentally. The nationalised industries and enterprises of a financial nature were given the form of public corporations. The characteristics of public enterprises have also been discussed by the author distinguishing them from the private sector enterprises. It further necessitates the need for a research for a suitable forms of organization. In one of these chapters some characteristics are dealt with and the merits and demerits of the different forms of organisation are discussed.

The author further attempts to deal with the types of Boards prevalent in the Indian Public enterprises. The three alternative types of Boards i.e. Policy, Functional and Mixed Boards, and their relative advantages and disadvantages have been discussed. There is analysis of the powers of the Boards and their functions. The author also discusses the question as to why the Boards are necessary? In another section the problems of the Boards are dealt with relating to their constitution, size composition, mode of appointment. What should be its size? Its remuneration, official and non-official membership. Legislators as members, the position of chairman and similar other questions are discussed at length the author has given his suggestions keeping in view the Indian conditions. In another section the
author explains the functions and powers of the Board of Public Enterprises. The relationship with the ministers, the Parliament and the Government are studied. Similarly the position of the Board and its relation with the Chief Executive is also dealt with.

In the end a brief summary of the conclusions is given. At the end there are certain appendices giving the list of Central Government, Companies, Public Corporations and Departmental Undertakings. The Articles of Association and Instrument of Institutions, common to most of the Government Companies are also given. The author of the Book has given the classification and terminology of Indian Public Sector. But it would be correct to say that the terminology used in the discussion on the Public Enterprises has not yet been agreed upon, public enterprise is the concern of various academic disciplines such as Public Administration and Political Science, Economics and Business Management, Law and Jurisprudence, hence the connotation of the terms differs in treatment from one sphere of activity to another. Moreover, countries with varying political and administrative set up have assigned different meanings to these terms. The terms public enterprise itself is subject to different interpretations. Thus any attempt to generalise is fraught with danger and at the same time it is difficult to do so. In this Book the author has attempted the
classification of the Indian Public Sector.

Public sector can be classified on economic basis as those provide essential services as well as other public services. Another economic basis can be whether they cover the industrial or the agricultural sectors of the economy. On the basis of public administration the classification can be whether they are run by local authorities, state government's or Federal Governments. The legal classification can be those having a separate legal entity and those not having such a separate existence. The author has attempted to classify on the basis of managerial and administrative characteristics. The classification of public sector as given by the author of the book is unlike that given by the Krishna Manon Committee which classified the Public Sector into eight categories:

(a) State Banks
(b) State Corporations
(c) Departmental Undertakings
(d) Control Boards
(e) Commodity Boards,
(f) Commissions
(g) Port-Trusts and Legal Authorities
(h) Limited Companies.
The term public sector of economy may be defined as that domain in the economic life of the nation, owned, controlled, regulated and operated by the public authorities. Mere ownership, control, operation and the vice-versa cannot be classified under the public sector. Thus the right of ownership must be backed by some degree of control and management. Traditionally, in India, land has been the property of the state, yet it could not be treated under the public sector. Similarly, control without some degree of right of ownership also cannot be grouped under this category. The state controls are export and import trade by issuing quotes and licences, but the volume of trade is not within the domain of the public sector often, private trusts are managed by the state, for one reason or another, but as the state is not the owner of these trusts they do not constitute the public sector.

From the above definition of the public sector of the economy, it follows that it comprised of those nationalized undertakings which came under state ownership by act of transfer, secondly those public undertakings, which are initiated, established and controlled by the state (provided they are not transferred to private hands) and lastly, those mixed ownership enterprises in which the state participates with domestic private capital or foreign capital owned by the private
entrepreneur or the state. All these could be further classified into public utilities. Regional Development Authorities, Financial Institutions, Defence Establishment, Industrial and Commercial Enterprises. There are certain institutions which do not form part of the public sector, but are auxiliary to it. These are:

(a) Advisory Bodies
(b) Regulatory Agencies
(c) Franchise & Licences.
2. ANOTHER LUCID WORK ON PUBLIC SECTOR UNDERTAKINGS IN INDIA IS A BOOK ENTITLED "INCENTIVES IN PUBLIC ENTERPRISE EDITED BY V.V. RAMANANDHAM WITH A FOREWARD BY S.S. KHERA CHAIRMAN OF THE INSTITUTE OF PUBLIC ENTERPRISE AT THAT TIME (1967). This book in fact is a outcome of three high level seminars conducted by the Institute of Public Enterprise at Delhi, Ranchi and Hyderabad. It deals with the complex and much discussed problem of incentives in public enterprises. Two papers giving details of the incentive schemes in the Hindustan Steel Limited and the National Coal Development Corporation Limited are also included. Part Vth of the Book deals with specific Incentive schemes of Hindustan Cables Limited, Bharat Electronics Limited, Indian Telephons Industries Limited, the Praga Tools Corporation Limited, Fertilizers and Chemical, Trinvancore Limited, the Singashni Collieries Co. Ltd. Andhra Pradesh State Road Transport Corporation, Fertilizer Corporation of Indian and Hindustan Insecticides Limited have been described and finally a review of Incentive Schemes in certain Public Enterprises is given by Dr. Laxmi Narain.
3. PUBLIC ENTERPRISES IN INDIA - OBJECTIVES AND PERFORMANCE
(T. Ramaswamy, 1972).

This study on public enterprises in India presents in depth exposition of the objectives and problems of public enterprises in India. It contains a wealth of basic data which is informative as well as stimulating. He has woven an absorbing narrative on the growth of public enterprises, industry-wise region-wise and state-wise distribution of investment, and earning of public enterprises, pattern of expenditures, development programmes, priorities, objectives, administration and marketing. In a simple and lucid style, he has dealt with intricate problems pertaining to the performance of public enterprises in India. He has also offered numerous suggestions in this study. Lastly, the author has given the appendices and the list of tables in the end.

But while discussing the problems, the author touches only those which are mostly common for whole of the Indian economy, viz., higher costs in every field, Loss of time in construction, out-dated, time-consuming and procedure-oriented methods, poorly organized research and inadequate emphasis on consumer service. Thus he has not touched administrative, financial, personnel and managerial problems related to public sector undertakings.
Another work on public sector undertakings is a book entitled: Public Enterprises in India, Ziauddin Khan, Ramesh K. Arora (Eds).

