Organisations are systems composed of many sub-systems functioning in an environment. Organisation is the framework; it is not an end in itself. In case, this framework is ill-disposed, there is bound to be inefficiency and wastage of resources. As such, importance of organisation cannot be over-looked.

There are various schools of thought dealing with the theory of the organisation. According to the scientific management school, led by Taylor, an organisation rests upon clearly fixed laws, rules and principles, as a foundation. The bureaucratic theory of organisation, propounded by Max Weber, stresses the indispensability of bureaucracy for the rational attainment of the goals of an organisation. The classical theory of organisation, dominated by Fayol, Gulick, Urwick, Mooney, Follet, Reiley, etc., deal with formal organisations. According to them, an organisation is the "rational co-ordination of the activities of a number of people for the achievement of some common, explicit purpose or goal, through a division of labour and function and through a hierarchy of authority and responsibility". On the other hand, the human relations

theory led by Elton Mayo and Chester Barnard, etc., emphasizes on the people, on human motivation and on informal group functioning. To them, an organisation is "a social unit (or human grouping) deliberately constructed and reconstructed to seek specific goals".

In the present discussion, the organisation shall be viewed from both mechanical and human angles.

On analysing the organisational structure of Hafed as it prevailed at the beginning (1966), during the course of expansion of activities (1971), peak activities (1976), and the existing one (1979), it was found that the Secretary was the Chief Executive in the initial set-up. He was assisted by a Chief Accounts Officer and a team of 27 officials.* In 1971, the Chief Executive was assisted by one staff agency, three line agencies, with a staff strength of 115 to cope up with the increased functions. Till this time, the federation had not set up its field offices.*

In the subsequent years, many changes were made in the organisational structure of the federation. The organisation chart of 1976** and 1979 (chart No.13) depict the manner in which work is divided among the functions

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   * For detailed organisational chart, see Annexure XXVIII
   + For detailed organisational chart, see Annexure XX IX
   ** For details, see Annexure XXX.
Chart No. 13

ORGANISATIONAL CHART OF HAFED (1979)

GENERAL BODY

Board of Directors

- Committees

Managing Director

Secretary

Functional Heads

Financial Controller

Chief Accts. Officer

Chief Audit Officer

Marketing Consultant

Manager, Inputs

Manager, Marketing

Manager, Pesticides

Dy. Manager, Procurement

Manager, Processing

Executive Engineer

Field Offices & Processing Units
(distribution, marketing, processing) and positions (a manager each for marketing, processing, and inputs), line of authority, level of ranks, etc.³

This shows that the organisational structure of Hafed was not made in a day. It was the result of a gradual evolution. In fact, the structural differentiation is visible as a result of functional growth in magnitude and direction.

We shall now analyse whether this organisational structure has been conceived and developed to meet its objectives in the context of essentials of a good co-operative organisation or not. We have used the following tools of organisational analysis wherever relevant: (1) organisation charting, (2) activity analysis, (3) job description, (4) use of manuals, and (5) checklist of the principles of organisation.

LEVELS OF DECISION-MAKING AND THEIR RELATIONSHIPS

A perusal of the existing organisational chart reveals the hierarchy of management in the federation. Hierarchy or Scaler principle is one of the means whereby resources

³ According to Pfiffner and Sherwood, when the relations between different jobs and positions are attempted at a capsule and abbreviated representation, the result is what is known as organisation charting. See, John M. Pfiffner & Frank P. Sherwood, Administrative Organisation, Delhi, Prentice-Hall, 1968, p.220.
are apportioned, personnel selected and assigned, operations
activated, reviewed, and modified. It is the principal
channel of communication, downward and upward, along
which flow information, advice, specific instructions,
warnings, and commendations. It is also the channel
for the delegation of authority.

In Hafed, at the top, there is General Body, the
Board of Directors/Committees for policy-making.* Next
in the hierarchy, is the Managing Director who administers
the day-to-day affairs of the federation.+

The administrative structure has been broken into
staff and line agencies* as the running of the administration
of such a complex organisation cannot be a single-man's

---

4. Paul H. Appleby, Policy and Administration,
Alabama, The University of Alabama Press, 1949, p.73.

5. L.D. White, Introduction to the Study of Public
Administration, Delhi, Eurasia, 1968, p.36.

* For details, refer to chapter on "Policy Making".

+ For details, refer to chapter on "Chief Executive".

& Willoughby uses the term "primary or functional" for
'line' and "institutional or house keeping" for
'staff' agency. L. D. White in his book Introduction
to the Study of Public Administration
(p.193) categorises the hierarchy into
staff, line and auxiliary agencies.

