Chapter 2

ORGANISATION AND MANAGEMENT PATTERN OF THE BOARD

"The root cause of such an alarming failure of public enterprise is inefficient management resulting from discharged to the basic principles of planning and organisation, failure to assimilate individual objectives with the enterprise objective, inadequate decisive power in the administrative hierarchy and cumbersome control."

General outline: "Organisation is the framework of management" said E. E. L. Brech, "because it sets out the direction and distribution of the total responsibility into relevant sections or grouping for effective performance."¹

Again Management is defined as "It is a technique by means of which the purposes and objectives of a particular human group are determined, clarified and effected."² But administration is the co-ordinator of the above two and to make them practical, all the theorems are put into action here, so administration, organisation and management are interrelated

in a growing enterprise like BSNL for orchestration.

The organisation and management is tailored towards the attainment of corporate goal or objectives. Top administration is the determinant of major policies and objectives of business. In order to evaluate the performance of BSNL it is felt relevant to look into its organisational aspect.

Efficient management control assures accomplishment of group objectives. It exhibits level of operational attainment including areas of deficiency. Control mechanisms thus calls for application of management by exception. With a view to identify the organisational deficiencies the internal structure and functions of BSNL and system of delegation of power and authority are discussed in this chapter.

Originality: Initially the BSNL was set up with head office at Shillong in 1958. With the shifting of Capital of Assam from Shillong to Guwahati by virtue of North Eastern Areas (Reorganisation) Act 1971 the office of the Chairman was also shifted to Guwahati (at Narangi) in 1975. The BSNL has been managed by a Chairman supervised and assisted by a Board of members, consisting of both Technical as well as administrative personalities. Ultimate power for managing the affairs of the Board is vested with the Chairman who is appointed by the Government of Assam. The terms of his power and functions are
regulated by the Electricity (Supply) Act 1948. By virtue of Section 76(2) of the Act, the Government made the Assam State Electricity Board (Chairman's powers) Rules 1962 regulating the duties and powers of the Chairman. The Board had delegated certain financial powers only to the Chairman.3

Organisational Framework: The Electricity Board is conceived as an autonomous body, independent of the State Government. There is ample reason and justification for providing autonomy and operational independence under the Act. In the area of framing policies the State Government has been invited for bringing into coincidence the public philosophy and experience with bureaucratic operations. Nevertheless, in innumerable occasions Governmental interference beyond policy matters had taken place at the cost of Board's autonomy. However in personnel matters and staffing policies instruction from state Government creates adversity in manning the right posts with right persons.

The Act stipulated a minimum of three and a maximum of seven members to be appointed by the State Government.4 Though some indications are given on the background of the members, there is no mention as to how many are to be part-

4. Section 5, Sub-section 2 of the Act.
time members. As a matter of fact, it has been assisted by one full-time Chairman and two full-time members, one to look after technical matters and the other to look after financial aspects and accounts. Other four part-time members are from power, industry and finance departments and one representative from public representing public interest. The Act provides maximum liberty to suit the conditions of concerned state government in respect of the tenure of the members and second, as to the nature of the part-time membership.

The engineering side of power is headed by Chief Electrical Engineer under the superintendence of the Board. Electricity generation being a multidimensional complicated approach calls for harmonious assimilation of both technocrats as well as generalists. It is probably from this angle that the Act also provides for the same. The Electricity Board being a technical organisation the percentage share of technical staff is 30 per cent out of 23000 employees as on first June 1985.5

In contrast, the Electricity Board of Great Britain has had the system of availing of the service of a Deputy Chairman in addition to the Chairman unlike the Boards in different states of India.6 For having a perpetual system of

management, the present Chairman of different Boards, who are on deputation from respective State Government may be assisted by a full-fledged permanent Deputy Chairman as a regular employee of the Board. For the purpose of inducting additional outside expertise, the staffing system of the Board is characterised by fresh recruitment from open employment market and by deputation from other departments of the State Government. Nonetheless the 1972 had obtained the services of expert employee of the former private electrical undertakings by dint of provincialisation. The Board in this manner preserves inventory of resourceful expert-hand without additional cost burden. The units of management are circle, division and sub-division. Divisions and sub-divisions are directly in contact with the consumers; the circle on the other hand stands in between the Board and divisions. The broad organisational pattern of the Board is shown in the Table 2.1.