Indian Public Administration Association organised a conference on State Government Undertakings at Lucknow in 1972. A number of scholars participated and read papers in this conference on administrative and economic aspects of public undertakings of several states. This volume is collection of the reviewed version of several of these papers. In this work on public sector undertakings an attempt is made to vigorously discuss and critically analyse the problem areas of state level public enterprises in India. This volume includes studies relating to public undertakings in the states of Andhra Pradesh, Punjab, Rajasthan, Maharashtra, Karnataka, Uttar Pradesh and Bihar. The papers relate to state enterprises run by states rather than the central government. Thus excluding the extremely crucial areas of state run government undertakings.

The focus of this volume has been on two inter-related areas: First, the administrative organization of these undertakings and secondly, the control exercised over them by authoritative public institutions. However, an equally important area, i.e.
the performance of these undertakings, has also been given consideration in the analysis. It has highlighted certain important aspects of administration of state level Public undertakings, specially their organizational structure, accountability and performance. In fact, one of the key problems facing Indian Public Enterprises is to strike a balance between the requirements of relevant "autonomy" & efficient administration on the one hand and effective control over them by appropriate legislative authorities on the other.

It is a pioneering work on public sector undertakings in India. It is not an original work of Ziauddin Khan and Ramesh K. Arora. They are the editors of the volume and contributed little more than that. That is the reason why they have not been able to adopt a normic approach. The work lacks study on some general problems like administrative, personnel managerial, Financial and Pricing etc., faced by both the Central Government as well as the State Government. Inspite of all this it is a good study because it provides comparative analysis of different public sector undertakings in different states and their organization and functioning and their evaluation has also been made. Similarly Boards of Public Enterprises in Andhra Pradesh, Bihar State Road Transport Corporation Public Undertakings in Karnataka, Public Sector Undertakings in Maharashtra, Punjab,
Rajasthan and Uttar Pradesh are also studied. Finally, in the Appendix and List of Public Enterprises at the state level has been given which is another rewarding aspect of the study.

5. **GOVERNMENT IN BUSINESS (S.S.KHERA, 1977).**

The distinguished author had been directly concerned with public enterprises, planning and management over more than twenty years. Mr. S.S. Khera brings to bear upon the study a wealth of experience combined with an incisive analysis of the fundamentals of public sector administration and management. This work traces the historical evolution of the role of the state in economic development and interprets the economic, social and political forces that induced government everywhere to participate increasingly in industrial and commercial activity. The author has added a chapter which examines the growth of the public sector over the five-year plan periods.

The first part of the book deals with some aspects of economic and industrial development in the world in general and in India in particular. This is thought necessary by the author in order to provide to readers an understanding of the circumstances and conditions in which government undertakings are managed. The facts of geography and history are properly interpreted, so also the political and the social complexities and so
also the situation in respect of the natural and other resources. These aspects are peculiar to India, as indeed they are to any other country.

The second part of this study is concerned with the structure of management, its form, and its content. In the third part the author has dealt with the methodology of management and attempt has been made to list some of the particular problems that arise in regard to the management of government undertakings in India which merit some special attention. These include the location of industry, pricing, communication, and control human engineering, and the special problem of new projects. In the fourth part, he has referred to the measurement of management performance against the purposes for which it is created, accountability and control.

The author has also given the chronology of public sector events since independence. But this is not a complete list, it is intended to illustrate the progress of the public sector in a general way.

Chronology of Public Sector Events Since Independence

1948 Atomic Energy Commission; Damodar Valley Corporation, Indian Telephone Industries, Industrial Finance Corporation set up.
1949 Reserve Bank (Nationalised).

1950 Indian Rare Earths set up; Chittranjan Locomotive Works start Production.

1951 Central Water and Power Commission, Travancore-Cochin Chemicals set up.

1952 Hindustan Cables and Nahan Foundry set up.

1953 Hindustan Machine Tools, Ltd. Air India, Indian Airlines; National Research Development Corporation set up.

1954 Hindustan Steel, Hindustan Insecticides; Bharat Electronics; Hindustan Antibiotics; National Industrial Development Corporation set up.

1955 State Bank of India set up; Nationalising the old Imperial Bank; National Small Industries Corporation; Ashoka Hotel Oil and Natural Gas Directorate set. Hydro-Electric & Irrigation Projects speeded up.

1956 State Trading Corporation; Heavy Electricals, Oil and Natural Gas Commission; National Coal Development Corporation Neyveli Lignite Corporation set up; Life Insurance Corporation set. Nationalising 245 Life Insurance Companies.

1957 National Instruments; Central Warehousing Corporation; National Projects Construction Corporation set up.


1959 Oil India, Rehabilitation Industries Corporation set up; Majority shares in Prage Tools acquired.

1961 Fertilizer Corporation, Indian Drugs & Pharmaceuticals, shipping Corporation set up. Hindustan Shipyard acquired.

1962 Oil Production at Ankleshwar, expansion of several public undertakings.


1965 Indian Rare Earths; Cement Corporation of India; Food Corporation of India, Engineers India, Mining and Allied Machinery Corporation; Triveni Structurals; Central Fisheries Corporation; Modern Bakenes; Bharat Aluminium; Madras Refineries set up. Bureau of Public Enterprises established.

1966 Hindustan Zinc, Hindustan Latex, Bharat Heavy Plate & Vessels Lubri-oil India; Madras Fertilizers set up.

1967 Machine Tools Corporation of India; Central Inland Water Transport Corporation; Electronics Corporation; Uranium Corporation; Hindustan Copper set up.

1968 National Textile Corporation set up. Commissioning of a large number of Hydro-Electric and Industrial Public Undertakings.

1969 Indian Petrochemicals Corporation; Water and Power Development Consultancy Services; Construction of Power Projects, Bharat Pumps and Compressors set up. Fourteen Major Banks Nationalised; First Indian Nuclear Power (400 MW) in Production.
1970 Indian Dairy Corporation, Indian Consortium for Industrial Projects; Housing and Urban Development Corporation; Hindustan Paper Corporation; Bharat Dynamics; Cotton Corporation of India. Cashew Corporation of India set up. The Monopolies & Restrictive Trade Practices Act enforced; and Monopolies Commission appointed. The First MIG-21 Aircraft Made in India by Hindustan Aeronautics Limited; delivered to the Air Force.

