Chapter - 10.

Structural Reorganisation.

1. Introduction.

In the earlier parts of the study, a good deal of discussions has already been made in respect of the current working methods and practices followed in the Traffic Department and in the other related units. It may reasonably be expected that better results would be achieved if and when the suggestions given are put into actions. Still, there remains the chance that some factors might have been left beyond the scope of discussions due to their not coming directly within the purview of the former studies; but these may also have important implications. As such, they should get their share in the discussions. Again, it is meaningful to mention that although the present study is purely a micro level one, the analysis should be such that it gives enough scope for generalisation.

In any set up, many inconveniences do not appear prima-facie; they, in some cases, crop up at later states out of wrong organisational structuring. Traffic Department of Durgapur Steel Plant, as has been demonstrated, appears to be a very complicated area of operation consisting of many critical affairs all around it. A study in proposed reorganisation of this department appears to be essential for solving some of the problems left out in the earlier analysis.

2. Concept.

The basic point to design an organisational structure is to see that use of resources must be directed towards the achievements of defined ends. The desired output of an organisation is specified in terms of goods and services and the role of the firm will thus be to provide a convenient process
that will transform the factors of production into desired 
products. The corporate tasks are then subjected to success-
ive subdivisions until areas of work are created that can be 
performed by a single block without much interference from 
others.

"The process of partitioning work into performance 
units and then grouping the units to facilitate management is 
called departmentation."¹ Garrett and Silver again go on to 
express that performance units are most frequently grouped 
into departments according to function, product, customer, 
geoaphy, or numbers.²

The division of authority and responsibility among 
managers at the same organisation level gives rise to depart-
mentation in organisation.³ He also views that normally each 
organisation level below the very top or apex is departmentized 
and likewise each succeeding lower level is further depart-
mentized.⁴

In any way, the departmentation is carried out to 
distribute the work, to take advantage of work-specialisation, 
to arrange units of manageable size and to utilise the manage-
rial ability. Terry defines that it is usually carried out by 
dividing the work to be done into semiautonomous units.⁵

3. Realities.

The function of Traffic Department begins right from 
receiving information regarding the prospects of material -
arrival and ends with the departure of the finished goods des-

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¹ Garrett and Silver - Production Management Analysis, 
1959, Page - 18. 
² Ibid. 
⁴ Ibid. 
⁵ Ibid.
-patches. The organisational relationship in this sphere may be studied in order to locate the weak-spots so that corrective measures may be taken in right direction.

In the course of earlier discussions it has been clearly mentioned that among the incoming leads, raw materials constitute the major figure and Traffic Department is to haul the loaded raw materials wagons upto the respective handling points according to the schedules or specific guidance from the controlling departments. Co-ordination is a dire necessity to get the jobs properly done in time which is very rarely done in practice. As a matter of convention, the Raw Materials Department of the plant needs only to look after the specific placement of the incoming goods traffic; whereas, on the other hand the specifications are planned by the consuming units, viz., the Blast Furnace Department, Coke-ovens Department, Steel Melting Shop, according to their timewise needs. However, the ground unloading schedules are carried out under the supervision of the Raw Materials Department and that is also subject to the schedules of raw materials needs as usually chalked out by the respective consuming departments. Traffic Department is simply to play the role of "Marshall", supposed to carry out the orders or instruction from their "Masters" without doing anything at its own. All the three departments are clearly independent in their respective fields of operation and naturally co-ordination, which is already in a very discouraging phenomenon in public sector undertakings in India, specially in Durgapur Steel Plant, is the only instrument to attain the schedules. "Communication helps managerial planning to be performed effectively". Terry goes on to express that

successful communication is the result of and not the course of competent management. It is desired that when the process of communication is already very complicated, it is the first responsibility of the management to set the communication channel in order even by restructuring the present departmentation system if necessary. Terry feels: From time to time what is assumed to be a problem in poor communication is actually a case of inapt management.

The problems in the area of Traffic Department have already been detailed. It has been stated repeatedly that in most of the case, the problems are known as also the factors contributing to the problems. It is also well known that hen problems are properly analysed, solutions are easy to find. Still, in the case of these units' problems seem to be eternal in character. What is, then, the reason behind the failure to solve the problems? In Mahavarata, we know, Guru Dronacharjya was once asked how Arjun became the greatest warrior inspite of the fact that, all the Kauravas and Pandavs had been trained by the same guru and under the same circumstances. Dronacharjya replied that what made Arjun the greatest was his sense of responsibility and clear intention to become successful in his venture. This observation is universally applicable. Whenever there is a question of attaining success, the sense of responsibility is a must together with initiative and drive. "Responsibility forms the base of all ethics", wrote Arun Monappa, who went on to express that with the growth and development of business, with individuals working in groups, the

1. Ibid.
2. Ibid.
problem of responsibility has become serious in the business world. Garrett has given this aspect due importance and truthfully analysed the problem.