An analysis of the dimension and complexities of the work of the Chairman suggest that the present arrangement is inadequate in relation to expanding work load. Considering the tasks to be handled it appears that the Board should consist of one full-time chairman and at least five full-time members representing generation, construction, distribution, finance and administration. Identical views were expressed

7. Ibid.
Abbreviation used in the Chart:
(1) Full Time (FT), Part Time (PT), Member Finance (MF), Member Generation (MG);
(2) Chief Account Officer (CAO), Accounts Officer (AO), Senior Account Officers (SAO);
(3) Chief Engineer (CE), Senior Power Station Superintendent (SPSS), Project Manager (PM), Executive Engineer (EE), Sub-Divisional Officers (SDO), Additional Chief Engineer (ACE), ADD Distribution ADD(O);
(4) Transmission and Distribution (T&D), Rural Electrification (RE), Upper Assam Zone (UZ) Guwahati, Lower Assam Zone (L AZ) Jorhat;
(5) Head Office Distribution (HOD), Head Office Personnel (HOP);
(6) Guwahati Civil Circle (GCC), Upper Assam Civil Circle (UACC);
(7) Secretary, Finance, Government of Assam (SF), Secretary, Power, Government of Assam (SPG);
(8) Manager Administration (MA), Administrative Officers (AOs), Information and Public Relation Officer (IPRO);
(9) Manager Industrial Relation (MIR), Director Technical (DT), Officer on Special Duty (OSD);
(10) Adviser (Vigilance) = A(V), Chief Security Officer (CSO), Security Officers (SOs).

The administration of power economics being a delicate one, the不尽 its other sister concern of the country, usually appoint the chairman from the highest bureaucracy in order to give boost to the smooth operation. However, the Act is silent about the length of service of the chairman. In one case the period of tenure of chairman lasted for 11 years from 1958 to 1969, the highest maximum period to that office. Despite having Government's discretion, the span of duration as a matter of policy has been brought down to minimum of one year. As a case in point, incidentally, we can mention here that Bihar State Electricity Board (BSEB) had appointed a chairman for less than one month.8

Internal regulation of the Board: Unlike other limited companies, there had been no Articles of Association and Memorandum of Association of the Board. The broad principles are laid down by the Electricity (Supply) Act 1948. The internal organisation is based on the Assam State Electricity Board Rules 1960 and the matter beyond the scope of this rules are guided by the Assam Fundamental Rules 1948.

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Generalist vs. Specialist: There has been a controversy prevailing over the incumbent to the office of the chairman as to whether he should be a technocrat or bureaucrat. In majority of SEBs, chairman is appointed by the Government mostly from Civil service, Railway service and Defence personnel. The entire matter lies at the discretion and good sense of the Government. In such Boards efforts are made to assimilate the administrative ability of the generalists with that of technical personnel. Since inception in 1958, the ASRB has all along been manned by a chairman inducted from bureaucracy. In the history of the Board for the first time in 1985 an engineer from the Irrigation Department of the State Government had been appointed the chairman.

Prevailing system in other part of the country reveals that in Madhya Pradesh State Electricity Board (MPSEB) an engineer from within the organisation had been appointed chairman in 1985. The performance of the said Board has however improved manifold under his leadership. It is believed that a man within the organisation being conversant with the pros and cons may exert greatest influence in its operation.

11. The Assam Tribune, 28th June 1985
Benefit of such innovative change fortunately being magnificent can by-pass the earlier poor performance.

**Lack of perpetuity in top management:** Effectiveness of management depends upon tenure of office of the chairman and members of the Electricity Board. It is the discretion of the State Government to decide the tenure of the chairman. Consistency and perpetuity of the organisation hierarchy can provide reliable leadership. In most of the boards such as Assam, Meghalaya, Kerala, Tamil Nadu, Andhra Pradesh, Bihar, U.P. and West Bengal, it is observed that the chairman is usually appointed for a period ranging between minimum of one year and maximum of 11 years on renewal from year to year. The top hierarchy in that acquires desirable expertise. But unfortunately within a span of four years the ERP ironically employed four chairmen in between 1980-1985. Incidentally Bihar ERP employed eleven chairmen within 1968-72.