1971 Oil struck in the first off shore oil field. Jute Corporation of India, Projects & Equipment Corporation set up.

1972 Bharat Coking Coal Nationalising 214 Coking Coal Mines; International Airports Authority; Cochin Shipyard; Bharat Gold Mines; Bharat Refractories, Mineral Exploration Corporation; Salem Steel set up. Balmer Lawrie & Co.taken over by purchase of controlling share holding; Indian Iron & Steel Management taken over; Public Investment Board set up. General Insurance Corporation of India set up to take over a manage the nationalized general insurance business.


1974 ESSO Horizon taken over. First Oil Struck in the Deep Sea Bombay High Field. Steel Authority of India Limited Central Electronics, Hindustan Petroleum Corporation; National Fertilizers, Wagon India set up.

1975 Central Electronics, Hydro-Carbons India, Rail India Technical and Economic Services Electronics Trade and Technology; Artificial Limps Manufacturing Co. Bharat Refractories set up.

This list gives some of the main corporate and industrial establishments. Almost each one of the undertakings (including those called corporations are limited companies under the companies Act.

6. ORGANISATION & MANAGEMENT OF PUBLIC ENTERPRISES

   These two volumes on public sector and its various facets add to our knowledge on the problems and premises of the public sector undertakings in India. The volumes include papers on subject like role of public sector in Econ. Development, Forms of Org., Financing, Governing Boards, Ministerial control, Public accountability, efficiency, management goals and measurement, personnel management, financial management, material management, joint sector undertakings, and finally problems of personnel administration in public enterprises in India.
Dr. Sudesh Kumar Sharma in his work, "Development Administration in India" has also included a section on public sector undertakings entitled Public Sector and Development (pp.26-33). In this chapter the author has given the historical background of the public sector in India and the investment patterns in the Five Year Plans. The author has also quoted A.H. Hanson where he gives three main reasons behind the establishment of public enterprises:

(a) the predominant reason is the need of nation wide development of utility or a commodity, for, the investment-capital in private sector is either insufficient or is not available

(b) a deliberate political philosophy

(c) a blend of political and practical reasons.

The rationale of setting up of public enterprises in India has also been given by the author which appears to be based on the following objectives

1. The planned economy of a country like India is not something which can be left to private hands.
2. The British Government did not build any industrial base in India. The huge capital investments needed to build such a base can only be provided by the state.

3. The inability of the private sector to run and manage huge industries of national importance is the biggest reason for states, entry into business

4. The realisation of objectives set forth in the Five Year Plans.

5. Finally, as the Government of India has accepted the socialist pattern of society and has undertaken the responsibility for the total social economic welfare of the people.

The author discusses the organizational pattern of the public undertakings. There are many types of organisational models adopted in the public sector in India, the major ones are:

(1) Departmental Undertakings.
(2) Statutory Corporations.
(3) Joint-Stock Companies.
(4) Control Boards.
(5) Operating Contractors.
(6) Sector Corporations.
The author primarily focussed his discussion on this particular aspect i.e. organisational models and later discussed the other problems of the public sector and comes out with suggestions for improvement as given below:

a) the financial resources are wasted in directions other than those of production

b) there is no fear of the public sector to go into liquidation and the absence of fear does not bring forth the best discipline and in turn creates problematic conditions, lethargy and an atmosphere in which everybody's money is nobody's money.

c) inadequacy of data is great obstacle in properly assessing and measuring the economic efficiency of various state undertakings.

d) the activities of the state enterprises undertaken so far are inadequate and technically dependent on foreign know-how.

e) fear and frustration is a true and even the manager in an Indian enterprises has no feeling of confidential. He thinks that the channels or promotion are rare and this type of feeling ultimately leads to the decline of efficiency and team spirit.
f) new ideas are generally not given support to develop the power to create new ideas should not be monopoly of one only, it should be open to all

g) analysis of capital structure of public undertakings shows that the proportion of equity capital is somewhat larger than loan capital.

h) There are a number of modern techniques available in the form of statistical quality control, linear and other kinds of programming and inventory control, many of these techniques have not yet been applied.

i) no efforts has been made by public sector to improve public relations, yet the private sector was successful in boosting its showmanship.
This research work of the author is an in-depth study of managerial and economic problems of public enterprises in India with a focus on the following aspects:

1) Conceptual framework and rationale of Public Sector Enterprises in India.

II) Problems faced by the management of public enterprises relating to the organisation structure, decision-making, production planning and control, personnel management including manpower planning, training, wages and salary administration, financial management and the marketing aspects.

III) The case study of Heavy Engineering corporation Ltd. (HEC) encompassing problems of industrial management, personnel management, financial management and control in detail.

Finally the author has given the summary of important findings both in the nature of general study, specific case study of HEC and passage of important suggestions to improve the overall working of public enterprises.
The author criticises the functioning of public sector undertakings in India. According to him, though the public sector froms today an important limb of the economic body of the country, instead of generating sufficient surpluses, the public enterprises including HEC are accumulating heavy losses and instead of emerging as model employers, they are being haunted by an increasing degree of industrial unrest. It is high time to concentrate more on efficient management of existing public enterprises than to set-up more and allow them to degenerate. The author has also compared the performance of public sector with that of private sector. According to his assessment the private sector is making around 10.3% profit, the public sector is fumbling with a miserable 2.9% only. Thus the author arrives at the conclusion that the basic problem is to evolve a proper and efficient technique of administration so that the very purpose for which these have been established is not defeated.

The organizational structure of any concern has much relevance with the type of management adopted for these enterprises. Most of the public enterprises of commercial and industrial nature including HEC have been framework of company type of management. The basic problems of industrial management in such organizations include the problem of top level authority,
the problem of executive head, delegation of authority, size, decision-making, the problems of cooperation, efficiency and production, market research and standardization, material and management and availability of technical personnel. The author has examined all these industrial management problems of HEC, in the broad perspective of the organization of public enterprises as a whole.

