

CHAPTER - 6.

THE PROBLEMS OF DURGAPUR. COMPLEX

The Base.

Modern industrial operations are widely complex in nature. Despite this fact, there may be found constant efforts to achieve more and more result-oriented attempts to meet the growing needs of the city. Side by side, there may be found higher number and more complex problems in this direction. Thus, the rate of success may be considered to depend inseparably upon the rate of success in eradicating the problems.

The industrial complex of Durgapur is of recent origin. It is only around 30 years old. The industrial enterprises here are widely adopted to modern technology, machineries and equipments. This hypothesis is clearly applicable particularly in case of the giant and most of the medium scale organisations of the complex.

Some of the problems of Durgapur industrial complex are found physical in character. A few of them are socio-economic and managerial in nature. Some of them are national and some of them are regional or local in character. A few are institutional in nature. Some of the problems are common and some are individualistic in character.

The Problems.

There are found many problems of Durgapur industrial complex. Some of them are major and some are minor in nature. The prob-

blems may, however, be drawn as :

- a) Power Shortage ;
- b) Labour Unrest ;
- c) Technical Problems ;
- d) Shortage of Spares ;
- e) Financial Problems ;
- f) Problems of Raw Materials ;
- g) Miscellaneous Problems .

The clearly identified problems are drawn upon the informations supplied by the organisations under considerations and by the case study thereafter. These problems are more or less common in nature. These problems may be taken up for detail discussion one by one; and a consolidated discussion may be made for the others.

The Power Shortage :

The power here means only the electricity and by electricity, it is only the thermal power. Incidentally, it may be noted that thermal power is the only kind of power available in the area.

The use of electricity is essential for modern industrial operations. ² Durgapur industrial complex is of recent origin. Most of the major industrial enterprises of the complex are adopted to modern technology, machineries and equipments. The importance of electricity in their operations, therefore, needs no further details discussion. It may, however, be briefly said here that for the sake of smooth operation of the enterprises of the complex, steady supply of electricity is an important precondition.

To maintain the steadiness in the supply of electricity for the enterprises of the complex, power generation arrangements are found in the complex itself. In the normal circumstances, it may be

considered as a healthy arrangement. Incidentally, it may be noted here that with the power generation, the foundation of the complex was laid.

There are three ~~thermal power~~ thermal power generation stations in Durgapur industrial complex. These are the power plant of Durgapur Projects Limited, Durgapur Thermal Power Station of Damodar Valley Corporation and the captive power plant of Durgapur Steel Plant. The first two organisations generate power for commercial distribution.

According to a rough estimate, based upon the available information, approximate power consumption of Durgapur complex as a whole is 210 mw. Whereas, the accumulated generation capacity of the complex is 555 mw. The capacity of Durgapur Projects Limited is 285 mw in five generation units. It is 250 mw in three generation units of Durgapur Thermal Power Station of Damodar Valley Corporation. The capacity of the captive power plant of Durgapur Steel Plant is 20 mw only. On the other hand, the rates of generation are 55.39% in Durgapur Projects Limited, 49.69% in Durgapur Thermal Power Station and 25% in Durgapur Steel Plant. The average generation of the units of the complex is 275 mw, which is only around 50% of the total rated capacity.

In the normal circumstances, the accumulated amount of generation of the units is good enough to meet the actual demand of the complex, even with the present rate of generation. It is 275 mw against the need of 210 mw. But, the real picture here is something

else. The main problem here is more concerned to the actual amount of obligation of supply than the amount of generation.

Making the assessment on the basis of rated capacity against the estimated need of the complex, the commercial power producers have most reasonably extended their distribution network to a wider area. Despite nonavailability of sufficient information, there are, however, sufficient reasons to assume that the commercial power producers of the complex were definitely optimistic about their generation ability. They might have their own arguments also in this context in the normal circumstances. Otherwise, the position might not have appeared as such.

