CHAPTER 3: FORMAL STRUCTURE OF THE MEDIUM SCALE INDUSTRY
Organisations create structure to facilitate the coordination of activities and to control the actions of their functionaries. 'Structure itself is made up of three components. The first has to do with the degree to which activities within the organisation are broken up or differentiated. We call this complexity. Second is the degree to which rules and procedures are utilized. This component is referred to as formalization. The third component of structure is centralization, which considers where decision-making authority lies. Combined these three components make up an organisation's structure.¹

A clear perception of the structure of an organisation can be a great asset for improving its performance. Proper structuring of an industrial organization can release energy and creativity, rationalize productivity, and sustain morale.

The formal structure consists of the hierarchy of authority, division of labour, and the norms of relationships that are laid down in its rules. These refer to the authority relations, the specific functions, the communication system and

assignment of responsibilities.

'Formalization refers to the degree to which jobs within the organization are standardized. If a job is highly formalized, then the job incumbent has a minimum amount of discretion over what is to be done, when it is to be done, and how he should do it. Employees can be expected always to handle the same input in exactly the same way, resulting in a consistent and uniform output. There are implicit job descriptions, lots of organizational rules, and clearly defined procedures covering work processes in organizations where there is high formalization. Where formalization is low, job behaviours are relatively nonprogrammed and employees have a great deal of freedom to exercise discretion in their work. Since an individual's discretion on the job is inversely related to the amount of behaviour in that job that is preprogrammed by the organization, the greater the standardization the less input the employee has into how this work is to be done. The degree of formalization can vary widely between organizations and within organizations.'

The basic components of formal structure in the medium scale industries is being discussed in this chapter.

Several researches on hierarchy in organization have been undertaken.

Gouranga P. Chattopadhyay and Ashok Malhotra have concluded that authority is necessary for managing any system. On the other hand, the basic thrust of hierarchy is control. The need for control broadly speaking would arise in two kinds of situations - situations which are exploitative in nature, particularly where a minority group wishes to exploit the majority, and situations where one party is not mature enough to operate autonomously and hence needs to be controlled for its own survival and growth. Neither of these two situations should exist in modern organizations. Work organizations are supposed to be created for engagement with a meaningful, relevant task and not as a means of exploitation. Also they are manned by mature adults. However, it can be rightly argued that through these situations are not supposed to exist, they actually, exist. Hence the need for control and, consequently, hierarchy must remain.

Nina Jacob, V.S.Mahesh and N.M. Agrawal emphasis the need of delayering hierarchy in organization. Delayering means the process of removing specific levels from the existing hierarchy of an organization. The result is a flattering of the organization's vertical boundaries, affecting such traditional structural manifestation's of hierarchy as span of control, chain of command, and limits of authority. They inferred that the delayering of hierarchy is advantageous for speeding up decision-making, improving communications, reducing costs, increasing responsiveness, decreasing bureaucratic dysfunctions, improving cycle time, increasing autonomy, and wider empowerment. It also facilitates horizontal integration in organization. There is significant improvement in lateral communication among peer levels. All this ultimately results in better and more effective decisions and solutions. 4

V.S.Mahesh observes that from the middle of the last decade, several Indian organizations have attempted to emulate the west in their zeal to become mean, lean and flat. Whenever one attempts to adopt practices employed in different contexts without sufficient care to investigate their success in their original settings, and its

adaptability to the new context, problem surface. He has opined, when organizations seek to restructure themselves, the organizational objective of becoming more efficient and effective should be balanced with the human objective of sensitively in dealing with those who have no place in the new structure. The human objective becomes even more important in India, where social security systems do not exist to assist the disenfranchised. Despite the social security systems of the west, which provide basic means for survival when people lose jobs, there is a great deal of insecurity, tension and loss of morale in organisations that restructure. This is not sufficiently emphasised by the many management gurus who advise Indian organizations to become lean and flat. He has suggested that an intelligent way of delayering an Indian organization is to differentiate between layers and grades. Organisational restructuring, and attempts to put some of the related concepts into practice, must be taken up with caustioning and care. Human beings - and their attitudes, aspirations, fears and motivation - form organizations; and it is they who are affected when one attempts to restructure.5

Wipro Corporation undertook such an exercise of delayering, as an experiment. One layer, that of area head, was eliminated from the earlier five-layer structure in the sales function. The benefits of this were reduction in distortion of communication, better touch with market reality, and quicker response time, increased speed in decision-making, higher proprietary interest by the marketing office, wider span of control, and better man management, better career opportunity for some of the levels, and reduction in manpower cost, as an added benefits.

N.M. Agrawal has pointed out that in the 1960s and the 1970s, a number of experiments were conducted in India and abroad on socio-technical systems, essentially creating teams around a task without any hierarchies. Many of these experiments facilitated improved performance, productivity and quality of work life as perceived by employees. Unfortunately, however, these experiments could not be sustained over time and many organisations, such as, for example, Calico Cloth Mills in Ahmedabad and Kalkaji Post Office in New Delhi, gradually reverted to their earlier functional and hierarchical structures.  

Departmentalization

Bhilai Engineering Corporation Limited

All the four sample industries have a different type of departmentalization as per the nature of product. In the Bhilai Engineering Corporation Limited, the departments have been divided into two areas on the basis of function – production and service. The production unit consists of two separate divisions – foundry and engineering. The foundry division has many processing departments such as melting shop, moulding section, fettling and pattern shop. The engineering division has three main departments: machinery shop, assembly shop and equipment/fabrication shop. The sub-units of both the engineering and foundry divisions are maintenance and store section. The service unit consists of many departments including marketing, purchase, personnel and accounts. Each major product in the Bhilai Engineering Corporation Limited is placed under the authority of a General Manager/Deputy General Manager or Division Manager/Manager who is a specialist in, and responsible for, everything having to do with his product line.

Every department is responsible for the various processes of production and distribution of the relevant product.
The Marketing department collects orders for the various products of iron and steel from customers, either directly or through the sales offices existing in important towns in India. On receiving an order, this department fixes the date on which the order can be executed in consultation with other sections of the factory and accordingly informs the customer.

Now the production programme and its technical and financial aspects are worked out. This is done at the highest executive level, in so to fit in with the general policy of the company. Officers discuss manufacturing programmes in detail and take decisions regarding their execution.

Once the planning and basic designing work is done, the actual execution of production work begin in different functional units. The purchasing of the raw materials and accessory materials required for production is done by the purchase department. The requirements of the factory from time to time are ascertained by the Purchase Manager in consultation with other heads of units. On the basis of this he places orders with proper firms and sees to it that the needs are fulfilled in time so as to keep up with production schedules.
In the Bhilai Engineering Corporation Limited, two major units have been operating - the iron and steel foundry and the engineering division.

