Chapter - V

CONCLUSION

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

1. In Chapter - II, we took up issues related to the manner in which the political factions consolidate their support base amongst the workers. The consolidation of the support base requires the trade-union leadership's ability to articulate the workers' demands and through interaction with the management demonstrate to the workers their superior capabilities. The more dedicated the activists with each one of the political factions, the greater the possibility of that group maintaining the lead in the union. We
could see, that although there were some issues of importance for the workers such as housing and promotion policy, these issues were found to be intractable and hence, despite their importance, did not occupy the center stage in the issues articulated. Since most of the issues related to wages, allowances, bonus etc. are handled at the level of the total organization, the unit level leadership concentrates on the day-to-day modes of functioning of the unit level management.

2. The workers preferred to support the militant political groups since they took up day-to-day confrontation with the lower levels of management. One of the major factions were communists. While the communists took the help of ideology to build cadre, others took recourse to region and the potential political issues outside the organization.
The communists were successful in the initial stages but the entry of external leaders changed the political scenario. The external leaders depended on their political contacts to influence the government and the management. The influence of external leaders directly affected the internal leaders who came to accept the alignments initiated by the outside leaders, as a technique of political survival.

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

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

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

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

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

3. The supervisors felt 'powerless' in the hierarchy. They were exposed to the truant shopstewards on the one hand and on the other hand the higher management was unable to
protect them from the workers' union. The supervisors as a result were ineffective in carrying out production according to schedules.

4. The development policy of the organization is partially brought out in the lack of R & D directions. It is also demonstrated by wrong decision-making in the area of diversification. HMT diversified into a relatively low-tech area such as the manufacturing of lamps in competition with highly efficient private sector units. The inefficiency of this policy is demonstrated by the fact that the lamps division has been consistently a loss-making unit since its inception. Even the decision to initiate lamp-making machinery was wrong since the over-head costs of HMT products are for higher than the imported machines. The HMT
should not have gone into an area especially where the import of machines were being allowed easily by the government. Lamps division suffered from the problems of marketing. The private sector exploited the inability of lamps division to counter its strategies.

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

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

The frequent change of General Managers affected the continuity in policies. The workers were subjected to different procedures of discipline whenever there was a change in General Manager. It only led to a further alienation of management from the workers. The union took advantage of the change in General Managers.
The following conclusions could be drawn from the study of workers' attitudes to work.

1. The security of job and the time-bound promotions made them feel disinclined towards higher education for career. The very entry into a public enterprise puts an end their career aspiration. They depended on the union to solve their problems of career advancement.

2. There is a relationship between seniority and satisfaction with the job. The senior workers with established network of friendship expressed a general contendedness with the job. The junior workers preferred a change of job. The senior workers spoke about their promotions as the major problem whereas the junior workers considered monotonous work routing as the cause of
dissatisfaction. The junior workers were more actively involved in union activity at the shopfloor level than the senior workers.

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

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

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

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

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

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

The case of HMT is not an isolated one. In our
very first chapter, we have tried to demonstrate the widespread sickness discernible in the public sector. Could we say that a politically dominated system of economic production will tend to lose its economic viability because of contradictory expectations? For example, can the expectation that a public sector provides jobs in a backward region be justified against the expectation that it should be located in a region where its supply of raw materials and intermediates would be most economically available? In the case of HMT itself, we know that the number of workers is far in excess of that required by the mechanical capacity. The overhead costs are also much higher than would have been possible in any privately run enterprise.

The failure of the highly centralised planned economies of the eastern Europe and the Soviet Union have also focused on the enormous costs which a society has to pay to bolster inefficient workers, Managers and the corrupt officials in industry and government. In
the ultimate analysis the social welfare dimension of
the public sector can be seen as leading to unmitigated
social evils such as casteism, regionalism and corruption.

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

1. A more efficient labour management policy
   which would make serious attempts to motivate
   the workers and the take their help in the
   efficient management of the production
   process.

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

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


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

**Study of Workers attitude to work in HMT of Hyderabad**

1. Name
2. Designation
3. Wage Grade : I IA II III IV V VI
4. Religion : Hindu
   - Muslim
   - Christian
   - Other
5. Caste : Brahmin
   - Non-Brahmin Non-reserved
   - Reserved
6. Educational Qualifications:
   - Primary School
   - High School
   - S S C
   - I T I
   - Technical Diploma (LCE, LMB etc.)
7. Your education for the job had been
   Helpful
   Not helpful
   Education has no relevance for the job
8. Would you like to pursue higher education?
9. If yes, the reason is
   Career advancement within the company
   knowledge for the job
   To change over for a better job
10. The on-job training of the company is
    Adequate for the job
    Not adequate
    'on job' training is a waste of time
11. For how many years had you been on the current job?
12. Do you prefer a change?
13. If yes, which work do you prefer?
14. Does change of job help hour performance?
15. Are your skills adequate for the job?
16. If no, what can the company do to help improve your skills?
17. In the facilities provided by the company which one of the following do you think needs improvement to improve your performance?
   
   Housing
   transport
   provision of good raw material
   Improvement in machines
   Promotions
   flexibility in rules and regulations
   Any other

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

22. Is the union representative sympathetic to your grievances?

23. Do you prefer a change of leadership at the department level?

24. If yes, what are the reasons?

25. Is the newly elected union effective in handling the grievances of workers?

26. How do you rate it compared to the earlier union? Better or worse

27. In the following trade-union representation of the past, which group do you think was the most efficient?

   CITU
   Narasimha Reddy - Padma Rao

   INTUC
   Badridishal - Padma Rao

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

- Shifting of managers
- Better handling of the trade-union
- Less emphasis on rules and regulations
- A change in the general manager of the company
- Any other