Another salient feature here is that Durgapur Thermal Station meets the highest amount of the need of the complex. It is 110 mw against the accumulated consumption of 210 mw. But, their number of consumer is restricted to five only, viz, Durgapur Steel Plant, Alloy Steels Plant, Durgapur Cement Works, Mining & Allied Machinery Corporation and Hindustan Fertilisers Corporation Limited. Of course, it may be noted that these five enterprises are giant in terms of power consumption. On the other hand, Durgapur Projects Limited produces only 157.86 mw; but supplies 90 mw for all other industrial enterprises of the complex. Incidentally, it may be noted that Durgapur Steel plant also avails 5 mw from Durgapur Projects Limited in addition to its own generation from the captive power plant and from Durgapur Thermal Power Station.

In respect of the supply network of Durgapur Projects

Limited, it is learnt that it supplies power to Calcutta Electric Supply Corporation, State Electricity Board of West Bengal, Coal India Limited and occasionally to Damodar Valley Corporation. It is, therefore, found that the supply network of Durgapur Projects Limited is extended far beyond Durgapur area. Despite nonavailability of definite information, it is, however, learnt that Durgapur Projects Limited is now producing less than its actual supply-obligation and that is why all of its consumers are suffering.

The picture of Durgapur Thermal Power Station is to some extent critical to discuss in this context. It is a part of the total generation and distribution system of Damodar Valley Corporation. The power distribution of Damodar Valley Corporation is managed centrally from Malthan in Dhanbad district of Bihar. Durgapur Thermal Power Station has nothing to do of its own in this direction. In this connection, it is, however, learnt that they are also running short of generation to meet the demands of their consumers.

Regarding the generation of the captive power plant of Durgapur Steel Plant, it is learnt that it is nothing more than a standby arrangement. It is meant only to meet the emergency needs, when there appears total failure from the normal source of supply.

Under the same circumstances, it may, therefore, be taken as granted that there is some amount of shortage of power production by the commercial power generation units as compared to that of their obligations of supplies. It is leading to short supply of power at least to the consumers of the complex. This is leading to

loss of production.

So far the effect of power shortage is concerned, it may be said that the position will be better only when there will be steady supply of power. A higher rate of generation in Durgapur Projects Limited alone may be considered to give a better look of the complex, since it supplies power to the higher number of the enterprises of the complex as a whole.

Making a study on the deterrents of the power shortage, it may be said that there are many kinds of reasons in this respect. These are the technical crisis, shortage of spare parts, labour unrest, short supply of coal and finally the quality of the coal. The issues have been discussed in the appropriate level of the study. Incidentally, it may, however, be briefly said that the remedial measure in each case may only help to tide over the present crisis.

Incidentally, one more reason may be pointed out in this connection, which has aggravated the power supply position further in the complex. It is the failure to bring up the under-construction power plants in time. One 200 mw power unit is hanging in Durgapur Projects Limited for nearly 10 years. In Durgapur Thermal Power Station, one 210 mw power unit is yet to put in commercial generation even after 8 years of taking up. Two captive units of 60 mw in each case are under construction for more than 5 years. The delay in bringing up the under-construction power projects may, therefore, be considered as a major cause for the present power crisis of Durgapur industrial complex in particular and the network in general. It may,

also be considered as a definite cause for the present power crisis of the country at large, since a good number of power projects are in the same condition as found in Durgapur complex.

Considering the present power crisis of the country, a school of thought feels that to tide over the crisis of the industrial sectors, giant enterprises should take up the scheme of captive power plant. But, it is not an argument to be admitted easily³. The investment-need for power projects is reportedly quite high. Moreover, it is time-consuming as well. It is, therefore, not desirable to take up further risk of investment in new power projects before considering the burning issues in this respect.

So far the affairs of Durgapur industrial complex are concerned, there has not been found any real shortage of capacity of generation. There is, in fact, the crisis of effecting a reasonable rate of capacity utilisation. As far the present power-need of Durgapur industrial complex is concerned, there are reasons to assume that only by effecting a slightly higher rate of capacity utilisation in the existing units, the crisis may be easily avoided and the coming up of the under-construction projects in time may lead to flood in the complex and an wide range of relief to the area in general.