The iron foundry was the first unit to be set up with a small foundry beginning its operation with 150 ton. Today, the capacity has been expanded to 1250 ton per month. The foundry now has facilities for manufacturing single-piece castings upto a weight of 30 ton. The steel foundry was initially set up with a 0.5 ton arc furnace. On subsequent expansion, this capacity was raised substantially by installing a 5 ton arc furnace. The company's capacity for steel castings is now 350 ton per month. Bhilai Engineering Corporation Limited's steel foundry has developed a wide range of alloys steels and castings for the core industries. The steel foundry also produces CASNUB Bogies for the Indian railways.

The manufacturing process starts from the pattern shop. Here, wooden patterns for parts of steel items are prepared. This work is mostly hand-and-tool carpentry, except for pattern turning which is done on machines. With the help of these patterns the core section of the foundry prepares cores of sand and clay which are mixed in the clay section. The cores are prepared with tools, dried in a furnace and then bound with steel wires. Finished cores
FIGURE - 1: DEPARTMENTALIZATION IN BHILAI ENGINEERING CORPORATION LIMITED
are then put into moulding boxes which are packed with special clay and the moulds prepared in the moulding section. Moulding is done partly with machines and partly by hand (hand moulding). Then liquid metal, which has been melted in big furnaces in the furnace section, is poured into moulding boxes. When the metal within the moulding boxes cools down, it forms castings which are parts of steel items. Castings are inspected in the quality control department and passed as good only if the latter finds them in conformity with specifications. Then the castings are sent to the machine shop.

In the machine shop, castings are turned on different types of lathes; they are planed and surfaced on planning and shaping machines. Slotting is done on slotting machines, drilling or tapping on drills, and grinding on grinding machines. After all the operations on an article are over, the inspection department inspects it and testifies whether it is in accordance with specifications.

After this the different parts of a product are sent to the assembly shops and assembled to make the whole product.

The repair and maintenance shop looks after the proper maintenance and overhauling work in the factory and the repairs of tools and machines. This workshop has two
main sections - mechanical and electrical - and each looks after repairs and maintenance in their respective fields.

The personnel department deals with all matters pertaining to employees: recruitment, wages and salaries, increments and promotion, employee welfare and disputes. The time keeping staff and the factory dispensary including ambulance are under the personnel department, as also are the watchmen of the factory. The general office department includes the records and despatch clerks, computer programmers, accountants, typists, stenographers, and receptionists.

Work pertaining to the shares of the company, accounts and cash payments is done by the accounts department. Petty cash transactions with employees, such as payment of overtime, bonus, etc. are handled by a clerk in the personnel department. The accounts section and the personnel section gives the details of salary and others to the Computer section, where the data-entry-operators make the pay-slip per month.

Within each functional unit there is an ordered arrangement of the activities of men handling the different machines, tools and raw materials. In one respect, the work in a functional unit is divided into stage. For instance, the foundry, the patternship, the core, clay, furnace and moulding represent the different
stages of preparing castings.

Whatever the nature of formal relationships among the members of a functional unit, they are all under the authority of a person who is the head of the unit. The head of a functional unit is responsible for the work of the other members of his unit. He acts as a link between the management and the employees in his unit. He carries out orders from the management by giving orders to his employees. On the other hand, he collects information about the work done and being done in his functional unit and transmits this information to the management. An employee's relations with members of other functional units, as well as with the management, are channelized through the head of his functional unit. For instance, if an employee in the machine shop finds the necessity for removing defects of a casting, he approaches the foreman of the machine shop, and the latter makes the necessary request to the foundry incharge. Or when an employee wants leave or wants to press for an increment in his wages, he first makes a representation to the head of his functional unit on whose recommendation the management takes a decision. In general, an employee is identified by the functional unit to which he belongs.
Inspite of this identification of an employee with a functional unit, there is a continual interaction between workers of most functional units since they are part of the same production system. The supervisors, foremen, assistant managers and deputy managers of various functional units are required to consult and inform each other on several points such as production schedules, changes in designs, rate of output and availability of raw materials.

In such cases, an employee is in close and frequent contact with the members of the other unit or units with whom he works. That is, his activities stretch far beyond his functional unit. In some cases, a few members of a functional unit continuously worked in a proximity with other functional units but away from the other members of their own unit. Some employees of the store department are working in the sub-stores as well as main stores.

Bhilai Wires Limited

The Bhilai Wires Limited is engaged in the manufacturing of a wide variety of high carbon wires, mild steel wires, special wires and strands. The main customers of the company include Post and Telegraph department, various electricity boards and various private parties.
FIGURE 2: Wire rod manufacturing process in Bhilai Wires Limited
The Bhilai Wires Limited has four major units of production - pickling, wire drawing, galvanizing and stranding unit. The sub units of production are maintenance, store and quality control control. In the Bhilai Wires Limited each of these three departments, production, maintenance and marketing, are placed under the authority of a manager. Other departments are placed under the charge of Deputy Manager.

The purchasing of the raw materials required for production is done by the Materials department. The President* of the company looks over the marketing and materials section. The raw materials are purchased mainly from stockyard of the Bhilai Steel Plant and the private parties of Indore and Bombay.

The production programme is worked out by the Director with the consultation of Production Manager. The starting point of the actual manufacturing process is the pickling section. Here, the wire rods are pickled in the acid tanks by the help of cranes. Then it goes to wire drawing section where the wire rods are given different sizes as per customer's order. In the galvanizing section, wires are coated in zinc tank. Wire rods are inspected by

* The designation of 'President' exists only in Bhilai Wires Limited. The President is lower only to the Managing Director.
the quality control section and are passed only if they are in conformity with specifications. Then the wire rods are sent to the stranding section, where the wire rods are wrapped in the wooden drums. Two carpenters are appointed by the company for making the wooden drums. The maintenance section, with its mechanical and electrical branches looks after the proper maintenance, overhauling and repairs of machines.

The administration department deals with all matters pertaining to employees' recruitment, welfare and disputes. The administration department is placed under the charge of a Deputy Manager. The Personnel Officer and Assistant Personnel Officer assist him in the section.

The accounts, cash payment, and the shares of the company are handled by the accounts section. Petty cash transactions with employees are handled by the Personnel department.

The President of the company is the overall in charge of the factory. He reports the progress of production and other details to the Managing Director.

Simplex Udyog

The Simplex group of industries has three industries in Bhilai Industrial Area, namely - Simplex
Engineering Corporation, Simplex Udyog and Simplex Casting. Simplex Udyog is the sample industry in the present study. The Simplex has established well knit and comprehensive facilities for fabrication, castings, forging and machine shops with in-house designing and engineering facilities.

In the Simplex Udyog, three main units, the machine shop, the fabrication shop and the assembly shop have been operating. These units are placed under the charge of an Assistant General Manager (Works). He looks over all these departments. Quality Control department is under the charge of Manager (Quality Control). The store unit including two sub-store units are placed under the authority of Assistant General Manager (Works).