There are even instances where the qualifications and experience of membership in the Board stipulated in the Act have not been adhered to. From the point of view of complying with legal requirements newer procedure may be evolved through experimentation. It is the man that runs the organisation and

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13. The Assam Tribune, 26th June 1985
not vice-versa. It is not the organisation and system that work, but it is the individual that works the system. There should not be dogmatic view about tenure and functions of the chairman. He is basically a policy manager, leader and industrial statesman. Therefore the best available person irrespective of discipline may be utilised for the purpose. His tenure should be reasonable so as to give him sufficient scope to formulate policies and see its implementation. A bureaucrat, external to the organisation on the contrary, however, can provide better administration without bias to any quarter.

The Board being relatively a technical organisation its staffing pattern is composed of engineers, operators, and technicians. It being the complex admixture of multifarious segments both technical and non-technical it is subtle to ascertain which portion of weakness or shortcomings is contributed by which responsibility centre.

/Personnel Management: The spices of management of four 's, i.e., money, material, machinery and man is the genesis of organisational endeavour. Judicious deployment and utilisation of these contribute to the success of electricity board; out of the four, the management of the last item is more critical because two men are not alike or one man is not alike under two different points of time. Management of man is equivalent
to social system control which is a challenging task. The
dynamic feature of human nature and rapid change of society is
not easily controllable affairs. People are not equivalent in
mental abilities, traditions, behaviour and sentiment. Man's
aspiration and attainment are constantly changing in relation
to the environment around him. Poor quality of personnel
management has been found responsible for unsatisfactory
performance. The observation can be corroborated from the
fact that employees per MW of installed capacity in MPSEB,
Gujarat SEB, WBSEB, and Bihar SEB are 18, 14, 32, and 36
respectively as against 71 in AESB in 1984.15 The generation
of power requires highly sophisticated technology. The engineers
in-charge of generation face complex and challenging
technological problems in very remote and difficult location,
whereas the distribution managers operate in more amenable
district or town or city. The task of the latter is more
commercial and public relation nature wherein the employees
find interest in work. On the other hand, the employees
engaged in generation hardly find enthusiasm of work as the
place of work is located in farflung remote areas.

The geophysical structure of land surface of Assam is
surrounded by hills, tracts and terrain. The State of Assam

15. Review of Performance of SEBs in 6th Five Year Plan, 1985,
Amuzure-54, Planning Commission, New Delhi. Fractional
figures arising out of the calculation has been rounded up
for figurative convenience.
in North Eastern Region is in the conjunction of both hills and plains. Generation of power is mostly confined to hilly areas and terrains, to the proximity of waterfall and other natural resources. It is because of this, the task of generation is comparatively riskier and complicated. The bulk of staff in these is on the operational and maintenance side whose jobs are less sophisticated and skilled. The small number of highly qualified and trained personnel dealing with the power generation often demand better condition of service for them. These are of the organisational issues comprising of specialised separate cadres for generation vis-à-vis operational and maintenance, might be taken cognizance of. Apart from this the present departmental setup and inter-unit clique between production and distribution have led to deterioration in quality of management. It is this organisational system which can't utilise the services of bright enterprising technicians giving birth to frustration in personnel hierarchy. 16

The 1970 engages about 23,000 employees comprising of technical, administrative and other staff. 17 Besides recruitment, promotion and appraisal, the perpetual and major task of the top management is to take care of orchestration of industrial relations, inter-union rivalry, personnel grievance etc. This

16. Personal interview with the Project Manager, Dangaiyaon Thermal Power Station (DTPS), Salatati, 2nd March 1986
The departmental heads have no information about the profile of officers as regard to qualification, experience, nature of job handled, job specification attained etc. Inadequacy in this front has resulted in disconformity among all categories of employees at the time of upgraded placement. Thus absence of proper appraisal of management personnel is inescapable for a labour intensive organisation under our study.

Absence of proper Commercial Accounting and method of Cost Analysis: The Electricity Board exercises Financial and Budgetary control mechanism. The Board relies on the Governmental accounting principles and P.W.A. accounting codes. For proper costing system the Board needs services of a Cost Accountant. In absence of Cost Accountant the Board is unable to follow the scientific cost benefit analysis and tariff calculation. It is praiseworthy that the Board is contemplating for commercialisation of accounting system which is discussed under Chapter 3.23

Lack of proper appointment procedures: As per the stipulation of the Act i.e. it is an autonomous body. So, the Board should have independent recruitment policy. But instead, the Board has

to depend on the will of the State Government. In this respect the Committee on Power 1980 suggested that the SIB should have a clear-cut appointment policy. This is an area for vast improvement in the operation of the Board. Due to absence of unambiguous personnel policy and recruitment procedure from top to bottom the Board is lacking requisite and efficient personnel. Political intervention has not been absent in this respect.