An efficient management ensures proper cooperation between the labour and management. The organization, regulation and control of production must be directed to achieve maximum production at the minimum cost per unit. A review of production as presented by the author reveals that during the eight years from 1971 to 1978-79, production increase was about two fold in H.M.B.P. about three fold in F.F.P. and nearly five fold in H.M.T.P all units of HEC Ltd. During the same period the total production of the corporation as a whole increased from Rs 4213.3 lakhs to Rs 9,123 lakhs. The year 1975-76 was historical in the sense that the corporation scaled the height by crossing the production of Rs 100 crores worth of goods and by earning a net profit of Rs 2.14 crores for the first time, since its inception. Though, there is gradual increase in production, bad production planning, lack of determination and inefficiency in management are reflected in the non-fulfilment of annual targets and under capacity utilization.
The author has observed that one of the factors for the sickness of public sector enterprises including HEC was the inept handling of the personnel problems. The guiding principles of personnel policies enunciated by different plans and followed by the Government in respect of public enterprises are sympathetic appreciation of labour problems by the management, extension of the benefit of labour laws applicable in private undertakings to public undertakings, progressive participation of labour in management, growth of healthy trade union movement and encouragement of mutual settlement of disputes. Unfortunately 30 years of the trial of the vision of personnel policy of the government of India presents a blurred picture. The industrial relation scene is marked with violence and unrest. The study reveals that the personnel policy followed by HEC as one of the public undertakings of India, is a straight jacket pattern based on the general policy pursued by other public enterprises.

Further a review of personnel policy of HEC, reveals the absence of appropriate manpower planning which led to excess of appointments at the time of establishment of the project. The author suggests that the public undertakings in India being mostly being basic, key industries, essentially need recruitment of suitable and trained personnel to handle sophisticated machineries.
The relations between labour and management in most of public undertakings have been far from satisfactory. In this respect, the author has found that HEC, also has not given a good account of itself. The study reveals that in an average, the man days lost per worker was 0.4 for the public sector undertakings as a whole during the period 1967-75 whereas the same was 1.25 for HEC.

The third very crucial aspect of management which has been included in this study by the author is the problem of finances. A sound system of financial management and control holds the key to the efficient operation of any enterprise. One of the major responsibilities of public enterprises has been to generate sufficient surpluses for their expansion and further capital formation for economic development. It is only through an effective system of financial management and control that such objectives can be realised. Once an enterprise obtains funds from the government, its establishment and expansion, it is the responsibility of the Finance Division of the Company with the Financial Advisor at its head for their efficient utilization and administration.

According to this study, a review of financial operation of HEC presents a deplorable picture. The study reveals that the accumulated loss in HEC, amounted to Rs 17,003.92 lakhs against the paid up capital of Rs 16,179.45 lakhs by 1978-79.
The ratio of net profit to capital invested was 1.02% in 1975-76 and 6.7% in 1976-77 against 2.9% in public sector as a whole. Similarly the ratio of sales to capital invested was 38.9% in 1978-79 against 54.4% in Heavy Engineering Sector. Internal resources have contributed least in assets formation. The debt equity ratio was comparatively low, i.e. at 0.94:1 in the corporation against an accepted ratio in Public Enterprises. 1:1 and that of the Private Sector at 3:1. The working capital constitutes a high figure at 9 months production at cost which is disproportionate to the fixed capital. It lowers down the productivity.

From the analysis and the study of some of the problems related to the management of public enterprises in general and HEC in particular, the author has arrived at the following findings:

I) Efficient managers are offered more emoluments in private sector undertakings as compared to public enterprises and thus has prevented the regular flow of best managerial talents to the public enterprises.

II) The Government retains wide powers of control over public undertakings and thus there is truncated delegation of authority
3) The monolethic size of HEC, has adversely affected its efficiency and productivity.

4) In HEC, the average percentage of target realization during the last ten years was 74% in H.M.B.P., 71% in F.F.T and 72% in H.M.T.P. The non-fulfilment of targets and deplorable position of capacity utilization had been mainly caused by bad purchase management of raw materials, labour unrest, deficiency in power supply, delay in receipt of imported machinery, components, breakdown, and insufficient orders for the products.

5) Comparatively higher inventory ratio is maintained by the public enterprises and thus ratio is abnormally high in HEC. A high inventory ratio blocks the effective use of capital and reduces the margin of profit.

6) A review of the Personnel Policy of Public Enterprises clearly demonstrates that the policy of the government in this respect has not been followed even in spirit. Serious lapses have been found in implementation of labour laws. The present policy is more management originated than labour oriented.

7) The wage fixation in public enterprises including HEC, is not based on any scientific economic theory. There is also the
problem of wide gap between the wages of workers and those in top management cadre. In HEC, thus difference is more than ten times.

8) Industrial relation scene in public enterprises is dominated by strikes, dharnas, lock-outs and agitation marked with violence and disorder. The gravity of the situation is more acute particularly in HEC.

9) The functioning of the public enterprises in India shows little evidence of financial discipline.

Finally an analysis of financial performance of HEC, done by the author reveals that the expected profitability of the plants was very low. The debt-equity ratio was maintained at a low level which restricts hesitation the management to take risk for raising loans. The limit of cash credit arrangement with only one bank upto a maximum of Rs 25 crores, some times had made the resource position of the corporation very tight. The Government loans were frequently converted into shares and concession was allowed in the defferring repayment of loans and interest. Such things were so easy that the corporation hardly bothered for adequate return on capital.
The study further reveals that though the corporation had accumulated huge losses, the trend was towards gradual decline in losses ultimately resulting in a net profit of Rs 214 lakhs in 1975-76 and Rs 326 lakhs in 1976-77. But it again shot up in the form of loss in the year 1977-78.

In view of the above findings, the author has also submitted the suggestions as solutions to different problems confronting the management of public enterprises including HEC. Some of these suggestions are as under:

1) The Personnel Policy followed by the government must have a bias in favour of workers and there must be sufficient emphasis on the development of welfare activities for the labour force.

2) In order to bring uniformity in the pattern of technical education and training, a model course applicable to all such institutions should be drawn.

3) Model Rules for deciding promotion cases should be framed by the Bureau of Public Enterprises and these rules should govern the promotions in all the undertakings.
(4) The Labour and Personnel Department of Public Enterprises should be effectively organized. For ensuring industrial peace, an effective Joint Consultative Machinery should be evolved.

(5) For an effective financial control and management the finance division should be created at the time of establishment of an enterprise.

(6) For improving the financial performance of HEC, the author recommends that a liberal debt policy should be allowed to be followed by HEC and debt equity ratio should be maintained at 2:1. The limit of cash credit arrangement should be raised and the corporation may have such arrangements with more than one bank.

(7) The author further recommends that before making funds available to HEC and other public enterprises the government should ask for the expected return on capital and the management must give Insurance to achieve the projected return.

(8) Finally the author has submitted that a separate (Industrial Management Service Cadre should be formed in India and the best talents with commercial and managerial back-grounds should be
recruited on it. They should be properly trained in the different aspects of industrial and commercial management to provide a sound-footing to the ailing public sector undertakings in India.