The hurdles on the way to effective operation have already been located, but their solutions depend largely upon the sense of responsibility on the part of those who should ensure the maintenance of co-ordination between the units. As a step towards that, it is proposed to place the entire raw materials handling process till the stage of storing in the beds or on the ground under the exclusive control of the Traffic Department to avoid unnecessary interferences in between. In this way a clear line of responsibility will be devised without leaving any scope of shifting it to others in any way. Under the new scheme, the entire tippling processes and the ground unloading schedules will be the specific jobs of the Traffic Department. Terry clearly devises that it is useful and most convenient to have sections each one of which deals with a separate function or a group of similar activities.

The consuming units will start functioning only from the stage of reclaiming the materials from the storing beds. In the cases of ground stocks, the function will, however, be carried under Raw Materials Department being run as a unit of Traffic Department. A complete process of operation, as desired by G.R. Terry, will thus be managed by a single administrative organ and the prevailing constraints in the way of effective co-ordination may be eliminated. It is expressed by a senior managerial personnel, attached to Traffic Department, that direct control

1. Ibid.
4. Ibid.
over a line of operation definitely derives for better results as compared with an indirect system.

Durgapur Steel Plant, till date, does not maintain any captive mine for any of its material requirement. All of them are procured from outside sources according to specific needs. So, any sort of mining process is not carried out under its managerial control. However, men from the plant are placed at different mining points to supervise loading of materials for the plant. The procurement of materials is subject to the agreements between the mining companies and the plant. The details of the procedures of transporting the materials to the plant are contained in the resolutions adopted at the joint meetings of the suppliers, the plant and the Railways along with other consuming organisations.

Durgapur Steel Plant, in its turn, is represented by men from Traffic, Raw Materials and Production, planning & Control Departments. The schedules of material supplies are likely to be maintained by the Railways up to the Durgapur Steel Exchange Yard and the loaded material trains are then drawn inside the works by the captive locomotives up to the tipping point or ground unloading points. Samples are collected from the loaded wagons for laboratory analysis for assessing quality. But, no loaded wagon is learnt to have been returned on the ground of below specification supply. The deviations found in the analysis are the subject of adjustments in the suppliers' bills. So, the current role of Raw Materials Dept. in processing the material supplies is simply nothing more than moving the sticks over the heads of Traffic Department and respective tipping units. In fact, its present scope of

1. This was expressed by a senior man to the present researcher who did not want his name to be disclosed.
interference is exclusively confined to Traffic Operation. This very fact was felt much earlier and the Raw Materials Department was once placed under the administrative control of Traffic Department. But, for some unknown reason, the old system of their separate entities have again been revived, placing the process of operation again in the dead-woods. This sort of practice definitely stands in the way of a cohesive organisational set-up and the plant as a whole is caused to suffer from various financial and operational constraints. This is simply an instance of managerial lapse and no organisation can ever survive, let alone prosper with such a behaviour in the vital sector of decision making. The organisational set-up is the route relay for the purpose of attaining the objects of the organisation; but, when the targets are sought to be attained through an unscientific organisational structure, the net outcome is surely something less than the actual targets.

Jobs in organisations cannot exist in isolation. 'They have to be related to each other'. Good co-ordination is a major problem in most organisations, so the type of grouping that will minimise the problem must have a lot to be said for it. The larger the organisation, says, Stewart, the more weight that must be given to this criterion. This is why, as found earlier, specific functional advantages of grouping may be out-weighted in large organisations by the disadvantage of poor co-ordination.

Co-ordination is most essential to ensure that related activities in different groups and departments assemble

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together to contribute to the common purpose of the organisation! Whenever there is a need for co-ordination, there are always problems to get it effectively. The problems in this line appear mostly from the conflicts of interest between individuals, groups and departments. And, this sort of problem can be reduced by a good organisational structure. But, the most effective method will vary with the circumstances.