Bharat Industrial Works

Bharat Industrial Works has been working in steel fabrication, erection and mechanical equipment erection. It has one main production unit. The fabrication unit, the inspection unit and the quality control sections are its supporting sub-units. The Director of the Bharat Industrial Works is the overall in-charge of these departments. The service units consist of personnel and
accounts. The Assistant Personnel Manager is in charge of personnel section, and an accountant looks after the accounts and cash payment of the employees.

**Hierarchy of the Organization**

Management brings about systematic execution of work and co-ordination of activities in the various functional units by a delegation of powers and responsibilities to each of them. The head of a functional unit is responsible for the entire work in his unit. This creates a hierarchical structure of personnel within each functional unit. The head of the unit, who gives orders to the others therein, occupied a higher position.

**Bhilai Engineering Corporation Limited**

In Bhilai Engineering Corporation Limited, each section of the foundry has a supervisor who is responsible for the work in his section. Most of the supervisors are diploma-holders. All supervisors are under the authority of the foundry Divisional Manager and Foreman.

Employees holding identical or similar positions in different functional units may be said to form a category of the line-structure, or simply a line-category. Foreman,
Supervisor, Worker (skilled, semi-skilled and unskilled), draughtsman, weighing clerk, etc. are examples of line-categories in an organization. The possession of common attributes by members of a line-category enables them to identify themselves with one another and distinguish themselves from all other employees. The others also recognise them as a distinct unit. Therefore, the employees of a functional unit are differentiated according to the line-categories to which they belonged. Most employees of higher line-category have more education than those of a lower one and their jobs carry more responsibility than the jobs of the lower-category employees. As such the higher line-category has more status in society than the lower one. That is, the line-categories are status-categories as well. Those functionaries who are concerned with planning of production programmes, co-ordination of activities, and general administration are classified as staff members. Those who put in manual labour, work with tools and machines or perform lower services, are classified as workers.

In the Bhilai Engineering Corporation Limited, there are five levels recognised by the management (Figure-3):

(i) **Top executives** - General Manager/Deputy General Manager (M5), Divisional Manager (M4) and Manager (M3) are
HIERARCHY IN BHILAI ENGINEERING CORPORATION LTD.

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<td>SUPERVISOR (G3)</td>
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<td>SKILLED WORKER (SW)</td>
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<td>SEMI-SKILLED WORKER (SSW)</td>
<td>359</td>
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<tr>
<td>UNSKILLED WORKER (USW)</td>
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FIGURE 3: STRUCTURE IN BHILAI ENGINEERING CORPORATION LIMITED
recognized as top executives. They make decisions, allocate resources, and direct the activities of others to attain goals. They perform five management functions: they plan, organize, command, coordinate, and control. The executives earn the highest monthly salaries in the factory, most of them in the four to five figures range. They do not always keep the usual working hours since mostly they have to work more than eight hours a day.

(ii) Middle line: Next to the executives are the middle line managers. These include deputy manager (M2) and assistant manager (M1).

(iii) Techno-structure: The next category include the persons who have both technical knowledge of the job and skill in human relations. These include foreman (G4) and supervisor (G3). Some personnel also included in this category - senior executive (E3), executive (E2) and junior executive (E1). In this category the supervisor is the person immediately responsible for the work of production and maintenance workers in factory. He has direct contact with workers. He is the person who sees the plans and policies of the management being implemented. His role is very important in the functional units. The supervisors have to keep good relations with workers as well as with their seniors. Since they have to meet the
HIERARCHY IN FOUNDARY DIVISION

MANAGING DIRECTOR

GENERAL MANAGER (WORKS)

DY. GENERAL MANAGER

DIVISIONAL MANAGER (Quality Control)

Deputy Manager

Assistant Manager

Executive

Supervisor

Assistants

DIVISIONAL MANAGER (Method)

Assistant Manager (Method)

Executive

Assistants

DIVISIONAL MANAGER (Foundry)

Melting

Moulding

Asst. Manager

Executive

Moulding

Hand Moulding

Sand Plant

Fettling

Asst. Manager

Executive

Supervisor

Asst. Manager

Executive

Supervisor

SKILLED WORKER

SEMI-SKILLED WORKER

UNSKILLED WORKER

FIGURE - 4
expectations of both the groups, they find it very difficult, at times, to adjust themselves to various situations.

(iv) Operating Core: The employees who perform the basic work related to the production of products and services (i.e., those persons who do not supervise other employees) are the operating core. The operating core can be divided into the following three categories:

a. Skilled workers: The jobs of skilled workers require special training and experience with machines used for organisation of production programmes. These workers are not easily replaceable and hence enjoy a special status in the factory. Some fitters, turners, pattern-makers, welders, machine operators, etc., belong to this category.

b. Semi-skilled workers: These are the helpers of skilled workers. Their jobs involve some amount of learning, but they can be mastered with much ease and in a little time.

c. Unskilled workers: These are the labourers engaged in the workshops to carry materials from place to place and do other manual work.
(v) **Office Staff**: These include the diploma-holder technicians, draughtsmen and weighing operator (Production department); computer programmer, clerks, stenographers, accountants, typists and other assistants (Marketing, Materials and Accounts section); and time keeper and watchman (Administration section).

The office staff have been graded from G2 to G1. Some of assistants are trained for specific jobs in workshops and departments and hence their work involved a certain amount of skill and initiative. They can be distinguished from other clerks who do routine work such as filing and record-keeping.

Bhilai Wires Limited

In Bhilai Wires Limited, authority has been divided into the following categories (Figure - 5).

The President is the overall incharge of the factory. All the heads of the functional units report the progress of production and other activities of their sections to him. The President transmits the work progress to the Managing Director. Next to the President are the Deputy General Manager (Finance and Accounts), Manager (Production), Manager (Maintenance) and Additional Manager (Marketing). They are directly under the control of the President.
FIGURE -6 : HIERARCHY IN BHILAI WIRES LIMITED
It has come to the knowledge of the researcher during the interviews that most of the executives including the President had left the company some years ago and after sometime they rejoined the company with better pay and position. It is surprising that not even a single executive belongs to the local populace.

Next, there are the Deputy Managers. Some Deputy Managers like Deputy Manager (Stores) and Deputy Manager (Administration) report the progress of their units to the President directly, whereas the Deputy Manager (Production), Deputy Manager (Accounts), Deputy Manager (Sales) and Deputy Manager (Quality Assurance) are under the control of the heads of their functional units. Most of the Deputy Managers are promoted from lower posts. They have a large span of experience in the field of wire manufacturing. It was also found that most of the deputy managers do not have high formal qualifications.

There are only two Assistant Managers (Sales and Production) in the company. Both the Assistant Managers are young and well-educated.