Similarly, Pfiffner and Presthus in
their book Public Administration (p.245)
classify the agencies as general, technical,
and auxiliary.
show. Immediately after the Managing Director, there are five departments, namely, administration, finance, inputs, marketing and processing. These are headed by the Secretary, Financial Controller, Manager (Inputs), Manager (Marketing), and Manager (Processing) respectively. The first two departments constitute 'staff' while the remaining three as 'line'. The former acts as a 'filter and funnel' to the Managing Director by contributing special knowledge and ability to solve problems within a specific area of operation. It also serves the line agencies in matters of planning, co-ordination, fact-finding, and research in achieving its desired objectives.

The line agencies deal with substantive fields and are an 'end' in themselves. For instance, the Inputs Department assesses the requirement of fertilizers/pesticides/quality seeds for distribution amongst the farmers and promotes sales. The Processing Department prepares project reports, makes arrangements for land, plant, machinery, raw-material, and also arranges sale of finished goods with the assistance of Manager (Marketing) and Manager (Inputs) who are experts in their respective areas. Similarly, Marketing Department arranges purchase and sale of agricultural produce on agency, direct, and joint venture basis. Thus, all the line and staff agencies are grouped into departments.

Before switching over to departmentalisation, let us also glance at the organisational structure at the field level which is more or less the same all over the State. At present, there is a district office in each revenue district headed by the District Manager assisted by one district accountant, 5/6 accountants, office assistant, steno, clerks, 10/15 field inspectors, and other subordinate staff. In some of the district offices, post of Assistant accounts officer has also been created to cope up with the increased work load.

Below district offices, there are managers of co-operative marketing societies who actually undertake all the work on behalf of the federation. Wherever, the co-operative marketing societies are not functioning properly or are not capable of performing the functions of marketing and distribution of goods and services, the federation has set up its own branches known as rail-head agencies (25) and wholesale depots (15). The former act as a retailer as also wholesaler for performing any activity assigned by Hafed. The latter basically acts as buffer godown for distribution of fertilizers to the mini banks and other service societies on a wholesale basis.

**DEPARTMENTALISATION**

Departments are made to group all services whose operations fall in the same field and maintain intimate
working relations with each other for the attainment of common ends? In Hafed, administration department looks after all the personnel matters, public relations, meetings of the Board, legal services, administration of property and general functions. The Finance Department deals with all types of financial management and so on and so forth. Thus, departmentalisation in the federation is on functional basis. It helps building up of specialised knowledge and skills, simplifies tasks and facilitates managerial control.

In order to critically examine the functioning of each department/division, the total strength of persons employed, their job specifications, academic qualifications and training experience were ascertained.

A perusal of Table No.7.1 reveals that at the head office, there was an overwhelming majority of officers. There were 33 (25 per cent) officers out of the total strength of 133 (excluding Class IV staff). There were 21.5 per cent (28) accountants, 16.5 (22) each of assistants.

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* The brief functions of each department/division may be perused from Annexure XXXI.
Table No.7.1
STAFF POSITION AT HEADQUARTERS IN VARIOUS DIVISIONS

<table>
<thead>
<tr>
<th>Division</th>
<th>Officers</th>
<th>Assistants</th>
<th>Clerks</th>
<th>Typists</th>
<th>Stenographer</th>
<th>Accountants</th>
<th>Technical</th>
<th>Total</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>establishment</td>
<td>2</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(one working as Asst.)</td>
<td>(all working as Asst.)</td>
<td>(2 working as Asst.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Relations</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(one is Manager)</td>
<td>(2 working 'B' grade)</td>
<td>as Asst.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Accounts Establishment</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>4</td>
<td>0</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td>7</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(one is Manager)</td>
<td>(2 working 'B' grade)</td>
<td>as Asst.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>outputs</td>
<td>4</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>4</td>
<td>0</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(2 working as Asst.)</td>
<td>(one is P.O. as Asst.)</td>
<td>as Asst.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Processing</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Real Accounts</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>0</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(one is F.I. working as Asst.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Accounts</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>0</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Internal Audit</td>
<td>3</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>22</td>
<td>22</td>
<td>11</td>
<td>15</td>
<td>28</td>
<td>2</td>
<td>133</td>
<td></td>
</tr>
<tr>
<td>Percentage</td>
<td>25</td>
<td>16.5</td>
<td>16.5</td>
<td>8</td>
<td>11</td>
<td>21.5</td>
<td>1.5</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
and clerks, 11 per cent (15) stenos, 8 per cent (11) typists, and 1.5 per cent (2) technical staff. It was also observed that there was no proper placement of the personnel, e.g., one manager and one field inspector who are supposed to work in the field were posted in head office. Quite interestingly, the field inspector was entrusted with the receipt and despatch work. Similarly, whereas a number of clerks in the different divisions were assigned the duties of assistants, there were instances where assistants were doing the job of a clerk, i.e., receipt and despatch. Again, one lady who was initially recruited as PBX Operator was working as typist.