The most effective means of co-ordination is the chain of command. "The way in which activities are grouped will have an important effect on the amount of co-ordination that is needed and on the ease or difficulty with which it can be achieved".²

So, under the above perspective, departmentation should be made in a way to ensure that the Traffic Department with Raw Materials units should take up the entire responsibility of drawing the loaded wagons upto the inner-line of the respective tipplers or ground unloading points according to the schedule or specific guidances given form time to time. Again, the current volume of ground unloading work will surely go down under the proposed scheduling of bed-reservation as proposed earlier. But, in turn, the tippling job will go up as compared to the present volume: although it is quite certain that the available tippling hours under the proposed maintenance scheme as mentioned in the previous chapter will increase and the available working-hours will be quite sufficient to face the entire ensuing work-leads. Still, the satisfactory outcome is surely subject to adjustments between Traffic and Tipplers. Optimistic expectation are unwarranted so long as the said two units are kept beyond the central control of Traffic Department. "Co-ordination problems can arise because

2. Ibid.
people do not know what they should be doing to relate their activities to those of other parts of the organisation. The are created out of bad work allocation and wrong grouping of activities and the best way to get away from such troubles is to step in a convenient grouping of the activities, i.e., a fair departmentation of the jobs in an organisation. Something might have gone wrong initially, but it is a dire necessity to get it rectified in the next available chance. Fore-sight is essential for the purpose of creative managerial behaviour and an industrial manager can be successful only when he is equipped with this quality. There is nothing absolutely rigid in the field of industrial management, says Mrs. Stewart, everything in this circle vary according to circumstances and if a manager fails to cope with the changing situations, he is surely to fail in his venture.

Changes in organisational structure sometimes become essential specially when the existing set-up does not work up to standard and mere bookish theories may not always be fully applicable here in this instance; form of the organisational structure must be selected in the context of the circumstantial urge of the organisation and the persons responsible for this choice must have clear vision and effective foresightedness along with both practical experiences and theoretical knowledge. Organisational objective will be the only target in this direction, instead of any other considerations.

Again, the other essential point to remember in this context is that assigning clear and not divided responsibility is a road to better productivity. Likewise elsewhere in the steel

2. Ibid.
industry, Blast Furnace Department of Durgapur Steel Plant is exclusively marked to produce iron-products. Has it got anything to do with the loaded wagons or the functions of the tipplers? Is it not simply concerned with getting timely supply of its requisite materials need? Is it not fully dependent upon Traffic Department in respect of timewise material supplies? What has it got to do with the ore tipplers, if the loaded material trains are not made available in time from the yards by the Traffic Department? Is it not better, in the context of greater productivity, to devote its full energy to its scheduled line of operation, instead of diverting to other affairs? Again, in the cases of too heavy bunching of incoming loaded trains in the yards, other departments, excepting the Traffic Department along with its Raw Material Unit, have simply nothing to tackle the situation. So, it will be fair enough on the part of consuming units to start functioning from the stage of reclaiming the requisite materials from the respective storing beds? Again, the detention of loaded trains will automatically go high, if these are not unloaded within the specific free-time. It will be most convenient, in the interest of greater attainment in this context, to tag the tipplers with traffic operation so that a clear line of command over a particular line of operation may be distinctly held. Moreover, the adjustment of daily maintenance schedules of the tipplers is a matter of high consideration to avail an effective out-turn from them; so the maintenance section of the tipplers will also be brought under the same command. Again, the bunching of loaded trains in the exchange yard is the specific responsibility of the Railways and Traffic Department should strive to ensure co-ordination with the Railways.
The feasibility of the proposed bed reservation for the raw materials within the existing capacity is a point that needs analytical elaboration as follows:

**Storing capacity of Blast Furnace & Sinter Grade Materials.**

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total no. of beds</td>
<td>6 nos.: 4 nos for I/ore. 2 nos for I/fines</td>
</tr>
<tr>
<td>Bed capacity @ 30,000 M.T.</td>
<td>120,000 MT Iron Ore. 60,000 MT Iron Fines</td>
</tr>
<tr>
<td>Blast Furnace Bin capacity (excluding hard coke)</td>
<td>14,440 MT.</td>
</tr>
<tr>
<td>Total bin + bed capacity of BF grade materials</td>
<td>194,440 MT.</td>
</tr>
<tr>
<td>Average daily consumption of BF grade materials</td>
<td>5,000 MT.</td>
</tr>
<tr>
<td>Available total capacity of BF grade materials in terms of no. of days</td>
<td>27 days(Appx).</td>
</tr>
<tr>
<td>Daily consumption of Iron Fines in Sinter Plant</td>
<td>1,700 MT.</td>
</tr>
<tr>
<td>Available storing capacity of sinter grade materials in terms of no. of days</td>
<td>35 days(Appx).</td>
</tr>
</tbody>
</table>

It is evident from the above calculations that the storing capacity in both the above cases is already quite high in terms of days and it may be easily brought down to 20 days' consumption making available the remaining days' capacity for other materials now being unloaded on grounds. The position, in that circumstances, will appear as follows:

**Availability of Spare Storing Capacity.**

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of storing bed capacity from BF grade materials</td>
<td>5,000 x 7 days = 35,000 MT.</td>
</tr>
</tbody>
</table>
Again, in the case of Sinter grade materials.  

\[ 1,700 \text{ MT} \times 15 \text{ days} = 25,500 \text{ MT} \]

So, total availability of bed capacity = 60,500 MT.