In the next category, come the firstline foremen and supervisors. They are attached with the galvanizing and wire drawing sections. Six foremen and twelve supervisors are working in the production section. The
foremen have many years' experience in steel wire making industries. Some are specialised in galvanizing and others in wire drawing. Most of the supervisors are young and have experience in their respective fields.

The employees who perform the basic work related to production of wire rods and the maintenance of machines come in the operating core. These include skilled, semi-skilled and unskilled workers. Most of the skilled and unskilled workers have been working in this organization since the establishment of this company, and they have much experience in their respective aspects of manufacturing. Unskilled workers are the labourers engaged in the Production and Maintenance Sections to carry materials and do manual work. The operating core receive work orders from the supervisors and communicate their problems to the authorities through the supervisors. Most of the semi-skilled and unskilled employees belong to the Chhattisgarh region.

Office staff includes the quality control technicians, draughtsmen, timekeeper, watchmen, weighing operators, office assistants, accountants, stenographers, receptionist, typist, computer and photocopy operators. Most of the office staff belongs to other state. They work in accordance with the instructions of their respective departmental heads.
Simplex Udyog

The hierarchy of authority in the Simplex Udyog has been shown in Figure - 6.

The Simplex group of industries has three units in the Bhilai Industrial Area. The Managing Director of the Simplex group looks over all these three units. The Assistant General Manager (Works) is the overall incharge of work in the Simplex Udyog. He gives day-by-day production report to the Managing Director. He holds a B.E. degree in mechanical engineering. He looks after all the three departments - machine shop, fabrication shop and assembly shop directly, with the assistance of Production Manager. It has come to my knowledge during field work that the Production Manager has a non-technical degree (B.A.); but he has been working in the Simplex Group of Industries for the last 21 years.

The Manager (quality control), the Deputy Manager (maintenance) and the Assistant Manager (planning) report the activities of their sections to the Assistant General Manager (Works). They are either technical Graduate or Diploma holders in mechanical.

One foreman has been appointed in the maintenance section on a contract basis. Every section has many Supervisors. Most of the Supervisors are young and hold
HIERARCHY IN SIMPLEX UDYOOG

MANAGING DIRECTOR

ASSISTANT GENERAL MANAGER (WORKS)

MANAGER (Quality Control)

MANAGER (Production)

DEPUTY MANAGER (Maintenance)

ASSISTANT MANAGER (Planning)

MANAGER (Production)

MACHINE SHOP

FABRICATION SHOP

ASSEMBLY SHOP

FOREMAN

SUPERVISOR

SKILLED WORKER

SEMI-SKILLED WORKER

UNSKILLED WORKER

FIGURE - 6
diplomas in mechanical engineering but they have less experience in comparison to the skilled workers who have been working in this organization for the last so many years.

Skilled workers comprise machinists, fitters, turners, welders and machine operators. Semi-skilled workers assist the skilled workers. They too have experience in their respective fields. Unskilled workers are engaged in the manual work. They assist skilled or semi-skilled workers. The personnel working in the store section are also designated as a skilled or semi-skilled workers. In other sample industries the employees of store come under the category of official staff.

The number of ministerial staff working in the Simplex Udyog is not large. The reason behind it is that the service units like personnel, accounts, marketing and others are attached with the Simplex Engineering Works (Unit I). All the three units of Simplex group have only one service centre. In Simplex Udyog (Unit II) there is a small office staff which includes the timekeeper, quality control technicians, assistants in planning section and typist.
Bharat Industrial Works

In the Bharat Industrial Works the organisation of work force is not steeply hierarchical. This can be seen from figure - 7.

The Director of the Bharat Industrial Works looks over all the departments. The Manager (personnel), the Deputy Manager (Technical), the Accounts Chief, the Manager (Marketing), and the Executive (Stores) report directly to the Director. They bring the activities of their functional units to notice of the Director directly. The Director plans out the production programme.

Next come the foremen and the supervisors. They also report the progress of production to the Director. The supervisors and the foremen are young. They are either technical graduates or technical non-graduates. The supervisors maintain direct relations with the workers as well as the Director. They service as the bridge between the workers and the Director.

The skilled workers comprise fitters, welders, turnvers, cutters, etc. Most of the skilled workers are from outside Madhya Pradesh. Semi-skilled and Unskilled workers assist the skilled workers.

Among the administrative staff only nine persons have been working. These include the office-incharge, and assistants in accounts, marketing and store.
HIERARCHY IN BHARAT INDUSTRIAL WORKS

DIRECTOR

MANAGER PERSONNEL
DEPUTY MANAGER TECHNICAL
OFFICE INCHARGE (Time Office)
SUPERVISOR
SKILLED WORKER
SEMI-SKILLED WORKER
UNSKILLED WORKER

MANAGER MARKETING
FOREMAN ASSISTANTS
ASSISTANTS

EXECUTIVE STORE
ASSISTANTS
ASSISTANTS

CHIEF ACCOUNTS
ASSISTANTS

FIGURE - 7
The Overall Picture of Organisational Hierarchy

Thus, hierarchy refers to levels of authority in an organisation ranging from the managers at the top to the operating workers at the bottom. Overall, there are five basic parts of hierarchy in the medium scale industry - the strategic apex, the middle line, the technostructure, the operating core and the supporting staff (Figure - 8).

The employee who perform the basic work related to the production of goods and services (i.e. those persons who do not supervise other employees) are the operating core. The operating core consists of skilled, semi-skilled and unskilled workers. The persons, who have both technical knowledge of the job and skill in human relations come in the techno-structure. They have direct authority over the operative employees. In the present study foreman and supervisor come in this category.

The middle line refers to those managers who connect the operating core to the strategic apex, i.e. deputy managers and assistant managers. The top-level managers, who are charged with the overall responsibility for the organisation constitute the strategic apex. The personnel who provide indirect support services for the organisation are called support staff. The support/office staff include raftsmen, weighing operators, clerks, computer programmers, stenographers, typists, accountants, time keepers etc.
THE OVERALL PICTURE OF ORGANISATIONAL HIERARCHY

STRATEGIC APEX
(Managing Director, President, General Manager,
Deputy General Manager, Divisional Manager, Manager)

MIDDLE LINE
(Deputy Manager & Assistant Manager)

TECHNO STRUCTURE
(Foreman and Supervisor)

SUPPORT STAFF

OPERATING CORE
(Skilled, Semi-Skilled and Unskilled Worker)
Wages and Salary Administration

Wages and salaries are the price paid for the services of employees in the process of production. These are composed of two parts - the basic salary and other allowances. The basic wage is the remuneration, which is paid or payable to an employee in terms of his contract of employment for the work done by him.