The Labour Unrest :

Despite spectacular achievements in all the branches of science and technology, it is most useful to note here that the importance of man in any sphere of creative activity remains in the

same level of importance as it was in the past and it is most likely to continue in the foreseeable future.⁴ In the industrial operations, the importance of human role still remains in the same level of gravity. Incidentally, it may be mentioned here that 'Labour' is the only sensitive factor of industrial operations and keeping away human devotion, it is practically impossible to attain industrial success.⁵ Total human devotion is considered as an impossible target.⁶ It is impossible due to many obvious reasons and development. But, unless a reasonable degree of human devotion is achieved, it is not possible to look for success in industrial operations.⁷

Incidentally, it may be pointed out here that human devotion, i.e., the congenial industrial relations, is very much related to the socio-economic and political conditions of the country.⁸ It may be pointed out here that these conditions, particularly in West Bengal, are not favourable to foster congenial industrial relations due to some unusual developments during the last few years. It may further be pointed out here that the higher number of industrial relations problems of the state are related to political issues.

Durgapur industrial complex is found to run in the midst of hot-bed of industrial relations. It is already observed that there is hardly any enterprise in the complex, which is free from tense industrial relations condition.

By and large, the industrial relations problems of Durgapur industrial complex may be classified into two broad groups,

viz, the problems from the side of the trade unions and the individual problems. Considering the related developments, there are sufficient reasons to assume that the management of the enterprises has hardly to do away with the problems developed by the trade unions. But, for the problems of the second group, the responsibility should be enshouldered by the management of the enterprises. Incidentally, it may be pointed out that the trade unions of our country are found nothing more than the branches of the political parties. It is hardly possible to count the exact number of political parties and as such the trade unions of the country. It may further be noted here that there is immense freedom to promote political party in our political system.

Under the same circumstances, it is only upto the government to find out the remedial measures in this respect. Incidentally, it may be suggested that elected one union in one enterprise may help in this direction. In the suggested scheme, only the workers of the enterprise should be allowed to take part in the trade union activities of the concerned organisation. Outside interference should be strictly barred. This will help to eliminate the politicalised trade union activities in the enterprises not only of the Durgapur complex, but also in the greater sphere of the country.

Regarding the individual grievances, it is widely believed that this sort of issues aggravates the industrial relations conditions of the respective organisation⁹. Incidentally, it may be pointed out here that individual grievances are normally not

being taken up by the trade unions. These issues are normally taken up by the individuals with the authority of the organisation. That is why there has been found some kind of grievance procedures to resolve the individual issues.¹⁰

Once it is found that the individual grievances are not resolved timely and in right direction, the workers are most likely to lose interest in discharging the organisational responsibilities.¹¹ They are frustrated and aggrieved. It is the responsibility of the respective management to see that there is a suitable grievance procedure to resolve the individual grievances in right direction, so that the workers do not feel frustrated. They will take the management in their confidence, when they will find that there has been sufficient arrangement to take care of their individual affairs. Incidentally, it may be noted here that frustrated workforce is more dangerous as compared to the technical problems in view of business success.¹²

The Technical Problems :

Growing rate of mechanisation with a view to attain higher rate of production to meet the increasing demand of the society is believed to be the root of increasing number and rate of technical problems in the industrial sectors.¹³ The major industrial enterprises of Durgapur complex are found to be highly mechanised and adopted to modern technology. It is, therefore, quite obvious that there would occur good number of technical problems^① in these enterprises.

The technical problems of the industrial enterprises of Durgapur complex may be divided into two broad classes, viz, the problems out of the obsolescence of the machineries and equipments and the problems out of the maintenance failure.

While discussing the problems of first category, it is worthwhile to mention here that such a study should be based upon technical informations and a study of its kind should be done by the concerned experts to get a real picture in this direction. A study of its nature does not come under the perview of the present study. It may, however, be pointed out that once the productive machineries and equipments have crossed the limit of standard life, it is practically not possible to get them in useful services. The case of the power units of the complex may be pointed out in this respect. It is believed by the experts that power generation units cannot run usefully more than 20 years. Whereas, the units of Durgapur complex have crossed this limit in most of the cases.