On specifically taking up all the departments step by step, it was found that in the Administration Department (establishment division), there were 10 dealing hands and 3 officers. All the four clerks were working against the posts of assistants. None of the assistants (including the clerks) had knowledge either of the various terms like manpower planning, staffing, performance appraisal, etc. or had undergone any training on the various facets of personnel management. In the absence of any qualified personnel, this division was merely performing routine functions like appointments, transfers, leave, etc.

In the Marketing Department, there were 7 (33 per cent) officers out of a total strength of 21. They supervised the work of 10 officials thereby giving an average of 1½ to each officer. None of the assistants (except one) and
the clerks (working against the posts of assistants) had no knowledge about the role of marketing information, marketing strategy, management of marketing, export and import of goods, etc.

In the inputs department, there were four officers to supervise the work of ten subordinates. Almost all the officials (except two who were B.Sc./M.Sc.) had no familiarity even with the terminology of nutrients, the various kinds of complex fertilizers, pesticides, and insecticides. Besides, none of them had ever attended any training programme in the field of marketing and distribution of inputs.

Irrationality of staffing pattern was also visible in the processing department where out of a total strength of eight - one clerk, one typist, one stenographer, three assistants, all doing work of routine nature - there were two officers to supervise their work. Similarly, on the finance side, in the general accounts division, there were six accountants and five officers. In the cost accounts division, there were three accountants and two officers. Again, in the audit division, five accountants were being supervised by three officers.

A similar trend was visible in the field offices as well. A deep study of the employment of field inspectors vis-a-vis their work-load was made. A perusal of Table No.7.2 clearly reveals that the field inspectors for most of the time during the year, were altogether free and had
Table No. 7.2

**STATUTORY POSITION AND WORKLOAD OF FIELD INSPECTORS**

<table>
<thead>
<tr>
<th>Postillion</th>
<th>Wheat</th>
<th>Cotton</th>
<th>(Workload in percentage)</th>
<th>Potatoes ***</th>
<th>Gram ***</th>
<th>Seeds</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution</td>
<td>Procurement</td>
<td>Procurement</td>
<td>Procurement</td>
<td>Sacks</td>
<td>Other</td>
<td>Procurement</td>
<td>Procurement</td>
</tr>
<tr>
<td>chase patch</td>
<td>chase patch</td>
<td>chase patch</td>
<td>chase patch</td>
<td>chase patch</td>
<td>chase patch</td>
<td>chase patch</td>
<td>chase patch</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. of Inspectors</th>
<th>60</th>
<th>120</th>
<th>180</th>
<th>300</th>
<th>500</th>
<th>1000</th>
<th>163</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement</td>
<td>4</td>
<td>6</td>
<td>9</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>Despatch</td>
<td>8</td>
<td>12</td>
<td>15</td>
<td>20</td>
<td>30</td>
<td>40</td>
<td>25</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>50</td>
<td>5</td>
</tr>
<tr>
<td>Procurement</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>50</td>
<td>30</td>
</tr>
<tr>
<td>Chase patch</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Procurement</td>
<td>55</td>
<td>55</td>
<td>55</td>
<td>55</td>
<td>55</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td>Despatch</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Other</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Procurement</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Chase patch</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
</tr>
</tbody>
</table>

* Restricted only in Hisar, Sirsa, and Hissar districts.
** Restricted only in Ambala, Karnal, and Kurukshetra districts.
*** Restricted only in Ambala, Karnal, and Kurukshetra districts.
**** Restricted only in Hisar, Manesar, and Sirsa districts.

Free dispatch of rice done by Managers of Rice Shellers with their own staff.
Field Inspectors deputed for wheat procurement also arrange purchase of other foodgrains, gram, seeds, etc.

Note: Data compiled from official records and analysis based on personal discussions, interviews and actual work-load of the functionaries.
no substantial work to perform.

During discussions with a number of employees and officers, one of the employees remarked, "Staff is appointed without any regard to the duties and responsibilities he is to discharge". In fact, most of the supervisory officers were not at all involved in the policy-making and decision making process. They were just the signing machines and acted as post-office agency between the dealing hands and the departmental heads. Even the routine cases disposed of at their level were very few. Thus, these officers were there merely as obstacles. *

Let us now discuss the role of span of control in the federation.