This study deals with some important aspects of Public Sector in India viz., its performance and profitability in the context of industrial relations. Besides tracing the "raison d'être" of the public sector, initially conceived as the major instrument of economic development of the nascent free, India; the author, with his experience of heading one of the biggest corporations in that sector (FCI) for over 4½ years in the seventies, spells out the basic weaknesses in the handling of industrial disputes particularly.

Meagre profitability of many of the undertakings has been ascribed by the author mainly to the lack of under utilization capacity and to the loss of production due to work stoppages due to strikes etc. According to the author, out of the 75
public sector undertakings which furnished information to Bureau of Public Enterprises about the number of man-days lost during 1978-79 due to industrial unrest and non-availability of raw material etc., only eleven small units did not have any production loss.

The study reveals that the steel sector accounted for the maximum, loss mostly in the Rourkela Steel Plant and IISCO, during the year 1978-79. The Coal sector showed production loss of Rs 52 crores, in which Bharat Coking Coal accounted for more than half. In the mines and minerals sector, Rs 10 crores worth of production loss was due to industrial unrest. The study shows that the Heavy Engineering Sector accounted for the maximum number of mandays loss although the production loss was comparatively less.

The study further reveals that during year 1979-80, out of the 74 public sector undertakings which responded with information to the Bureau of Public Enterprises only five of them did not suffer any production loss. All other public sector undertakings were incurring production loss mostly due to the industrial unrest. Petroleum sector accounted for the maximum production loss of Rs 105 crores mostly in the IOC including Rs 25 crores due to industrial unrest. In the Heavy Engineering sector, like in previous year, maximum number of mandays were lost, though, the production loss was only Rs 34 crores.
The study shows that out of the total 87 public sector undertakings which furnished information regarding the mandays loss during the year 1980-81, only eight of them had no production loss. The chemicals and pharmaceutical sector accounted for the maximum production loss of Rs 346.60 crores. Industrial unrest alone accounted for a loss of Rs 87 crores. Production loss in the steel sector was Rs 237 crores, and in light and medium engineering sector Rs 142.50 crores including ITI (47 crores) H.M.T. (31.14 crores) and Electronics Ltd. (28.87 crores) all located in Bangalore and due to industrial unrest. The study further reveals that during the year 1981-82 out of the 86 enterprises which furnished information about the number of days lost and loss of production, only 12 of them reported no loss. The study indicates that the estimated production loss suffered by 74 units was Rs 545.86 crores with 43,14,770 mandays lost. Biggest losses in production were in the steel, chemical and fertilizers and petroleum groups of enterprises, in that order.

The upshot of the above analysis and the figures is that though it is not possible to give precise figures of the loss of mandays and consequential loss of production in the public sector undertakings, due to only industrial unrest, it can be safely judged from the data presented in this study that
industrial unrest has played a considerable part in the loss of mandays and production loss in the public sector undertakings every year. From the figures given in the Table No. 12 of Chopra's study, it can be concluded that 50% of the production loss-figures delivered mainly due to industrial unrest.

Thus the author has worked out that there is an annual production loss of at least Rs 500 crores mainly due to lack of capacity utilization and due to work stoppages by strikes etc.

Regretting the fact that the role of a model employer in the public sector has not been accompanied by the "quid Pro Quo" of a model worker, the author doubts the validity of an unadulterated right of the workers, exercised in practice at least, to strike work in some form or the other and gives valid reasons for treating the industrial relations problems of the public sector undertakings in a manner different from those of the private sector.

The author has explained the role of state in Industrial relations. He has stated the various remedial measures adopted by the government of India from time to time to overcome the problem of Industrial Relations. These include constitutional measures viz., inclusion of Directive Principles of State Policy Article 39 to 43 which pertain to mostly workers and
labour force. Similarly 42nd amendment of the constitution accorded to these principles a status higher than that of the Fundamental Rights. Section 9 of the amendment inserted a new article 43A, which is of great importance to the workers.

"43-A. the state shall take steps by suitable legislation or in any other way to secure the participation of workers in the management of undertakings, establishment or other organizations engaged in any industry. Remedial measures adopted in various Five Year Plans have also been explained in brief by the author. Some of the other policies and schemes followed by the Government from time to time viz., Code of Conduct, Code of Disputes, Voluntary Arbitration, Compulsory Arbitration/Adjudication, Collective Bargaining and Workers Participation in Management etc. have also been explained in brief by the author in this particulate study.

In the end, the author has made a couple of proposals, including the one relating to the settling up of an Industrial Relations Commission for the Public Sector Units, to deal with their industrial disputes of extreme type which, if adopted jointly or severally, would go a long way to help the executives in dealing with their labour problems more effectively. The second proposals suggests new arrangements by law for dealing with industrial disputes in the Public Sector Undertakings,
taking them out of the purview of Industrial Disputes Act 1947 altogether. Both involve the dispensing of a special treatment to the Public Sector Units in the matter of Industrial Relations.

In this study the author has also given a brief account of the personal experiences of a few chairman/MD's of Public Sector Undertakings including his own self in handling the labour situations confronted by them in the course of their stewardship. The author has also given a resume of the (methodologies) techniques/strategies adopted by some advanced industrial nations for keeping their labour force satisfied and in good humour, with sense of participation in the industry.

10. THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION, INDIAN INSTITUTE OF PUBLIC ADMINISTRATION, VOL. XIX, No. 1, JAN-MARCH, 1973

In this journal Mpankar Sarkar has contributed an article entitled, Workers Participation in Management of Public Sector Undertakings. With special reference to the public sector undertaking of the Government of India (industrial production units). Results of the operations of an undertaking are
dependent on the various inputs which go into the operations. The most complicated among the inputs is the manpower, because men are not an inert substance, like machinery, materials or money, which can be used, abused or misused in any manner. In the Government undertakings, the available manpower has to be put to the best use in order to secure the optimum results. To Mpankar Sarkar the objective of workers participation in the management is to derive maximum benefit from the manpower input by ensuring better cooperation from the workers and more harmonious relations between the management and the workers. He has also discussed briefly four aspects of management as below:

1. **Planning, Organising, Controlling and Motivation**

The steps so far taken has been stated and among these the first step towards involving the workers in the management process, started when a study group was constituted in 1956, to examine the systems of workers participation in management in Europe. This study group recommended the setting up of joint management councils, wherein the workers will get an opportunity to participate in management. But study of the working of these councils has revealed that the objective of participative management has been hardly achieved. The failure of the Joint Management Council has been due to the lack of understanding of
the basic intentions both on the part of the management as well as the workers.