The above capacity will be utilised for storing steel grade materials. The position in that case will appear as follows:

### Bed Storing For SMS Grade Materials.

**Average daily consumption of SMS grade materials.**

\[ = 900 \text{ MT} \]

So, available total capacity = \[
\frac{60,500 \text{ MT}}{900 \text{ MT}} = 67.2 \text{ days.}
\]

Certainly the above calculations are subject to changes in circumstances; but, it is easily understood from the above statements that the current system of storing the materials manually on the ground is easily avoidable provided adequate adjustments are made in this context to receive properly the incoming loaded trains. Attempts must be made first to fill up the bins and thereafter the beds. However, the position will appear completely different in the case of heavy bunching of incoming loaded trains at a particular time. Unhandleable loaded trains are to be detained beyond scheduled hours for tippling them in the next available chance, instead of making them the subject of double handling processes on the ground unloading points.

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1. The major material consumption of SMS is hot metal which is a product of Blast Furnace.
2. The BFps are always fed through the bins and not directly from the beds.
3. In the case of ground unloading process, the materials are to be loaded again for tippling; because tippling is the only way by which the materials are fed either to the beds or to the bins. Thus a double handling process is to be followed.
A good deal of discussions has been made earlier to streamline the organisational structure in respect of handling all the incoming material trains and it is quite reasonably expected that with the introduction of the above projects the state of affairs, now prevailing there to cause so much of financial losses in terms of payment of huge amount of demurrage for extra detention of wagons or in terms of the wage to contractual labours for double handling of the materials, will certainly change for the better. The next step will be to deal with the affairs of the outgoing material trains which are already found to create lots of inconveniences in the current set-up.

As a matter of current practice, all the sale orders are now placed before the respective production units through the Production, Planning & Control Department. The production units are to produce the desired products according to the instructions detailed over the sale-orders and the instructions given to them by P.P.&C Department, excepting in the cases of continuous process of operation. The finished goods are then placed in the respective shipping bays for final disposal to the customers through Traffic Department; however, the booking of material in sometimes subject to inspection certificate from competent authority.

The daily empty wagon needs for booking outward materials are placed by the respective shipping units to the Commercial Section of Traffic Department for their final processing with the Railways. The Commercial Section is solely

1. P.P.&C, Dept. is the sales co-ordinating unit between the production units and the Central Sales Organisation.
2. The Blast Furnaces and Coke-ovens are subject to continuous process of operation and varying instructions are not applicable in their ways of operation.
responsible for all the affairs starting from procuring the allotments of wagons till their departure to the exchange yard, excepting that of loading the materials in the wagons from the bays which is now being done by a separate unit attached to all the shipping bays. The only job now being done by the shipping units, is to load the placed empty wagons with despatchable materials as per sale orders in their hands. The jobs done under the current procedure by the shipping units are completely independent of the related production units; whereas they are inevitably dependent upon Traffic Department for their smooth flow of operation. There appears to be no fair justification in support of their present placement under the administrative control of the respective production units; rather justifiable ground are there to place them under the direct control of Traffic Department.

All the respective shipping sections are to be administered by a proposed Central Shipping Section to be placed under the direct control of Traffic Department, instead of keeping them under Production, Planning & Control Department.

So, to sum up the entire organisational problem in Traffic Department, the set-up in the new and convenient scheme as proposed earlier, will appear as below.
In the cases of shipping affairs under the proposed organisational structure, alike the tipplers, all the related matters are to be brought under their clear field including the maintenance affairs for the conveniences of congenial co-ordination and control.