**SPAN OF MANAGEMENT**

When Hafed was formed with 27 officials, the Chief Executive did not feel necessity to introduce a formal system of control as he knew each and every employee in person as also the duties assigned to them. The records reveal that with the growth in magnitude and nature of the business handled by the federation, a control mechanism was introduced.

The present structure shows that five Departmental Heads, 13 district managers, one liaison officer, 16 heads of processing units are reporting to the Managing Director.

* Based on personal information.
which shows that his span of control is much too wide.*

Some of the Chief Executives during discussions also felt that they were really feeling a lot of difficulty in supervising about 35 officers. This necessitates lessening the span of control in such a way that it may lead to coherence and unity within the organisation.

**UNITY OF COMMAND**

The principle of unity of command, which ensures efficient reporting and control, helps avoid confusion, conflict and lack of action, and enhances morale of the employees, is not practised in Hafed. The reason is that the employees receive orders on the same subject from more than one officer at a time due to duality of command.

In the Establishment Division, although the assistant secretary (establishment) and the officer on special duty (establishment) - both of equal status - were to submit their cases direct to the Secretary, in practice, the

* There is no unanimity among the experts to fix the limit of span. Sir Hamilton favoured span of 3/4; Urwick suggested span of 5/6; Graham Wallace felt that a Chief Executive could easily supervise work of 10/12 officials. In fact, there are no hard and fast rules. It depends on many factors, i.e., quality of supervisor, the nature of functions, the age of organisation, the traditions and environment, the capabilities of officials and the geographical dispersal of command.

former had been routing his papers through the officer on special duty to the Secretary. This made O.S.D's position superior to assistant secretary as also those working under the assistant secretary which created a situation of duality for assistant secretary's subordinates. In the marketing department, employees received different orders on a particular issue both from the Marketing Development Officer and the Joint Manager (Marketing). Again, theoretically, the accounts officers were responsible to the functional heads, but, instances were not lacking where the finance head had been issuing instructions and directives to the accounts officers on those matters which were not at all within his purview.* There is need that each individual in the federation receive definite orders (functional or administrative) from only one source and not from a number of sources, otherwise, with violation of unity of command, authority is undermined, discipline gets jeopardised, order disturbed and stability threatened.11

Unity of command, however, cannot be successful in practice if the authority and responsibility are not delineated formally or informally.

**AUTHORITY & RESPONSIBILITY**

There is a famous saying that responsibility without

* Based on personal information.

authority leads to misery, and authority without responsibility can lead to tyranny. Further, authority can be effective only if the persons also wield personal influence or power to achieve team work.

In the federation, the chief executive, in the initial years, had no authority which could be accepted by subordinate as a decision by a superior. All the decisions - right or wrong - taken by the Board (whether in consultation or without consultation) were binding on him. In other words, though he was responsible for the omissions and commissions in carrying out the day-to-day administration, he was not given any authority to implement the policies efficiently and effectively. For instance, the chief executive in the initial years was to be appointed by the Board with the approval of the Registrar, Co-operative Societies. The records reveal that the Government always undermined the authority of the Board in the appointment of the first six Chief Executives. This always resulted in tussles between the Board and the Chief Executive leading to frequent transfers. As many as six Chief Executives in the first five years were transferred. One chief executive was transferred only after 2½ months.

It is only from 1971 that the Chief Executive has been


* For details, refer to chapter "Chief Executive".
accorded sufficient authority and that is why, a blue
print for expansion of the federation could make a headway
in the 1970s.

The foregoing analysis reveals that genuine efforts
were made to match authority with commensurate responsibility
in the case of Managing Director.

As the activities of an organisation multiply – which
is a must for any growing organisation like Hafed –
degression of authority becomes unavoidable.

DELEGATION OF POWERS

Delegation implies that decisions within the competence
of a person may be made by him and not referred upward in
the organisational hierarchy. At the same time, a person
cannot delegate authority which he does not possess. In
recent years, a new meaning has been given to this term,
i.e., more and more participation by the staff in the
policy-making, decision-making, and implementing processes.