The next step, which has been taken by the Government in order to associate the labour with the management of Government undertakings, is through nomination of a prominent trade union leader as member of the Board of Directors of the undertakings. But it is doubtful whether this step has contributed significantly towards securing the movement of workers in the affairs of the undertakings. It is true that the labour director appreciated the managerial problems in their true perspective but his basic loyalty to the trade union movement very often inhibits expression of his opinions and action.

The next step which has been contemplated by the government is nomination of a worker of an undertaking as a member of the Board of Directors to provide representation to the workers at the highest level of management.

The scheme of workers Director has been proposed. This scheme has been proposed to be tried initially in some undertakings other than defence and strategic undertakings, where the undertakings does not have multiple units and multiple trade unions. British experiment with regard to the inclusion of non-managerial employees as members in the Board of Directors
has also been discussed. Similarly attitude of workers has also been discussed. Mpankar says that the participation of workers in management of public undertakings, in whatever forms, it is practised, will not lead to any positive result unless there is a change in some of the prevalent basic conceptions and attitudes of the workers of such undertakings. There are some misconceptions relating to the exact character and role of the public sector undertakings. The worker does not distinguish between a Government undertaking and a regular government department.

Another misconception is regarding the role of the Govt. as the owner and employer of a Government undertaking. The employees of public sector undertakings confuse between the government's role as the owner of the undertakings and the government's role in the governing of the country. This thinking amongst the workers of the government undertakings lead them to identify themselves with regular government servants and look for the various safeguards and benefits associated with service in government departments.

Another misconception which is prevalent among the workers is that the government should be concerned with the welfare of the employees along with the efficiency of the enterprises. For example, optimum man-power for maximum of production and profits is recognized as a necessity in case of a public sector
undertakings and it is thought that such undertakings should provide more and more employment opportunities to the community with utter disregard to the economic aspects of operations. As a result of this misconception the undertaking goes into the red and the deficit made good from the exchequer and the undertaking continue to operate even though it may not be economically viable. In this regard, the private sector undertakings are in a slightly better position as their workers are aware that economic health of the undertaking should not be disturbed so that the undertaking may survive. But their is no such feeling amongst the workers of the government undertakings who consider the government undertakings just like any other government department. Finally the trade union in public sector undertakings in this article has been discussed in detail.

11. THE INDIAN JOURNALS OF PUBLIC ADMINISTRATION (QUARTERLY JOURNAL OF THE INDIAN INSTITUTE OF PUBLIC ADMINISTRATION) VOL. XXIV NO. 2 APRIL, JUNE, 1978 AN ARTICLE OF SATISH JHA

In this article Satish Jha has explained the financing of Public Enterprises in Developing Countries: Coordination, Forms and Sources of Income etc.
12. There is another article contributed by G.D. Sharma.
In the same Journal (THE INDIAN JOURNAL OF PUBLIC
ADMINISTRATION - QUARTERLY JOURNAL OF THE INDIAN INSTITUTE
OF PUBLIC ADMINISTRATION EDITED BY T.N. CHATURVEDI
OCT. DEC. 1980, VOL XXVI NO.4)

In this article Mr. G.D. Sharma has discussed the workers participation in the public sector undertakings in India. This paper is mainly based on the conceptual framework of the subordinate's participation in the decision-making process, on the one hand, and the managers philosophy of delegation and decentralization of authority (inclusive of decision-making power), on the other. He has discussed special characteristics of public enterprise in the context of workers participation.

One of such characteristics is that public enterprise has a social purpose and a social responsibility. This is how it differs from private enterprise. Another characteristic of the public enterprise which distinguished it from the private enterprise is its freedom from the urge to maximise profits. The enterprise and the workers have a different point of view with regard to the profits, the legitimate concern for the happiness of the employee which is one of the basic purposes of the existence of public enterprise.
Similarly hinderance in adopting workers' participation plans in general as well as in public enterprises in the country has been discussed. Under the following three sub-headings:

1. Attitude of Workers and their Unions.
2. Attitude of Managers, Management and Government and

In this volume there is an article by Arvind K. Sharma who has given the role of public enterprise boards as a buffer. The concept and issues are also discussed. By describing the role of boards of the public sector enterprises, he has tried to differentiate the public sector management from the management of private joint stock companies. A public enterprise board's accountability to the minister has no parallel in the private corporate management where the board, as long as it makes profit and ensures handsome dividends for the shareholders, is really its own master. In contrast, a public enterprise, owing to the fact that its role or majority ownership is vested in the government, has necessarily to be politically directed. Thus an
element of political direction is manifest in number of powers which the government reserves to itself viz a viz its enterprise. A public enterprise board, has over its head a boss (the minister) who, unlike the shareholders of the private joint stock companies, means seriously to exercise his supervisory powers in relation to it.

The role of a public enterprise board as a buffer, derives in part from this situation and in part from the fact that it is located between a powerful political master, at one hand, and an expert executive management engaged in the day-to-day administration of the enterprise, at the other. This is the sum and substance of authors' discussion. But the board is supposed, as a buffer, to ensure, that a safe distance is kept between the politicians and the administrators, that the executive and legislative wings of the government do not interfere with the day-to-day administration of a public enterprise, and that the enterprise duly succeeds in maintaining its identity as a distinct entity. Therefore, the boards' functioning as a buffer constitutes a critical segment of its overall role as an inter-mediate authority.
C.R. Ananda Rao has made another lucid study relating directly to public undertakings, in few pages. The title of his paper is personnel policies and labour management relations vis a viz the committee on the public undertakings.

In this article an analysis of the recommendations of the committee on public undertakings has been attempted. The rationale behind this analysis is to point out the main thrust of the recommendations of the committee. This study is entirely based on the information given and observations made by the committee reports. However, the relevant recommendations of the Administrative Reforms Commission and i.e. National Commission on the labour have also been quoted. The analysis of the recommendations of the committee pertains to the following aspects:

1. Personnel Department
   a. Man Power Requirement and Overstaffing
   b. Recruitment Method
   c. Training Schemes
   d. Promotion System
3. Labour Management Relations:
   a. Labour Unions.
   b. Grievance Machinery
   c. Worker's participation in Management
   d. Other relevant aspects: (i) Absenteeism (ii) Overtime (iii) Incentive Schemes, (iv) Labour Productivity, and (v) Labour Welfare Schemes.