All the four sample industries have been paying minimum wages promulgated by the government to their employees. The rate of minimum wages has been revising by the government from time to time. A minimum wages is defined by the Committee (set up by the government) as 'the wage which must provide not only for the bare sustenance of life, but for the preservation of the efficiency of the worker. For this purpose, the minimum wage must provide for some measure of education, medical requirements and amenities'. But most of the respondents felt that the rate of minimum wages fixed by the Government is not sufficient at present for their livelihood.

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<td>82 39.42</td>
<td>13 6.25</td>
<td>19 9.13</td>
<td>208 100</td>
</tr>
<tr>
<td>Bhilai Wires Ltd.</td>
<td>8 13.11</td>
<td>21 34.43</td>
<td>27 44.26</td>
<td>1 1.64</td>
<td>4 6.56</td>
<td>61 100</td>
</tr>
<tr>
<td>Simplex Udyog</td>
<td>11 19.64</td>
<td>20 35.71</td>
<td>18 32.14</td>
<td>2 3.57</td>
<td>5 8.93</td>
<td>56 100</td>
</tr>
<tr>
<td>Bharat Industrial Works</td>
<td>18 58.06</td>
<td>8 25.81</td>
<td>1 3.23</td>
<td>2 6.45</td>
<td>2 6.45</td>
<td>31 100</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>49 13.76</strong></td>
<td><strong>131 36.80</strong></td>
<td><strong>128 35.96</strong></td>
<td><strong>18 5.06</strong></td>
<td><strong>30 8.43</strong></td>
<td><strong>356 100</strong></td>
</tr>
</tbody>
</table>
INCOME OF THE RESPONDENTS

FIGURE - 9
The classification of workers by income reveals that the major proportion of the sample belongs to middle income group. As many as 72.8% of the workers fall in the middle income category and their monthly earnings lie within the range of Rs.2001/- to Rs.4000/-. Less than one-fourth of the respondents belong to lower income group and earn between Rs.1000/- to Rs.2000/- a month. The upper income group is small, i.e. only 13.5%. The income only of the managers comes in the upper income group. This is shown in Table 3-1 and Figure 10.

Table 3-1 shows that 58.1% respondents belong to lower income group and their monthly earnings lie within the range of Rs.1000/- to Rs.2000/-. The reason behind it that the most of workers working in Bharat Industrial Works are under the Contractor. Table 3-2 also shows that the workers of the Bharat Industrial Works get only basic pay as direct financial reward.

Table 3-2 shows direct financial rewards given to the employees of the sample industries.

Table 3-2 shows that only the Bhilai Engineering Corporation Limited has been providing all extrinsic financial rewards to their employees such as medical allowance, house rent allowance, cycle allowance to the workers and petrol allowance to the staff, bonus, overtime, profit-sharing incentives, dust allowances,
<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Name of the Industries</th>
<th>Basic</th>
<th>VDA</th>
<th>Medical</th>
<th>HRA</th>
<th>CA/Petrol Allowance</th>
<th>Annual Increment</th>
<th>Bonus</th>
<th>Overtime</th>
<th>Profit sharing incentive</th>
<th>Dust allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Bhilai Engineering Corporation Ltd.</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>2.</td>
<td>Bhilai Wires Limited</td>
<td>YES</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
</tr>
<tr>
<td>3.</td>
<td>Simplex Udyog</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
</tr>
<tr>
<td>4.</td>
<td>Bharat Industrial Works</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
</tr>
</tbody>
</table>
annual increment and a gift for proper attendance. The Bhilai Wires Limited and Simplex Udyog have also been giving financial rewards excluding CA/Petrol allowance, profit sharing incentives, dust allowance and provision for gift/cash for proper attendance. Whereas already stated, the Bharat Industrial Works has been providing only fixed pay to their employees. Any other extrinsic reward, except yearly Bonus has not been provided to them.

**Employee Services and Welfare Schemes**

Organizations provide a number of services that employees find desirable. These services are provided at the discretion of the management and are generally of some concern to unions when they engage in collective bargaining for the employees. These services include eating facilities, housing services, educational services, medical services, financial and legal services, and recreational services.

Table 3-3 shows the employees' services and welfare services given to the employees of the sample medium scale industries.

It can be seen from the table that among the four sample industries only the Bhilai Engineering Corporation
Limited has been providing proper employee services to their employees. There are two canteens in the company - one of the canteens is on the side of the foundry section and other is near the machine shop. About half of the cost incurred in running the canteen is borne by the company. Around the canteens there are lawns where the employees take rest during the break. The personnel of the administration section are members of the Canteen Committee. The canteens are run by the Contractors.

The other three industries have not provided canteen services to their employees.

Housing services include company owned housing and subsidised housing. The Bhilai Engineering Corporation Limited has constructed some quarters in the factory compound. In addition some quarters have been hired by the company in the M.P. Housing Board Colony near the Industrial Estate. The Bhilai Wires Limited and Simplex Udyog are providing accommodation facilities to their employees only in the M.P. Housing Board Colony. Most of the executives of Bhilai Engineering Corporation Limited, Bhilai Wires Limited and Simplex Udyog have been provided housing facilities in the posh area of Nehru Nagar, and in Padmanabpur and M.P. Housing Board Colony. The Bharat Industrial Works has not provided any housing facilities to their workers.
### TABLE 3-3: EMPLOYEE SERVICES/WELFARE SCHEMES GIVEN TO THE EMPLOYEES OF THE MEDIUM SCALE INDUSTRIES

<table>
<thead>
<tr>
<th>NAME OF THE COMPANY</th>
<th>CANTEEN FACILITY</th>
<th>HOUSING SERVICES</th>
<th>EDUCATIONAL SERVICES</th>
<th>MEDICAL SERVICES</th>
<th>FINANCIAL AND LEGAL SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>COMPANY SUBSIDISED OWN QUARTERS</td>
<td>OWN FEE REIMBURSE</td>
<td>OWN AMBULANCE MEDICAL CLINIC SERVICES ADVANCE</td>
<td>(GROUP INSURANCE, SEVA SCHEME, COOPERATIVE SOCIETY)</td>
</tr>
<tr>
<td>Bhilai Engineering Corporation Ltd.</td>
<td>YES</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>Bhilai Wires Limited</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td></td>
<td>YES (ONLY STAFF)</td>
<td>NO</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>Simplex Udyog</td>
<td>NO</td>
<td>NO</td>
<td>YES (ONLY STAFF)</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>NO</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>Bharat Industrial Works</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
</tr>
</tbody>
</table>

Only the Bhilai Engineering Corporation Limited and Simplex Udyog have been giving the facility of fee reimbursement for the employee's children, as educational services.

Medical services include plant infirmaries, clinics and hospitals, ambulance service and medical advance. No industry has its own clinic. The Bhilai Engineering Corporation Limited and Simplex Udyog have been giving medical advance to their employees.