**Professionalization of Management:25** Besides having own personnel policy the ASED needs professional managers. The efficient management is extremely desirable for an electricity sector as the line and staff pattern is of divergent nature. Technical and administrative knowledge only do not help in containing multidimensional managerial problems. Industrial relation, legal matter, social security schemes, industrial safety regulation, material management, cost accounting need professional approach. This was the conclusion of the power ministers Conference in 1978 held at Delhi.

**Project Evaluation, Cost and Time Overrun:** Here in this connection an attempt has been made to project evaluation analysis and the shortfall in respect of management of projects.

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Not to speak of project evaluation, the ASEP has no separate planning and development cell like other SEBs for different operational areas. Due to non-prevalence of project evaluation machinery the Board sustain both time overrun and for that matter cost overrun for the project under implementation. Project evaluation has been badly affected for want of integrated scheduling and suitable reporting system. As a case in point the present Chandirpur Thermal Power Station (CTPS) was established in the proximity of Oil Refinery and some constructional works having completed had to be switched over to its present site at Chandirpur, 30 Kms away from the original spot. This was done owing to shortfall in the project evaluation machinery. Thus the earlier hypothesis that there is no scope of improvement of the functional areas of the Board does not hold good. The above areas deserve special care on the part of the present electricity concern having vast amount of social capital investment in electricity projects.

**Constitutional Aspects**: Since the SEBs are included in Concurrent List of the Constitution, both the Centre and the States are responsible for this sector. Though it is termed as autonomous and non-commercial organisation, it is in practice a semi-autonomous body of quasi-commercial type.26

This implies that an effective control of Government and constant vigilance on activities of such SSBs cannot be ignored on the pretext of autonomy. Since a vast majority of capital comes from either Govt. or other Governmental agencies, Governmental control is inevitable.

**Secretaryial Office:** The post of a secretary is full of responsibility and not a insecure one. The incumbent is to deal in divergent matters. The secretary of the Board is to perform liaison activities among the members of the Board. He is to prepare agenda notes for the meetings of the Board and the Consultative Councils and therefore he must have a good command over the fields of activities. The tenure of office of secretary should be of considerable length so that he can attain a first hand idea about various organisational segment and their operation. In practice a person from State Civil Service is taken on deputation for the office of the secretary with smaller span of time usually ranging between one to three years. In order to have perpetuality like other corporate bodies and companies the incumbent to the office of the secretary may be considered for a longer duration. The Board may consider wisely to give this office a permanent setting for better working.

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27. Calcutta Electricity Supply Company (CESC) appoints Secretary not below for 5 years usually, Annual Report of Co., 1983
Part-time Members of the Board: Of the total seven there are four part-time members in the Board. Out of these, two part-time members are ex-officio such as the Secretary, Finance and the Secretary, Industry of the State Government. Industry, Finance Departments and Electricity undertaking are the two sides of the same coin. Because industrial expansion and growth are linked to power supply. Further, to assimilate the statutory position of an autonomous body with direct Government policy maker, the Act itself provided for taking these kingpin state officials into the Board. This provides instantaneous support and co-ordination between the two organs. Secondly, this would ensure Governmental control over the Electricity Board. The system expedites infusion of additional resources at the disposal of the Board where necessary from the state exchequer. The rest two part-time members representing the public interest have been inducted in order to give it a character of a public corporation.

Change in membership in the Board: Although a part-time member is not envisaged by the Act, but Section 5 of the Act provides only for appointment of members. The appointment of ex-officio members may not be repugnant to the Act. Notwithstanding the availability of service of part-time members, if possible, ought to have been replaced by full-time members. 28 Recent inclusion

28. Identical views were expressed by the chairman of Central Electricity Generating Board (CEGB) in 1976, Importance of human elements in MBA Management, H.V. Deyal, The Economic Times, dated 8th August 1978
of a member to look after personnel aspect of the organisation would definitely tone up this centre. Difurcation of member in respect of technical matter into two parts, such as generation and distribution, would enable deep care to be taken for those sections. This has been accommodated by receiving the two members from public representative, with effect from 1986, thus maintaining the status quo at seven.