Under the proposed structure, all the administrative affairs including the official matters in respect of all the related fields, are to be centrally controlled to get a clear
view of all the affairs in a particular place any time. All the managerial personnel up to the rank of divisional heads in the proposed organisational structure should have their chambers in the central office and all other operational executives will be posted at the site offices; they may be called to the central office only when they are needed for some specific purposes. The administrative matters are to be dealt with only by the divisional heads. A fair amount of duplication of official matters may thus be avoided and the real flow of work may be restored. The working process in the administrative affairs must be exclusively job-oriented and scientifically arranged. A Section Officer will have to be placed be deal with all these affairs, instead of giving the scope of multiple control. Central diary system is to be introduced to record all incoming and outgoing mails so as not to be confused in respect of their placement!

Besides, so many technicalities may have to be adopted in a scientific way of working in a particular field of operation and it is quite reasonably expected that the problems as they appear, will be dealt with according to the circumstances. It is not practically possible to detail them all in a particular concept of theories. It has already been emphasized that sincerity paves the road to achievement and with its help any problem, whatsoever it may be, may be tackled successfully.

4. Conclusion.

"Organisations are vehicles for accomplishment of specific social goals." To day when so much stress has been

1. Multiple diary system now at operation is found to cause tremendous difficulty to locate mails.
given to utilise the scarce resources for the well being of
the human generation, it is imperative that due emphasis must
be given to the basic instrument, i.e., the organisational
structure, upon which the success of the organisation is lar-
gely dependent. Towards that end, the setting of objectives
is the starting point, says Mr Kacker in his leading article,
"Planning the Distribution Function in an Organisation." 1

"The distressing fact is that most of us are not sensitive
enough to the impact of organisation on the effectiveness of
those who are responsible for its success?" Mr Bejlani goes
on to express that this distressing fact is becoming all the
more apparent because of the eroding human climate of our
organisations - be they industrial, governmental or any other.3

"The early organisation theory", says Mr Bejlani,
"fitted the historic master-servant relationship and emphas-
ised a rather simple delegation of force and power.4 The
early theory developed the basic right of leaders to define
their organisational structure. The basic problem of organi-
sing the jobs was one of manipulating the resources avail-
able in hands to do what the management wanted done. However,
even in early days of application of sheer economic power
and brute force, it was noted that advantages could be gained
from division of function.5 This process is again said to have
been described by the Chinese as early as 1644 and was studied

1. Kacker M.P. - "Planning the Distribution Function in an Orgu-
2. Bejlani S.K. - "The impact of organisation on Managerial
3. Ibid.
4. Ibid.
by Charles Babbage (1792 - 1871) in 1832.\(^1\)

The study of formal aspects of the modern organisation was pioneered by the German sociologist - Max Weber (1864 - 1920).\(^2\) He carefully described the manner in which individuals grant authority and create hierarchies. He described bureaucracy as a "form of administration which is, from a purely technological point of view, capable of attaining highest degree of efficiency". He thought this was possible because of the hierarchy of authority, specialisation and systems of controls based on rational determined rules and regulations. In his picturisation of the formal organisation, he held it essential that power to direct action should be vested not in any individual but the position he occupies. He also held that for the organisation to function efficiently, rules and regulations must be followed in a precise and orderly fashion.

"Organisational culture and its impact on various aspects of work life have been analysed by a number of social scientists".\(^3\) But, in a changing environment in the economic and industrial life in India, it is practically not desirable to expect that every thing will come up allright at the very inception. Wrong introduction and initial ill-conception is quite natural and it is most practical to get it rectified in the first instance. And towards that direction, creative attitude of the management at work of an organisation is the best resort in any circumstance. Progressive outlook of the management takes all these dead-woods from a creative environment.

ment. The men within the organisation to take care of these affairs must not be pessimistic in their outlook. "Pessimism is the enemy of progressive policy", says Chae Guavara. They should be ready to realise the urge of changed environment and creative framework within an organisation. Still care must be taken to proceed in these ways before adopting any new policy in this direction. Emphasis should be given prevent organisational changes. This indicates that, periodically, efforts are given to detect areas where change is going to be needed to avoid serious organisational trouble. "It is erroneous to continue organisation change to situation that currently exist, i.e., to concentrate upon remedial organisation changes".

It should be remembered that departmentation has become popular in some large organisations to create more manageable units. Any organisation may group its activities in a number of ways; but the basic idea to adopt any form depends upon how best facilities can be availed to it. Any reorganisation is costly. There is always a period of adjustment and modification before the employees and their organisation relationship are rearticulated. Hence, it is advisable to weigh the probable gains and losses from any organisational change to determine if it is desirable or is the best available. In this respect, a reaffirmation of the objective is helpful, an appraisal of the proposed change in keeping with what is to be accomplished is desirable. In the background of the huge financial and other losses sustained at present, the proposed reorganisation has been suggested which is expected to cure the ills in the long run.