Next, there is the maintenance failure for the poor rate of performance of the industries of Durgapur complex. Incidentally, it may again be pointed out that major enterprises of the complex are highly mechanised and as such there is huge importance of the regularity of maintenance to get useful service from the machineries. Otherwise, there would occur frequent machine failure to draw the fate of the organisation.¹⁴ The importance of the subject has been clearly identified in the case study.

In spite of that, the maintenance of the machineries

is clearly identified as a neglected subject in the enterprises of the complex in general. Particularly in the public enterprises, it is found to be a secondary affair; whereas most of them may be found to invest huge amount and manpower in this direction. The case study has revealed the same picture. Making an indepth study there are sufficient reasons to assume that maintenance failure has been caused in the public sector enterprises mainly due to mangerial insincerity. They are not found to consider the subject in right perspective. Had they been sincere reasonably in this issue, the position might be something else.

The Shortage of Spares :

The timely availability of spare parts is an essential precondition of the maintenance-success of the enterprises. Most of the public sector enterprises of Durgapur complex is the victim of this crisis.

Incidentally, it may be pointed out here that the public enterprises are established widely with the imported equipments and machineries. As such, imported spare parts are required to get them maintained in the normal circumstances.

But, the import is always a critical issue in the country due to shortage of foreign exchange ¹⁵. This is, however, not a sudden development; nor it is a specific case for the industrial enterprises of the complex. The scarcity of foreign exchange is a continuing matter of the country. The enterprises should note it and initiate such actions, which deem fit in this circumstance.

Simply banking upon a static line of operation in a fast changing world is definitely not a scientific outlook. Anticipating the future development in this respect, the government may be found to take a series of action.¹⁶ One of such organisations is the Central Mechanical Engineering Research Institute of Durgapur (C.M.E.R.I.). The total list of such institutions of the country as a whole either in public or in private sector is definitely quite lengthy. It is hardly possible to note all of their names unless a comprehensive national survey is made. It may, however, be said here that available facilities may not be sufficient to meet the total challenges of the country in this respect; but, there are reasons to assume safely that effective utilisation of the available facilities will surely lead to an encouraging result.

It is, however, always a responsibility of the concerned management to look for the import substitutes.¹⁷ There are some bright instances of its kind in the country. Once for instance, the name of Indian Railways may be mentioned. They are found to contemplate constantly for the import substitutes in their own workshops and in other organisations of the country as well. The Research and Development Centre of the Railways is learnt to be a pioneer institute in this line of actions. But, the public sector enterprises of Durgapur complex are found practically sleeping over such a vital issue for years together and simply banking upon import crisis to save their own misdeeds. In fact, not a single public sector enterprise of Durgapur is found to try even casually in this direction. Unless they

are sincere in their efforts, there are reasons to assume that any better result cannot be achieved in this respect in near future.

The Financial Problems :

During the field survey, it is found that there are some kinds of financial problems, sustained mainly by the small scale enterprises of Durgapur industrial complex. Incidentally, by financial problem, it is wanted to mean only the nonavailability of sufficient fund to continue the normal business operations, i.e., the crisis of working capital. The present study may be restricted in this line, because of the fact that it has been done only upon the existing organisations. The major enterprises of the complex are owned and managed either by the government or by the giant entrepreneurs. They do not normally face any remarkable financial crisis. Their credibility helps them to tide over any such development by any means, viz, the credit from the market or fund flow from the government agencies. Excepting Mining & Allied Machinery Corporation, none of the major enterprises of the complex is found to face any kind of financial problems.

The subject is, therefore, left to be discussed on the small scale organisations of the complex. It is already mentioned that the small scale enterprises of the complex are owned and managed mostly by the unemployed or lower middle class people. They are reportedly not coming in business with sufficient fund in hand. In fact, a very little amount of their actual investment

is left as working capital. They are as such to depend mainly upon the business plough back or the credit from the market. Regarding the business plough back, it is learnt that they are facing serious irregularities, particularly from the giant enterprises of the complex, who are incidentally their main customers. In case of credit from the market, the position is also not reportedly at all favourable to them. In fine, it may be said that the small enterprises of Durgapur complex are in a bad shape mainly for which, the financial crisis is a major problem. They are reportedly to cut the rate of production only for this reason. This is leading to many kinds of related problems.