Federal Set up of Electricity Organisation: The electric power generation and distribution is included in the concurrent list of the Indian Constitution. The Central and the State Government are jointly responsible for this sector of the economy. The Act defines the duties, responsibilities and functions of the Central and the State Government with regard to the development and use of electrical power supply system. Under this Act Central Electricity Authority (CEA) was created to look after the function and to co-ordinate the working of the SEBs which were set up as its counterpart in the State.

Under federal system generation function is discharged by Central agency while the distribution functions are looked after by the State agency. The need for a federal set up for electricity administration in the country is long overdue which alone can solve the numerous administrative and organisational

29. These changes have been done after the reconstruction of the Assam State Electricity Board in 1986.
problems facing the electricity sector.\textsuperscript{30} There are several examples in both socialist and capitalist countries wherefrom we gather knowledge about it. For instance in U.K. the Central Electricity Generating Board (CEGB) established in 1957, following the Electricity Amendment Act, 1957, is responsible for planning, designing, construction, operation and maintenance of power stations and bulk transmission system in England and Wales. It sells electricity to certain selected composite pools composed of 12 Area Boards, primary distribution centres and some other large consumers like British Railways, British Corporation etc. Under this background it is felt extremely desirable to bifurcate the totality of function into generation of energy and its distribution. The earlier the respective SED in India is relieved of this dual function is better. In its place distribution responsibilities like in U.K. might be entrusted to SEDs and generation function to the Central Electricity Authority. This will give a new dimension to the integrated power development in a federal set up. As a matter of fact at present the same is practised by the CEA in different forms keeping SED as an executive agent instead the whole responsibility including finance entrusted to a Central body. The management structure in the process would further be specialised and strengthened with division of power and

\textsuperscript{30} Power Development in India: A Historical Overview, A. Asok Rao, President, Federation of UNIUE Executive's Association, Seminar paper on Power and Energy, All India Conference of Electricity Employees Federation of India, 13th January, 1984
responsibility. Further it has been resolved time and again in different all India level Conference of engineers of India that for the sake of productivity and remunerative reward the staff engaged in generation ought to be separated from that of distribution. The argument for separation of functions at macro level is logically appreciable, if persuaded it would definitely increase the productivity and profitability of the state level enterprise at micro level.

Operational Segments: The operational jurisdiction is diffused over the length and breadth of the state. The general superintendence and control is exercised by means of twenty two circles, 57 divisions and 304 Sub-divisions, co-ordinated by two zones. The co-ordinating zones are located (i) at Jorhat to cater for Upper Assam and (ii) at Guwahati for lower Assam, may the rest of the state. The composite functions of Rural Electrification has been segregated by creating a separate cell for the purpose. Consequent to the dispersal of various sub-divisions, the number of villages electrified has increased from 968 in 1982-83 to 1014 in 1983-84, the percentage increase being 250.31

31. Statement issued by the Public Relation Department, AS 31, Guwahati, 1st June 1984
Departmental origin and growth: The state-level Electricity Board had been originally set up as a departmental organisation and its administrative mechanism is still to a considerable extent under the camouflage of departmental control. Introduction of sophistication in respect of equipments, labour saving devices, labour rescheduling and recruitment pattern would fetch economies of scale. Employee's resistance occasionally comes in the way of implementing scientific management tools. Once a move mooted for computerisation of billing system has to be abandoned for reasons not very clear, might be internal. Under similar circumstances the Uttar Pradesh SSB introduced computerisation of billing without such resistance. Invocation of labour and cost saving devices including labour orientation is found extremely desirable for both physical efficiency and cost reduction.

Fixation of labour remuneration: Procedural approach: Labour remuneration has a direct bearing on the industrial relation in any enterprise. Fixation of labour remuneration in an autonomous business enterprise is a culmination of interaction of forces of demand for and supply of manpower services. In the context of historical analogy of fixation of labour remuneration, wages of the workers might be determined as:

32. The Fair Wage Committee 1948, Identical views were expressed by Article 43 of the Indian Constitution.
(i) Minimum wages
(ii) Living wages, and
(iii) Fair wages.