The records of the federation bear that this principle
was a misnomer in the initial years. The chief executive was
not even authorised by the Board to shift the headquarters
of the staff. He had no access to make temporary appointments.
In the absence of any delegation, there was always frustration,
indifference, and inefficiency on the part of the chief
executive.
It was in 1971 that the Board delegated some of its powers for construction of civil works/godowns to one of its sub-committees, the Managing Director and other officers. The Managing Director was authorised to approve the tenders involving amount up to Rs.20,000. Subsequently, the Managing Director/head of functional departments, field officers, etc., were conferred increased delegation by the Board for the smooth functioning of Hafed. According to the present delegation of powers, the chief executive enjoys practically almost all the powers and has not to approach the Board frequently. Besides, the officers at the headquarters and in the field have also been conferred powers. During discussions, most of the officers (except field officers) were satisfied with the existing arrangements. Thus, delegation of authority minimises delays, makes services more effective, economical, and efficient. It provides flexibility to adjust procedures according to the exigencies of work. It also develops loyalty, sense of belongingness and identification on the part of the employees.

Besides the analysis of formal organisation, an attempt was made to understand the subtle working of employees in

13. Hafed, Proceedings of the meeting of Board of Directors, held on November 11, 1971.


15. Hafed, Proceedings of the meeting of Board of Directors, held on April 15, 1976.
informal ways. It is very difficult to depict everything on the formal charts and manuals to get co-operation from all employees. An analysis of informal organisation through sociometry, interaction analysis, transactional analysis, it was found that the employees lack identification and determination which are the essential qualities in raising performance. It is suggested that the Chief Executive must encourage informal relationships to develop professional standards, morale and administrative ethics.

The fruitful application of the essential principles of organisation also depends upon the use of modern management techniques in their ecological context. It was, however, discerned that the management has failed to apply these techniques in exercising effective control over its field offices/processing units. Most of the processing units have taken unduly longer time in their completion because of lack of application of Network Techniques (PERT/CPM). These techniques aim at efficient performance and temporal dimensions of a project. No due consideration has been given to the concept of A, B, C Analysis. This would have enabled the busy chief executive/senior officers to build up priorities of work, i.e., to decide on which items to concentrate first, which others to deal later, and yet which others to delegate to his subordinates. Besides, none of field offices/processing units has evolved a systematic and harmonious arrangement
of work with reference to its objectives with the help of organisational analysis technique. Hafed has also failed to formulate budget of its own let alone performance budgeting. The technique of performance budgeting not only correlates physical and financial aspects of a programme/activity, but, also aims at improving budget formulation, review, and decision-making, at all levels. The federation has also not recently been applying other important techniques like materials management, ratio analysis, cost-benefit analysis, etc., which play a significant role in improving performance.

The efficiency and effectiveness of Hafed can be enhanced only if the latter applies the modern management techniques to its various facts bearing in mind the motto of applying the right technique/technology at the right place, at the right time, at the right cost, and by the right methods/means.*

FIELD ADMINISTRATION

It is now generally accepted that administration of an organisation has to be so organised that there is a centralised control for the sake of uniformity and

* The application of different techniques according to the level of activities of management has been suggested in Annexure No.XXXII.
certainty of decisions and actions. Besides, it may deal with the needs of the different segments of the society in an effective manner. It implies that there must be decentralised administration. In modern times, decentralisation has been so widely and differently used that, as Norman D. Palmer says, it has become less precise. In decentralised administration, the lower hands are allowed to decide most of the cases which come up, reserving comparatively a few bigger and more important problems for those working at higher levels. Decentralisation is a twin process of deconcentration and devolution.*

In the federation, in the initial stages, there was no decentralisation or field administration. There were obvious reasons for this. Firstly, the policy-makers and decision-makers did not feel like decentralising the administration because they were not inclined to part with their power and domination - the two signs of centralisation. Secondly, the size of the federation was so small that it hardly necessitated decentralisation of its affairs. Thirdly, the environmental factors did not warrant it because none


* In deconcentration, the field offices simply act as the agents of head office. In devolution, there is dispersal of authority from one organ to another by means of a piece of legislation or constitution.
of the apex federations in Haryana had decentralised its operations. Fourthly, there was dearth of competent and qualified persons who could be deployed there. Fifthly, the policies and programmes were not standardised to make a headway for decentralising the administration. Last but not the least, the restricted performance of activities on the part of the federation did not pave the way for setting up field offices.*

In fact, in the initial years, the federation dealt with restricted activities. The work relating to distribution of fertilizers was being routed through the district wholesale societies. The latter were responsible to collect the sale proceeds of fertilizers and submit sale statements, check the concealment of fertilizers, and assess the projected requirements of fertilizers. As regards other activities, the federation had more or less direct dealings with the primary societies. This shows that the district marketing societies had no decision-making powers of their own. They were just to carry out the policies and programmes as laid down by Hafed. They were to act under the direct supervision, co-ordination and control of the head-office. Thus, the role of the district wholesale societies in the art of decentralised administration can be cited as an example of de-concentration.