Financial and legal services include sponsoring of group insurance plans, seva scheme, and cooperative society. All the three sample industries excluding the Bharat Industrial Works sponsor these type of plans.

**Employment Status of the Respondent**

It is evident by the analysis of data regarding the employment status of the respondents that 62.2% respondents are permanent whereas 37.4% respondents are temporary on the job (Table 3-4). It is found that there are three types of employees in the medium scale industry. These are (a) Permanent workers - those who are employed and directed by the company's authority, (b) Contractor workers - those persons who are employed and controlled by the Contractor, and (c) Committee workers - those persons who are employed by the company but are under the control.
### TABLE 3-4 EMPLOYMENT STATUS OF THE RESPONDENTS

<table>
<thead>
<tr>
<th>NAME OF THE COMPANY</th>
<th>PERMANENT WORKER FREQUENCY</th>
<th>PERMANENT WORKER %</th>
<th>CONTRACTOR WORKER FREQUENCY</th>
<th>CONTRACTOR WORKER %</th>
<th>COMMITTEE WORKER FREQUENCY</th>
<th>COMMITTEE WORKER %</th>
<th>TOTAL FREQUENCY</th>
<th>TOTAL %</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHILAI ENGINEERING CORPORATION LIMITED</td>
<td>139</td>
<td>69.23</td>
<td>69</td>
<td>35.57</td>
<td>0</td>
<td>0.00</td>
<td>208</td>
<td>100</td>
</tr>
<tr>
<td>BHILAI WIRES LIMITED</td>
<td>43</td>
<td>70.49</td>
<td>11</td>
<td>18.03</td>
<td>7</td>
<td>11.48</td>
<td>61</td>
<td>100</td>
</tr>
<tr>
<td>SIMPLEX UDYOG</td>
<td>27</td>
<td>48.21</td>
<td>19</td>
<td>33.93</td>
<td>10</td>
<td>17.86</td>
<td>56</td>
<td>100</td>
</tr>
<tr>
<td>BHARAT INDUSTRIAL WORKS</td>
<td>14</td>
<td>45.16</td>
<td>17</td>
<td>54.84</td>
<td>0</td>
<td>0.00</td>
<td>31</td>
<td>100</td>
</tr>
<tr>
<td>TOTAL</td>
<td>223</td>
<td>62.64</td>
<td>116</td>
<td>32.58</td>
<td>17</td>
<td>4.78</td>
<td>356</td>
<td>100</td>
</tr>
</tbody>
</table>
EMPLOYMENT STATUS OF THE RESPONDENTS

FIGURE - 10
of the Committee officials. These Committees have been constituted by the company recognised unions. It was found that such Committees were formed in Simplex Udyog and Bilai Wires Limited by the leaders of the INTUC and the AITUC respectively. The workers, who were recruited in the industry by the Committee, get their wages directly from them. This arrangement is unexpected and rather surprising. It means that the owners of these industries have devised a method of giving regular financial benefit to those who control the workers' unions. Obviously, this must be making the union leaders beholden to the owners and inducing them to serve their interests.

**Promotion**

A promotion may be defined as an upward advancement of an employee in an organisation to another level, which commands better pay, better status or prestige, and higher opportunities, responsibility, and authority, better working environment, hours of work and facilities, and a higher rank.

The analysis of data brings out that 44.7% respondents did not get any promotion in their service careers whereas one-fourth of the respondents got one promotion. Thus, it may be concluded that the employees of the sample industries have very few chance of promotion (Table 3-5, Figure - 10).
<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>1</th>
<th>2</th>
<th>Above 2</th>
<th>NIL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
</tr>
<tr>
<td>Bhilai Engineering Cor.Ltd.</td>
<td>45</td>
<td>21.63</td>
<td>38</td>
<td>18.27</td>
<td>39</td>
</tr>
<tr>
<td>Bhilai Wires Ltd.</td>
<td>15</td>
<td>24.59</td>
<td>6</td>
<td>9.84</td>
<td>6</td>
</tr>
<tr>
<td>Simplex Udyog</td>
<td>30</td>
<td>53.57</td>
<td>5</td>
<td>8.93</td>
<td>8</td>
</tr>
<tr>
<td>Bharat Industrial Works</td>
<td>4</td>
<td>12.9</td>
<td>0</td>
<td>0.00</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>94</td>
<td>26.40</td>
<td>49</td>
<td>13.76</td>
<td>54</td>
</tr>
</tbody>
</table>
PERCENTAGE OF PROMOTION OBTAINED BY THE RESPONDENTS

FIGURE - 10
A large proportion (83.9%) of the respondents from the Bharat Industrial Works did not get any promotion in service whereas only 16.1% respondents got 1 to above 2 promotions. 55.7% respondents of the Bhilai Wires Limited and 41.4% respondents of the Bhilai Engineering Corporation Limited did not get any promotion in the service. About one half of the respondents of Simplex Udyog got only one promotion in their service.

The sample industries provide neither on-the-job training nor off-the-job training to their employees. Lack of training programmes in the medium scale industries has resulted in less opportunities for career development of the workers.

**Communication**

No group can exist without communication. It is a process of transmitting information, thoughts, opinions, message, facts, ideas and emotions and understanding from one person or group to another person or group. When people communicate with each other, they are exchanging messages upon which action can be taken.

Communication serves four major functions within an organisation: control, motivation, emotional expression, and information. Organisations have authority hierarchies
and formal guidelines that employees are expected to follow. When employees are told to first communicate any job-related grievance to their immediate boss, to follow their job description, or to comply with company policies, communication is performing a control function. Communication promotes productivity by clarifying to employees what is to be done, how well they are doing, and what can be done to improve performance. The setting of specific goals, feedback on progress toward the goals, and reinforcement of desired behavior all stimulate motivation and require communication. Communication also provides a release for the emotions and feelings, and for the fulfillment of social needs. It provides the information that individuals and groups need to make decisions by transmitting the data to evaluate alternative choices.

Formal communication networks are meant for task-related communication that are in accordance with the authority chain. In medium-scale industry communication flows both vertically or laterally. The vertical dimension has both downward and upward direction.

Downward communication flows from a higher level to a lower level. It is used by the managers to assign goals, provide job instructions, inform their subordinates about policies and procedures, point out problems that need
attention. The overwhelming majority of more than three-fourth of the respondents which include skilled, semi-skilled and unskilled workers, and ministerial staff have been receiving the work orders orally. Only 5.3% of the respondents such as managers, deputy managers, assistant managers, foremen and supervisors are getting their work order in the written form (Table 3-6, Figure 11).

Oral communication generally takes place among the workers (skilled, semi-skilled and unskilled) also because they are largely less educated and illiterate and there are problems of language. There is direct oral communication between the supervisor and the workers, and it is face-to-face. This type of communication is more communicative and effective and is of great help in avoiding delays, red-tape and formalities.