The Industrial Finance Corporation of India, The Committee of Directors, Comprising the General Manager, Industrial Development Bank of India, the General Manager, Industrial Credit and Investment Corporation of India Ltd. the Chief Officer, Industrial Finance Department and the Statistical Adviser, Reserve Bank of India in its meeting held on 7th July, 1970 decided that a survey of the state of Jammu and Kashmir be taken up by the financial institutions with a view to assess its potential for industrial development. In pursuance of this decision, a survey of Jammu and Kashmir was conducted from Sept. 7 to Oct. 3, 1970.

This survey was intended first to identify the state's industrial potential. This study included geography, topography and its demographic features etc. In fractured, facilities have also been described as the factor (in its both negative and positive sense) of state industrial potential.

The industrial potential of the state itself is discussed with reference to agro-industries, forest based industries,
live-stock-based industries and mineral-based industries etc.

Specific project which either suggested by the state government and its agencies or identified by study team are given in fifth chapter of this report.

The team also made certain suggestions for the exploitation of the state's industrial potential. In this regard efforts will have to be made in improving availability of the essential infrastructure facilities and in strengthening organisational structure. Adequate power without voltage fluctuations will have to be made available on a regular basis to industrial units in the state.

Apart from taking steps to prepare viable project-scheme efforts will have to be simultaneously made to improve the managerial structure of industrial undertakings and to institute training courses, having bearing on the local economic conditions, in managerial techniques, preferably in local languages to build up efficient managerial cadre to the manage the existing as well as the new enterprises.

At the end of Sept. 1970, there were about 27 medium scale industrial units out of these 22 including 2 drug factories owned by the central government were in the public sector and the remaining five units in the private sector. The state government had investment in only four units. Following is the list of medium and large scale industries in J & K State given by Study Team in the above stated report.

**LIST OF MEDIUM AND LARGE SCALE INDUSTRIES IN JAMMU AND KASHMIR**

(a) **Central Government Undertakings**

1) Drug Factory, Srinagar
2) Drug Factory, Jammu

(b) **State Government Undertakings**

1) **Administered by J & K Minerals Ltd.**
   1. Cement Factory, Wuyan
   2. Precast Concrete Factory, Wuyan.
   4. Briquetting Plant, Srinagar

   ii) **Administered by the J & K Industries Ltd.**

   1. Sericulture Units Kashmir.
   2. Sericulture Units, Jammu.
4. Handloom Silk Weaving Factory, Srinagar
5. Woollen Mills, Srinagar
6. Spinning Mills, Anakadal, Srinagar
7. Match Factory, Baramulla.
8. Pharmaceutical Works, Baramulla
10. Tennenes at Shalteng.
11. Sole Leather Plant, Mutti, Jammu
13. Brick- & Tiles Factory, Pampore
14. Knitting Factory, Jammu
15. Kashmir Willows, Jammu

B. Private Sector

1. Plyboard Industries Ltd.
2. Kashmir Ceremies Ltd.
3. Chenab Textiles Mills, Kathua
4. Mehra Spinning Mills, Jammu
5. Mattoo Spinning Mills, Nowshera
The Jammu and Kashmir Industries Ltd. was set up in 1963. It is entrusted with the administration of 16 government controlled industries relating to production and sale of the produce of the various units of the Jammu and Kashmir Industries Ltd. (J & K). For the year 1968-69 were of the order of Rs 266.39 lakhs and Rs 266.09 lakhs respectively. For 1969-70 value of production of units under JK amounted to Rs 293.71 lakhs.

The Jammu and Kashmir Minerals Ltd. (J & K M) was established in 1960 with the objective of exploitation of minerals resources in the state and establishment of mineral based industries.

The J & K State Industrial Development Corporation was established on 17th March, 1969 under the Companies Act 1956 with the objective of promoting rapid industrialization of the state.

The Industrial Potential of J & K in the said report is broadly examined under eight main groups viz.:

1. Agro-Industries.
2. Livestock based Industries.
3. Forest based industries.
5. Chemical and Engineering industries.
6. Handicrafts.
7. Confiner-oriented industries.
8. Tourism and Hotels.

16. There is another Industrial Survey entitled:

**INDUSTRIAL POTENTIAL SURVEY REPORT OF DISTRICT JAMMU (J & K), 1979.**

This industrial potential survey report was prepared by District Industries Centre, Jammu. It is redrafted and edited by Sh. M.N. Namotra, M.Com., Manager E.I.D.I.C., Jammu (1979) Co-Assistants were

1. Sh. Suraj Parakash Sharma, Statistician
2. Sh. Vijay Sharma, Statistical Assistant

This survey report bears the block-wise industrial potential, which in a way is very useful particularly for the prospective entrepreneurs to identify and set-up their small scale industrial units in the district. This report is also useful for the disposal of industrial activities from urban to
rural area. The distinctive features of this survey are:

1. Growth centres have been identified in such a manner as to make dispersal of industrial units a possibility.

2. The subject has been dealt with block-wise which is especially appreciable, since block development as a stratum is receiving importance in the development strategy of the country.

3. As the block-wise information is readily available, the potential survey serves as a guide book for new entrepreneurs.

Detailed description of Bari-Brahamana Industrial Complex which include 14 large and medium scale units has also been made. Out of 14 industrial units 6 are in public sector, 7 are in private sector and one is of joint venture with state government. According to this report following are the public sector units, under Bari-Brahamana Industrial Complex:

1. Public Scooter Ltd., Bari-Brahamana
2. Himalayan Wool Combes
3. Government Rosin and Turpentine Factory-Miran Sahib
5. Precast Concrete Factory- Bari Brahamans
6. New Joinery Mill - Bari Brahamana
7. Joint Venture with state government that is J & K Cigarettes Ltd. Bari Brahamana
METHODOLOGY

There are various problems all round and for solving these problems different methods are adopted. Each method of course has its utility as well as limitations and as such help and assistance of each method will have to be sought to find out correct and dependable results. Following research methods were used for the collection of data and to analyse the same.