* Based on personal interviews.
The actual decentralisation came into being only in 1972 for two main reasons. Firstly, as already explained, the activities of the federation increased many fold. Secondly, it was now being felt as to how best the various functions can be carried out with due economy and efficiency. The study of records shows that the case for eliminating the role of district wholesale societies and opening of district offices was started in 1969. But, because of the political and administrative exigencies, these offices were started in a phased manner in 1972 and this process has been completed only recently.*

Thus, in the federation, there is a territorial or geographical decentralisation. Various field offices have been scattered all over the State. They are to decide most of the problems on the spot. Hence it is merely a matter of relationship between the headquarters and the outlying field agencies. These offices have been entrusted with the task of procurement and marketing of foodgrains, distribution of inputs, and consumer goods and act as the controlling offices for the efficient functioning of its branches. These are also required to maintain up to date record of physical and financial position of the various commodities of its branches as well as its own activities.

* The dynamics of setting up these offices and posting of adequate staff from time to time has been taken as a burnt case for the purpose of policy-making, and decision-making role of the Board of Directors and has been explained there in detail.
We shall now describe the detailed organisational framework of the district offices with a case study of Gurgaon district office.

On critical examination of the organisational chart No. 14, it was found that out of a total of 38 employees, 18 were posted in the district office and the remaining 20 in its 9 branches. In other words, 37 officials were directly reporting to the district manager. Such a large span resulted in the inability of the district manager in effective operational management. There was also an uneven sharing of responsibilities of the district manager with the assistant accounts officer and other managerial staff. Besides, there was no job description and job specification for any category of personnel resulting in overlapping and wastage of financial resources. The classification of accountants and managers in three categories, viz., Grade C, B, & A was also neither scientific nor standardised. For instance, some of the wholesale depots and rail head agencies were headed by managers whereas others by the field inspectors or accountants to perform the functions of the manager. There were a good many instances where junior employees were holding the managerial positions of rail head agencies/wholesale depots staffed with senior ones. This affects the morale boosting among the employees and results in lack of commitment to work. The chart bears that there was no distinction between managerial tasks and routine operational tasks of executive job.
The antecedents of all the thirteen district managers were also collected. It was observed that out of 13, one was MBA, 5 M.A./M.Sc., 3 B.Sc./B.A., and 4 were matriculates. As regards their experience, 5 of them had already worked for 7-8 years, 2 for 4-5 years, 4 for 3-4 years, and the remaining two for about two years. The academic attainments coupled with experience shows that most of the district managers fulfilled the requisite qualifications.

In the light of the functioning of the headquarters/field administration, the researcher has designed a new organisational pattern which would: (i) ensure optimum utilisation of human resources, (ii) reduce the span of management of the chief executive/district chiefs, (iii) improve the functioning of headquarters'/field administration, (iv) develop unity of command for effective monitoring and control, and (v) ensure utilisation of existing staff without any retrenchment.

A perusal of the proposed chart No.15 would reveal that two new posts - one Deputy Managing Director and the second of Company Secretary - are to be created. On the other hand, the existing posts of marketing consultant, chief accounts officer, chief audit officer, legal officer, and four posts of assistant accounts officers (taxation, viability cell, processing, and storage) may be abolished as these are not serving any useful purpose and the work can be performed by making necessary adjustments within the organisation.
CHART No.15
PROPOSED ORGANISATIONAL CHART OF HAFED

GENERAL BODY

BOARD OF DIRECTORS

MANAGING DIRECTOR

COMMITTEES

POST RETAINED/ALIGNED

POST ABOLISHED

POST CREATED

POST NEGLECTED
In the proposed organisational structure, there would be only four departmental heads under the Managing Director and two such heads under the Deputy Managing Director. No other officer may be designated as the departmental head. Presently, though as per organisational chart, there are only five such heads, but in fact, their number is eleven because several divisional heads are also enjoying the status of departmental heads. This has made Managing Director's span of control unwieldy resulting in confusion and jealousies amongst the departmental and divisional heads.*

The work of the federation is proposed to be allocated between the Managing Director and the Deputy Managing Director. The former would be the over-all incharge of administration. He would largely concentrate on the activities relating to the on-going projects which are the life and blood for the survival and growth of the federation. This would also enable him to devote more attention and time to long-range planning. The Deputy Managing Director would concentrate on marketing of agricultural produce and distribution of inputs independently. Of course, he would keep the Managing Director informed of the latest developments relating to his area for the purpose of co-ordinated policy-making and decision-making.