For the first time in independent India certain criteria were formed in respect of fixation of labour remuneration in the 19th Indian Labour Conference in 1957. Dr. Aykroyd formula on nutrition provides that a minimum of 3 units consumption of calories is needed for a living person. These three units are equal to 2700 calories. But National Nutrition Advisory Committee (NNAC) on the contrary reduced this minimum of quantum of calories to 1700. For the purpose of determining the financial ability of the workers to purchase minimum recommended calories, the earning of the workers may be calculated on the basis of 1960 price level with Rs. 1.75 per points of consumer price Index (1960=100). This price indexes are computed and published by Labour Bureau, India.34

However, the aforesaid discussion provides a blue print of methodology but regretfully the same is not implemented in practice owing to greater financial involvement. Leaving aside the question of living wages and fair wages, the minimum need based wages is not given to the Indian workers. So this perpetuates the conflict for settlement of wages. This is the

33. Souvenir of the Central Government 'Employees' and Workers' Unions, Shillong, 1970, p. 1
34. Ibid.
resultant effect of national policy as the Central Government directs the State Government in respect of formulation of wage structure. The State Government in turn, under the broader parameter of national policy direct the respective S&EB to keep the wages below the specific ceiling limit. Hence the conflictual situation is the articulation of the forces of interaction from employees union and the Board, the Government in the Centre and the State. The ultimate analogy emerged that the harmonious inter-institutional relation would enhance the generation and uninterrupted supply of power.

It is observed by the present researcher that the industrial relation in the Board is dismal. Regarding fixation of pay scale the management of the Board has to discuss with the workers' union after every five years. Though the last settlement of August 1985 was done on the basis of consultation, the same was long overdue in 1982.35 The delay in pay revision took place owing to (i) non-approach from the employees side and (ii) delay in announcement of the pay revision of the State Government. This delay in revision of pay not only make the workers malignant but percolate the impact of arrears remuneration to be paid in one year with accumulative effect. This bestows additional burden upon the Board at the cost of its working capital.

35. Discussion with the concerned officials, ASED, Narengi, 20th December, 1985.
Worker's participation in Management: The concept of worker's participation in management in India was first introduced in the Industrial Policy Resolution of 1956, and in the deliberation of Indian Labour Conference held in 1957. The Second Five Year Plan stated in a clear terms that industrial democracy was the pre-requisite for the establishment of a socialist society. For the successful implementation of the plan increased association of labour with management is necessary. Such measure would help in:

1. Promoting increase in productivity for the general benefit of the enterprise, the employees and the community as a whole.

2. Giving employees a better understanding of their role in the working of industry and of the process of production, and

3. Satisfying the worker's urge for self-expansion leading to industrial peace, better relation and increased co-operation.

Though the concept is not of recent origin, it is not well-understood in Indian public enterprises, which contributes to lower managerial efficiency. The autocratic

36. Section 3(1) of the Industrial Dispute Act 1947 provides for setting up of Work Committee. Ex-Chairman of ABED, Dr. N. Pai, The Sentinel, dated 7th June 1984.
attitude of the management towards the workers is harmful to
the smooth working of the enterprises. The management
authority thinks of their superiority over the workers. This
creates bitterness in management-workers relation. The necessity
of workers' participation in the management of SMD is desirable
for the following reasons:

1. **Productivity**: No person can singly manage an enterprise,
however qualified he may be. So group management is essential
for increasing the productivity. The generation of power is
the harmonious admixture of man and machine. Secondly wide gap
prevails between the nature of functions of the field staff and
Head Office officials. Any sort of inter-personnel ill feeling
as well as intra group conflict adversely affect the attainment
of group goal. Electricity generation being a complex function
it is difficult to ascertain which part, either the machine or
the man, has contributed towards stoppage of power generation
and interruption in distribution. Human failure is more
responsible rather than machine failure. Without any
exaggeration management-workers relation has been found to be
conflictual rather than co-operative.