RANDOM SAMPLING METHOD

In this method first of all it is decided as to what are the types of units to be included in the study. It is presumed that all the units which have been included in the study are important. According to this procedure, each item to be included is numbered systematically and each item selected for the sample is made in accordance with the listing of random numbers\(^1\). Following are the public enterprises which we have chosen at random from the list of total manufacturing units of public enterprises in Jammu and Kashmir State:

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2. Government Knitting Factory, Jammu
4. New Joinery Mill, Bari Brahmana, Jammu
5. Silk Weaving Factory, Srinagar, Kashmir
6. Bemina Woollen Mills, Srinagar, Kashmir
7. Pharmaceutical Works, Baramulla, Kashmir
8. Government Cement Factory, Wuyan, Srinagar
9. Government Precast Concrete Factory, Wuyan, Srinagar

Following research methods have been used to find out the administrative, organizational, personnel and financial problems faced by these public enterprises in Jammu and Kashmir State:

1. **Documentation:**

   It was intended to make use of this method because the documents provide first hand information about a problem. These documents provide contemporary events and help in understanding how these events took place. These sources are more dependable because these are recorded by those who were eye witnesses to those happenings. Moreover, documents, being of written nature, can be referred at any time. These documents can be both in the form of:
a) **Primary Sources** and (b) **Secondary Sources**

Primary documents - these may be letters contracts, court-records, census, reports, tape recordings and films etc. Retrospective primary records include personnel diaries, autobiographies and reports on institutional visits.

Secondary sources include historical documents, statistical research, research reports based on field work and research using diaries or autobiographies.

Primary contemporary sources are those which are compiled by the writer himself, whereas secondary contemporary sources are those which are transcribed from primary contemporary retrospective sources.

Besides this, other research methods were which we have been employed in this researches and in our field of inquiring were Interviewing and Questionnaire methods.

2. **Interviewing Method**

The interview is perhaps the most ubiquitous method of obtaining information from people. In this method the interviewers himself approaches the investigator puts questions to him and himself records the replies usually not bringing to the notice of the respondents. In this system there is direct

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contact between the respondent and the informant.\(^3\).

In the words of Goodge & Hall, "Interview is fundamentally a process of social interaction"\(^4\). "In the words of Fred N. Karlinger, "The interview is face to face inter-personal role situation in which one person, the interviewer asks a person being interviewed the respondent, questions designed to obtain answers pertinent to the research problems"\(^5\).P. V. Young about personal interview, "It may be seen as an effective, informal, verbal, non-verbal conversation initiated for specific purposes and focussed on certain planned content areas"\(^6\).

Interview in short is a system in which both the investigator as well as the informants discuss the problems under research the farmer usually taking the initiative with the object of extracting information from the latter.

ADVANTAGES OF INTERVIEWING TECHNIQUE

This method of interview has its own advantages. One such advantage is that the interviewee comes out with maximum information. He, on his own, gives out his own beliefs, feelings and viewpoints on the problems which were posed to him. There is much of flexibility in this method and thus the

\(^3\) Paul, Benjamin D: Interview Techniques and field Relations, pp. 442.
\(^5\) Kerlinger, Fred N: op.cit., p 481.
course of interview can be changed. The interviewer can include and exclude some aspects of the problems as the situation demands. Since the interviewee speaks out everything boldly, therefore, he begins to appreciate the interviewer and this gives him maximum co-operation.

3. Besides interviewing, another research technique used for the collection of data and information from the field was through questionnaire.

A comprehensive questionnaire was designed to be administered to the respondents for conducting in depth interviews. The questionnaire was formulated to collect information regarding profiles of Managerial Leadership and their participation in decision-making process in the public undertakings of Jammu and Kashmir State. For this purpose questionnaires were administered to thirty (30) managers of the selected public enterprises.

There were five parts of questionnaire. The first part was designed to collect original information regarding socio-economic background of the managers in the public undertakings of Jammu and Kashmir State.

7. Ibid., p.222-
Part second of the questionnaire consisted of questions on the Leadership traits of the managers in the selected public undertakings.

The third part of the questionnaire consisted of questions pertaining to the extent of managers participation in decision-making process in the selected public undertakings.

The fourth part of the questionnaire had been designed to collect information regarding the extent to which managers depended upon their most preferred subordinates and the last part of the questionnaire consisted of such questions which could have revealed manager - subordinate (senior-subordinate) relationship in the selected public undertakings of Jammu and Kashmir State.

4. STRUCTURAL FUNCTIONAL METHOD

Another method used for purposes of research and analysis in this area of study is the structural and functional method. Structure and function can be distinguished in terms of form versus content. How something is done is a structure, what is done is a function.

Fred W. Riggs, defines structure as a basic pattern of activity which is repeated, and function as the result of any
such pattern. There are many other definitions given by different scholars and writers but this is, I believe a definition consistent with the account here. For, basic patterns can express how something is done, where outcomes may be described, as what is done.

**FOCUS OF STUDY**

The present study focusses on the problems of Administrative Management of some Public Undertakings in Jammu and Kashmir State. Thus the units of this study are two large public undertakings of Jammu and Kashmir viz., Jammu and Kashmir Industries Limited and Jammu and Kashmir Minerals Limited, altogether controlling about (25) Twenty-five industrial units which have been put into operation.

The whole study comprises of nine chapters. The First Chapter is a study of Jammu and Kashmir in different profiles. It covers area, population classification, economy, industries, per-capita income, roads, water resources, electricity, manpower and technology of Jammu and Kashmir State.

The second Chapter of the present study highlights the growth of public sector in India as well as in Jammu and Kashmir State. The third chapter concentrates on the organizational problems of public undertakings in Jammu and Kashmir State. The overall organizational structures of the selected public undertakings and those of industrial units operating under the control of these public undertakings, hierarchy in respect of authority and the span of control both at the headquarters and in the field offices, delegation of authority, centralization (VS) versus decentralization in the selected public undertakings of Jammu and Kashmir State have also been included in this chapter.

The fourth chapter pertains to personnel problems of public undertakings in Jammu and Kashmir State. This chapter covers problems pertaining to selection, recruitment, training and promotion policy and finally employer-employees relationship in the selected public undertakings.

The fifth chapter of this study concentrates/deals with the financial problems of public undertakings in the state of Jammu and Kashmir. The sixth chapter of the present study highlights profiles of managerial leadership and their participation in the decision-making process of public undertakings in Jammu and Kashmir State.
The seventh chapter of this study concentrates on the performance-evaluation of public undertakings in Jammu and Kashmir State. In the eighth chapter of the present study some concluding observations have been arrived at and the shortcomings observed have been highlighted. Chapter ninth puts forward certain suggestions and recommendations for making an overall improvement in the functionings of public undertakings in Jammu and Kashmir State.