* Based on personal discussions.
All the district officers who are mainly concerned with marketing and distribution would also be directly under his control.

At present, the Secretary controls over the personnel, public relations, legal matters, meetings of Board/Committees, and general superintendence and administration under the over-all control of the Managing Director. In view of the multifarious duties, he fails to devote most of his time on the personnel which are the key to development in any organisation. In order to relieve him of the routine functions, it has been proposed that he may solely concentrate on the various aspects of personnel and be redesignated as Manager (Administration). He may be assisted by two Assistant Managers - one for Manpower Planning and Staff welfare and the second for all other establishment matters. The remaining functions of the Secretary have been allocated to the proposed new post of Company Secretary. During a decade, Hafedh has become a complex organisation and there is full justification for creating the post of a Company Secretary. He would be acting as a staff agency to the Managing Director in matters of the meetings of the Board/committees, and for legal and public relations matters, he would act as staff as well as line agency.

As regards the subordinate staff, it is suggested that in all the departments/divisions, the dealing hands must be assistants (and not clerks) who are duly qualified,
trained, and their placement must be commensurate with their aptitude, and work experience for the specific activities. Besides, all these personnel must be grouped or clubbed in such a way that it may ensure easy social interaction as well as effective span of control. This would also lead to efficiency because even in the absence of a particular person, the other person would take over the functions and there would not be any delay in the disposal of urgent cases.

At the district level (chart No. 16), the assistant district manager (newly created position) would concentrate on the distribution of inputs (i.e., fertilizers, seeds, pesticides, insecticides, implements, etc.,) and consumer goods, under the control of district manager.

The Assistant Accounts Officer would be incharge of financial management. As regards the branches, the wholesale depots would be directly supervised by the Assistant District Manager while the Rail Head Agencies by the District Manager (except for providing inputs). Similarly, the services of the accountants and the field inspectors at the District Offices would be utilised in such a manner that in the peak season, the staff from the head office assist them. In the slack season, the services of surplus staff would be utilised for improving and streamlining the working of co-operative marketing societies, i.e., the constituent members of the federation.
Chart No. 16

PROPOSED ORGANISATIONAL CHART OF DISTRICT OFFICES
OF HAPRD

(a) District Office

District Manager

Assistant District Manager

Assistant Accounts Officer

Acct. (Mgs.) (Hrs.) (Genl.)

Office Assistant & other staff.

Field Inspectors (in all) Managers (W.S. Ds) Managers (Field Inspectors (Inputs))

(b) Branches of District Office.
HEADQUARTERS AND FIELD RELATIONSHIP

Co-ordination and integration amongst the departmental heads and between the headquarters and field offices can be ensured by developing the esprit de corps whereby every team member in the organisation contribute his best to accomplish the organisational goals and purposes.

In case, there is no harmonious relationship between the headquarters and the field, it may result in duplication, wastage of resources, and inter-locking situations affecting the performance. Pfiffner and Presthus rightly observed in this regard as follows:

"It has been said that there is both a headquarters and a field way of life. The two groups often viewing each other with smugness and suspicion. Field workers insist that headquarters do not understand their problems. Headquarters is characterised by an intellectual or research approach to the problems in contrast to the field's practical approach."\(^\text{17}\)

This statement underlines the very significance of meaningful co-operation between the two.

After all, the clients, the members, and the citizens, in general, judge the efficacy of an organisation not from the working of its head-office, but from the working of its field offices. Just as proof of the pudding lies in its

eating, the impact of administrative actions depends upon its 'administering'. Since administering is the concern of the field, the latter, makes the difference between good or bad organisation. A meaningful and cordial relationship between the headquarters and field, however, depends largely on an effective two way communication system.

In Hafed, communication is generally one way traffic from head office to the field in the form of orders, directives, circulars, and memoranda. It does not play the dual role whereby the controllers may control and provide feedback filtering upward from the field offices. Though the federation has also evolved a manual, but it has become outdated and does not meet the requirements of the field offices. Dimock and Dimock term this phenomena of manualities as "an occupational disease generally found in Government - that causes people to assume that every administrative procedure can be reduced to rule and embalmed in a manual for the guidance of all employees." In the federation, the head office exercises control over the district offices through a number of devices as follows:

Firstly, the District Offices/Processing Units are

required to send narrative/statistical information relating to its activities showing the achievements or deficiencies in performance. The periodicity of the reports varies from daily to yearly depending on the nature and need of the information. The reports mainly cover accounting, personnel, inventory, and other specific information.