The analysis of data from these four medium scale industries reveals that the overwhelming majority of respondents (91.6%) which includes operating workers and ministerial staff get their work orders from their immediate officer, whereas 6.4% informants which comprise of supervisors, foremen, assistant managers and deputy managers receive their work orders from immediate officer as well as intermediate officer (Table 3-7).

When the communication takes place among members of the work group, among members of work groups at the same
<table>
<thead>
<tr>
<th>Name of Company</th>
<th>Written</th>
<th>Oral</th>
<th>Both</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bilaspur Engineering Ltd.</td>
<td>31</td>
<td>6</td>
<td>37</td>
<td>66</td>
</tr>
<tr>
<td>Bilaspur Engineering Ltd.</td>
<td>36</td>
<td>8</td>
<td>44</td>
<td>84</td>
</tr>
<tr>
<td>Bilaspur Engineering Ltd.</td>
<td>61</td>
<td>4</td>
<td>65</td>
<td>126</td>
</tr>
<tr>
<td>Bilaspur Engineering Ltd.</td>
<td>208</td>
<td>40</td>
<td>248</td>
<td>496</td>
</tr>
</tbody>
</table>

Note: The table represents downward communication. The values indicate the number of employees who communicate in writing, orally, or both, along with the total number of employees across all communication methods.
DOWNWARD COMMUNICATION

FIGURE - 11
<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>Immediate Officer</th>
<th>Intermediate Officer</th>
<th>Supreme Officer</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
</tr>
<tr>
<td>Bhilai Engineering Cor.Ltd.</td>
<td>208</td>
<td>89.66</td>
<td>19</td>
<td>8.19</td>
</tr>
<tr>
<td>Bhilai Wires Ltd.</td>
<td>63</td>
<td>91.3</td>
<td>3</td>
<td>4.35</td>
</tr>
<tr>
<td>Simplex Udyog</td>
<td>56</td>
<td>96.55</td>
<td>2</td>
<td>3.45</td>
</tr>
<tr>
<td>Bharat Industrial Works</td>
<td>31</td>
<td>96.88</td>
<td>1</td>
<td>3.13</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>358</strong></td>
<td><strong>91.56</strong></td>
<td><strong>25</strong></td>
<td><strong>6.39</strong></td>
</tr>
</tbody>
</table>
level and among managers at the same level, we call it lateral communication. One half of the respondents including operating workers stated that they cannot take decisions on their own and the remaining one half of the respondents such as deputy managers, assistant managers, foremen and supervisors take decision related to the work activities on their own (Table 3-8).

This type of communication is sometimes beneficial. But it can create dysfunctional conflicts when the formal vertical channels are blocked, when members go above or circumvent their superiors to get things done, or when bosses find out that actions have been taken or decisions made without their knowledge.

A majority, about three-fourth of the respondents, said that lateral communication is beneficial for enhancing efficiency and 12.4% of the sample workers responded that lateral communication facilitates coordination among them (Table 3-9).

In a good organisation, the management uses both verbal and written communication. To be effective, these media have to be clear, purposeful, concise and complete, and they should express mutual confidence at appropriate levels. Proper communication plays an important role in an organisation, and there has to be a proper balance between oral and written forms of communication.
<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>YES</th>
<th></th>
<th>NO</th>
<th></th>
<th>TOTAL</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
</tr>
<tr>
<td>Bhilai Engineering Cor. Ltd.</td>
<td>115</td>
<td>55.29</td>
<td>93</td>
<td>44.71</td>
<td>208</td>
<td>100</td>
</tr>
<tr>
<td>Bhilai Wires Ltd.</td>
<td>29</td>
<td>47.54</td>
<td>32</td>
<td>52.46</td>
<td>61</td>
<td>100</td>
</tr>
<tr>
<td>Simplex Udyog</td>
<td>23</td>
<td>41.07</td>
<td>33</td>
<td>58.93</td>
<td>56</td>
<td>100</td>
</tr>
<tr>
<td>Bharat Industrial Works</td>
<td>10</td>
<td>32.26</td>
<td>21</td>
<td>67.74</td>
<td>31</td>
<td>100</td>
</tr>
<tr>
<td>TOTAL</td>
<td>177</td>
<td>49.72</td>
<td>179</td>
<td>50.28</td>
<td>356</td>
<td>100</td>
</tr>
</tbody>
</table>
TABLE 3-9: RESPONSES OF THE RESPONDENTS ABOUT THE BENEFITS OF LATERAL COMMUNICATION

<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>Enhance Efficiency F</th>
<th>Enhance Efficiency %</th>
<th>Saves Times F</th>
<th>Saves Times %</th>
<th>Facilitates Co-ordination F</th>
<th>Facilitates Co-ordination %</th>
<th>Others F</th>
<th>Others %</th>
<th>OTHERS F</th>
<th>OTHERS %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bhilai Engineering Cor.Ltd.</td>
<td>170</td>
<td>81.73</td>
<td>0</td>
<td>0.00</td>
<td>23</td>
<td>11.06</td>
<td>15</td>
<td>7.21</td>
<td>208</td>
<td>100</td>
</tr>
<tr>
<td>Bhilai Wires Ltd.</td>
<td>45</td>
<td>73.77</td>
<td>2</td>
<td>3.28</td>
<td>5</td>
<td>8.2</td>
<td>9</td>
<td>14.75</td>
<td>61</td>
<td>100</td>
</tr>
<tr>
<td>Simplex Udyog</td>
<td>45</td>
<td>80.36</td>
<td>0</td>
<td>0.00</td>
<td>11</td>
<td>19.64</td>
<td>0</td>
<td>0.00</td>
<td>56</td>
<td>100</td>
</tr>
<tr>
<td>Bharat Industrial Works</td>
<td>19</td>
<td>61.29</td>
<td>0</td>
<td>0.00</td>
<td>5</td>
<td>16.13</td>
<td>7</td>
<td>22.58</td>
<td>31</td>
<td>100</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>279</strong></td>
<td><strong>78.37</strong></td>
<td><strong>2</strong></td>
<td><strong>0.28</strong></td>
<td><strong>44</strong></td>
<td><strong>12.36</strong></td>
<td><strong>31</strong></td>
<td><strong>8.71</strong></td>
<td><strong>356</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Written communication takes the form of instructions, orders, rules and regulation, policies, procedures, memos and circulars. It may be put upon notice boards, or it may be in the form of suggestion schemes and personal letters written to employees.

In the medium scale industries two types of written communication are prevailing - circulars sent to employees and the information letters pasted upon the notice board. In the sample industries information regarding administrative matters is provided to operating workers by the notices which are pasted on notice boards whereas the staff at the level of officials form through circulars (Table 3-10).