The Problems of Raw Materials :

The importance of raw materials in course of industrial operations needs no specific discussion. It may be simply said that no industry can run smoothly, if it is to face any kind of problems in respect of raw materials. The enterprises of Durgapur complex in general ~~they~~ are facing many kinds of problems in this direction. They are, therefore, to face the loss of production only out of this kind of problems.

The problems of raw materials of Durgapur complex may be broadly divided into three types, viz. the problem of quality, the problem of quantity and finally the problem of transportation.

The problem of quality is concerned only to raw coal supply. It is learnt that it is a common problem for all the coal consuming organisation of the complex. Incidentally, it may be noted

here that coal is the major input of Durgapur Steel Plant, Durgapur Projects Limited and Durgapur Thermal Power Station. For the poor quality of the coal supply, all of these organisations are facing serious type of operational huddles. Incidentally, it may be noted here that higher rate of ash-contained in coal is a major issue in this direction.

Regarding the problem of quantity of the raw materials, it is observed that it is a crisis of co-ordination between the parties. In fact, there is no dearth of any of the raw materials in the country. But for the insincerity of efforts, the supplies are found to be inadequate in most of the cases.

The problem of transportation for the raw materials may also be considered as a crisis of efforts by the concerned parties. Incidentally, it may be pointed out here that higher amount of the basic raw materials used in Durgapur complex are transported by the Railways. The Railways are reportedly not supplying sufficient number of wagons in this direction. It is definitely their failure. But on the other hand, the consumers are also not found to take sufficient care in this direction.

The problems of raw materials of the small scale enterprises are learnt to occur primarily due to crisis of working capital and finally due to high price of the raw materials. In fact, there is no dearth of the materials in the market, used by the small scale enterprises of Durgapur complex. Regarding the high price of the materials, it is learnt that consuming the materials at a high

price, they cannot compete with others in the market from outside the complex.

Miscellaneous Problems :

Among the problems discussed earlier, larger number are widely concerned to the giant and medium scale enterprises of the complex. It is, therefore, worthwhile to stress upon the problems of the small scale enterprises in course of the present discussion. Incidentally, it may be pointed out here that the small scale units of the complex are unorganised or self-organised. Under the same circumstances, they do not get many kinds of services, which are essential to maintain the normal health of the business.

The case of technical assistance may be pointed out in this context. It is observed that small scale enterprises of the complex in most of the cases have come into existence without availing any kind of technical assistance from any source. In some cases, the promoters of the units are reportedly having no technical background. Under the same circumstances, the organisations are facing serious types of technical bottlenecks leading to loss of production and sometimes to total closer.

Secondly, there is not found any arrangement to study the prospect of the small scale organisation of the complex. It is now entirely a matter of the individuals.

Last but not the least, there has not been any arrangement to advise the marketing of the products of the small scale enterprises.

of the complex at the moment. It is now entirely a problem of the individual organisation. On the other hand, for want of sufficient resources, the organisations are not in a position to take up any scheme of market-research. In fact, they are now entirely depending on guess in this direction.

Incidentally, the problem of pollution may be pointed out in this context. The air and water of Durgapur complex is now highly polluted due to misdeeds of the giant organisations of the complex. They are not found to take sufficient care in this direction. In spite of repeated instructions from the government agencies, they are not found to take care of pollution control measures.

SUMMARY.

Considering the nature of the problems of Durgapur complex in general, there are reasons to believe that these may be easily minimised under sincere efforts. There is, in fact, no problem in the complex, which cannot be avoided under suitable measure. It is, however, admitted that the solution of some of the problems is always time-consuming and in some cases, it is found to be taken up by none other than the government. In fine, it may be concluded here that there is every chance of avoiding the problems cropped up in Durgapur complex in general.

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