2. **Industrial Relation**: The root of human conflict lies in
the divergence of the interest between the contenders. The
degree of difference of opinion arises out of the reasons that
the employees Union try to exert as much bargaining power as
possible. While the management tries to concede as less as possible. Further the political system of the economy also influences the bargaining strategy which differs from country to country. To reduce the industrial dispute the philosophy of workers' participation in management was evolved in industrial countries for the first time and gradually this was imbibed to other countries both socialist and capitalist. 37

3. **Equalization of participative principles:** Equalization
dictum aspires nation's economic and material progress from
poverty to prosperity and to attain, under the Industrial
Policy Resolution 1956, a classless society to achieve general
prosperity equally among all sections of the people.
Combination of the four Ms, man, machine, money and material
leads to fuller utilization of capacity for common good.

Though the application of the principle is different
for various organisations, the main goal is the same. Despite
sincere effort on the part of our electricity Board to bring
the representations of the employees at the policy making
level, in operation context, unfortunately it becomes a mere
cry rather than a positive response.

The Board has its discretionary power in regard to
pay fixation of its employees by virtue of mutual agreement

House, New Delhi, 1977, p. 280
between the employer and the employed. Incidentally the
question of fixation of new pay scale under the stipulation of
the workers' remuneration policy has been pending for the years
1983 and 1984. The revision though overdue could not be given
effect to by the management owing to unmanincity of pay scale,
resulting in loss of man days production, underutilization of
capacity, frequent agitation and interruption of work. This
annihilates maintenance system of the Board.

Similar deficiency has also been brought out by the
Inquiry Commission Report 1971, when it observed that in 1963-65 a batch of technical personnel was recruited from outside
the state with greater remuneration without any meaningful
consultation with employees unions. This faulty personnel
policy has in the long run contributed towards the perpetual
losses. Any additional cost incurred for orchestration of
industrial relation might justifiably be conceived as a social
cost in pursuance to betterment of operation.

State Government in the Policy Matter! An organisation is
well guided by certain pre-planned policy. The State Government
directs policy matter of the Board in consultation with the
CWA. Policies are a kind of plans expressed in general
statement which guide in thinking and action in decision making
of the subordinates.

38. O'Donnell, Essential of Management, Tata
study, major policy decisions at the micro-level is taken by
the State Government in consonance with C A, while the Board
acts as implementing agencies. Of course, no approval is
needed from C A for a capital investment project not exceeding
Rs. 1 crore. Nonetheless seeking approval from the C A is
not mandatory under the Act, yet for the sake of financial
concurrency prior approval and technical clearance is sought.
This is not merely an official consultation but a meaningful
consultation for practical co-operation. Factually C A is the
highest technical authority at national level. Conversely
consent of the State Government is essential in implementation
of the policy. Since it is a dynamic organisation policy
decision ought to be tailored towards the merit of each unit.
One can hardly find non-interference from Govt. side into the
affairs of the Board at the cost of its autonomy. As a general
case the recruitment policy has been guided by the State
Government. Autonomy in certain degree is highly desirable
for creating an inventory of technically sound and resourceful
personnel. Even if the Board fails to carry out the instruction
of the State Government in respect of policy matter the State
Government can supersede the Board and reconstitute a new one
in its place. With the change in Government, reconstitution


40. The new Government resumes power on 20th December, 1985
and the Board was reconstituted during January 1986 with
new Chairman.
of the Board also took place. Frequent reconstitution of the Board interrupts the flow of its operation.

Over Officialisation: The present researcher finds a very large proportion of Board membership is held by Government officials on a part-time basis. It thus acquires the character of a Government committee rather than that of an autonomous body. This might adversely affect the working of the commercial enterprise. Busy senior secretariat officers with heavy responsibility of the department could hardly give sufficient time and attention to the affairs of the enterprise. This over-officialization in the Board affect the autonomy and commercial conduct of the enterprise.

However the situation might be studied from another angle also. This is done presumably with the object that it would provide greater co-ordination between the Board and the Government. Moreover, executives directly connected with the Government policies may equally be responsible for implementation of electricity schemes. The loss of autonomy to some extent might even be compensated by expediency and responsibility of the officials.

The foregoing discussion envisaged that despite having all the management paraphernalia, proliferation of expected degree of efficacy can't be ostensibly felt. As can sing with
the tone of Peter F. Drucker that good organisation structure
does not by itself produce end results just as a good
constitution does not guarantee great presidents or good laws,
and a moral society. But a poor organisation structure makes
good performance impossible, no matter how good individual
managers may be.\footnote{Peter F. Drucker, The Practice of Management, Harper
Brother, New York, 1954, pp. 223-26