Grievances and Grievance Handling

The International Labour Organisation defines a grievance as 'a complaint of one or more workers in respect of wages, allowances, conditions of work and interpretation of service stipulations, covering such areas as overtime, leave, transfer, promotion, seniority, job assignment and termination of service.'

No grievance committee has been formed in any of the four sample industries. Most of the grievances have been handled by superior-subordinate discussion. Table
<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>Notice Board</th>
<th>Circular</th>
<th>Any Other</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
</tr>
<tr>
<td>Bhilai Engineering Cor.Ltd.</td>
<td>149</td>
<td>71.63</td>
<td>59</td>
<td>28.37</td>
</tr>
<tr>
<td>Bhilai Wires Ltd.</td>
<td>46</td>
<td>75.41</td>
<td>15</td>
<td>24.59</td>
</tr>
<tr>
<td>Simplex Udyog</td>
<td>46</td>
<td>82.14</td>
<td>10</td>
<td>17.86</td>
</tr>
<tr>
<td>Bharat Industrial Works</td>
<td>23</td>
<td>74.19</td>
<td>8</td>
<td>25.81</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>264</td>
<td>74.16</td>
<td>92</td>
<td>25.84</td>
</tr>
</tbody>
</table>
### TABLE 3-11: GRIEVANCE HANDLING

<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
</tr>
<tr>
<td>Bhilai Engineering Cor. Ltd.</td>
<td>18</td>
<td>8.65</td>
<td>0</td>
<td>0.00</td>
<td>190</td>
<td>91.35</td>
</tr>
<tr>
<td>Bhilai Wires Ltd.</td>
<td>0</td>
<td>0.00</td>
<td>0</td>
<td>0.00</td>
<td>61</td>
<td>100.00</td>
</tr>
<tr>
<td>Simplex Udyog</td>
<td>0</td>
<td>0.00</td>
<td>0</td>
<td>0.00</td>
<td>56</td>
<td>100.00</td>
</tr>
<tr>
<td>Bharat Industrial Works</td>
<td>0</td>
<td>0.00</td>
<td>0</td>
<td>0.00</td>
<td>31</td>
<td>100.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>18</td>
<td>5.06</td>
<td>0</td>
<td>0.00</td>
<td>338</td>
<td>94.94</td>
</tr>
</tbody>
</table>

1. Suggestion Box, 2. Grievance Procedures, 3. Superior-Subordinate Discussions, 4. There is no Avenue, 5. Any Other
GRIEVANCE HANDLING

FIGURE - 12
3-11 and Figure 12 shows that the supervisor-subordinate discussion scores the highest (94.9%) in terms of channel richness because it provides the maximum amount of information transmitted during a communication situation in the medium scale industry. It may, therefore, be concluded that most of the grievances are being handled by the supervisor-subordinate discussions.

**Working Hours**

The sample industries, excluding the Bharat Industrial Works, are running in four shifts: the General shift (8 am to 5 pm) and the First shift (6 am to 2 pm), the Second shift (2 pm to 10 pm) and the Night shift (10 pm to 6 am). Bharat Industrial Works is running only in the General shift (8 am to 5 pm).

The top executives do not always keep the usual working hours since they have mostly to work more than eight hours a day. Hence they are allowed to arrive at and leave their work as they like.

Some jobs are required to be done so promptly and in such quantity that workers can not finish them even if they work at maximum speed! There are not adequate numbers of suitable workers to handle some jobs. In such cases, workers who can handle the jobs well are asked to work beyond their scheduled hours, i.e. work overtime. For overtime work, the management are obliged to pay double the regular wages or salaries.
<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>General</th>
<th></th>
<th>Shift</th>
<th></th>
<th>TOTAL</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
</tr>
<tr>
<td>Bhilai Enggineering Cor.Ltd.</td>
<td>73</td>
<td>35.10</td>
<td>135</td>
<td>64.90</td>
<td>208</td>
<td>100</td>
</tr>
<tr>
<td>Bhilai Wires Ltd.</td>
<td>20</td>
<td>32.76</td>
<td>41</td>
<td>67.21</td>
<td>61</td>
<td>100</td>
</tr>
<tr>
<td>Simplex Udyog</td>
<td>25</td>
<td>46.42</td>
<td>30</td>
<td>53.57</td>
<td>56</td>
<td>100</td>
</tr>
<tr>
<td>Bharat Industrial Works</td>
<td>31</td>
<td>100.0</td>
<td>0</td>
<td>0.00</td>
<td>31</td>
<td>100</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>150</strong></td>
<td><strong>42.13</strong></td>
<td><strong>206</strong></td>
<td><strong>57.87</strong></td>
<td><strong>356</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Most of the ministerial staff and the workers of maintenance section (mechanical or electrical) have been working in the General shift.

Table 3-12 shows the working hours of sample industries.

**Disciplinary Action**

Discipline is a process of regulating a worker so that he may exercise self-control and can become more effective in his work. The main objectives of discipline are - to engender a willing acceptance of the rules, regulations and procedures of the organisation, to give direction and seek responsibility, to create an atmosphere of respect for human relations, and to increase the morale and working efficiency of the employees.

Disciplinary problems are generally divided into three categories - minor breaches (negligence, minor violations of rules, carelessness, failure to be present when needed, etc.), major breaches (refusal to carry out orders or violating safety rules, etc.), and intolerable offences (theft, fighting at work, serious harm to others, etc.).

In most of the cases of unsatisfactory work performance (e.g. carelessness in handling materials, inattention to duty) or breach of discipline (e.g.
overstaying rest or lunch periods, unnecessary absenteeism, disregard of safety, failure to carry out the supervisor's instructions), the first step that is taken by the supervisor is to offer the worker a casual and friendly reminder on the job. If another incident arises, the complaint is forwarded to the Personnel department. Then the Personnel department takes necessary action. The Personnel department generally takes four steps in this order - oral warning, written warning, suspension and dismissal. Two additional steps - suspension-demotion and pay cuts are less common in the prevailing practice in the medium scale industries.

The most common form of disciplinary action is the oral warning. If the oral warning is effective, further official disciplinary action is avoided. If the employee fails to improve, the authority moves to take more severe action. The personnel section makes a temporary record of the reprimand and places it in the employee's file. Once the employee has demonstrated that he has corrected the problem, the record of the oral reprimand is removed from his file.

The second step in progressive discipline is the written warning. If written warning is not effective then suspension is to be the next disciplinary step that is usually taken.
Through the analysis of data regarding the formal structure of the medium scale industries, it may be inferred that due to lower magnitude of hierarchy and a good amount of personal contact in medium scale industry the company is benefited through reduction in distortion of communication, increased speed of decision-making, decrease in bureaucratic dysfunctionalities and wider span of control. On the other hand, the sample industries neither provided proper wages and promotion opportunities nor extended any training on-the-job and off-the-job to their employees.