During discussions with a number of employees and the officers, it was found:

(a) There was no independent management information cell at headquarters which could systematically obtain, abstract, store, retrieve, analyse and present the data for purposes of policy-making, planning, decision-making, implementing, monitoring, and evaluation. In the absence of such a centralised unit, most of the employees were not at all aware as to what is to be done and by whom, what information is required, who can provide the required information, what will be the form in which information is required, the frequency and

* The daily reports relate to purchase, despatch, and balance stock of different varieties of agricultural produce at different centres. The weekly reports are to be sent for sale of foodgrains and fertilizers. The monthly reports include salary statement, motor vehicle expenses, administrative expenses, reports received from RHAs and MDS, reconciliation statements, stock position of different varieties and their transactions. The quarterly reports include sales tax returns. The half-yearly reports deal with the requirements of the fertilizers. The annual report includes final accounts illustrating gross and net profit during a financial year.
accuracy of the information required, to whom
the information is to be sent, and the interval
for which the information is to be kept in tact.
This can be explained with the help of a simple
example. Though the forms for all the activities
were designed by the headquarters, the researcher
failed to have an access to them. He had to rush
from one processing unit to another to get hold
of the various forms.

(b) There was no systematic relationship to integrate
the different parts/functions/sub-systems through
the systems approach, i.e., there was no production
control vis-a-vis financial planning or the
goods were being manufactured/purchased without
keeping an eye over the sales. This led to invest-
ment of huge funds, piling up of finished stocks
for sufficiently long time and so on. Had the
different sub-systems worked in a team spirit like
the eleven hockey players, the results would
have been greater than the sum of the effects
taken independently.

(c) The information was not patterned on the principle
of management by exception, i.e., it was not being
screened at various executive levels depending
upon delegation of power and authority.

(d) The economics of the cost benefit analysis of
the information needs was also not being worked out.
As much as 80 per cent time was being spent by subordinate employees in the preparation of the various reports in the processing units/field offices. Similarly, majority of the staff at the head office was deployed to compile the information. It was very surprising to discover that after making so much effort on compilation, the information used to be just dumped like that without deriving any benefit such as identification of snags and deficiencies and suggesting remedial measures thereto. Besides, even at the preparation stage, no care was taken by the field offices to supply accurate and timely information, nor was there any mechanism at the headquarters to guarantee it. This resulted in dilution of the quality of information.

(e) The forms used by the field offices/processing units were most complicated and cumbersome. Sometimes, the field offices supplied the required information in their own forms. As a result, a number of errors were committed right at the input level leading to defective decision-making and evaluation.

(f) There was also a trend of frequent reporting system, e.g., daily reports were being received with regard to production of breads, fertilizers, cattle feed,
Thus and such redundant reports could and instal an effective management information system to act as a tool of management. It would help in improving efficiency in operational functions, controlling organisational performance, and supporting intelligent planning, by providing such information to the decision-makers which is most relevant, accurate, complete, concise, timely, economical, reliable, and efficient. Information is now recognised as a valuable resource and is termed as one of 'The 8 M's - men, materials, machinery, money, methods, markets, moments, and messages - a form used for information. The information system has become as important as market strategy or manufacturing design. To quote Margin Harper, Jr., from his book, A New Profession to Aid Management, "to manage a business well is to manage its future; and to manage its future, is to manage information".

Secondly, the officers from the head office as also
the Chief Executive has been devoting 50-60 per cent time in the fields. During discussions, it was, however, observed that the officers visit the District offices/processing units just for the sake of TA/DA. Because of their lack of expertise and leadership qualities, they fail to demonstrate as to how best the defects, delays, etc., can be eliminated. They do not feel like shouldering any responsibility in taking the decision on the spot. That is why, the utility of inspections and evaluation which helps in building personal relationship of mutual acquaintance and confidence, and seek to achieve a high standard of service to the people at large, goes waste. It is suggested that competent and talented officers may inspect the District offices/processing units quite meticulously and any laxity in this regard should be seriously dealt with. Besides, the staff between the head office and the field may be rotated at regular intervals so that they can understand each other's difficulties and view the situation in its true perspective.

Thirdly, harmonious relationships are ensured by arranging monthly meetings of the field officers at the head office as well as in the field. The main purpose of such meetings is that the field officers who are skilled in different phases of business supplement the contributions of the departmental heads to achieve the desired results. These meetings are also one of the instruments for the
Chief Executive to exercise control over the field offices. Besides, these also served as a forum for solving disputes that arise in implementation of policies. Every senior is supposed to make sure that what is done is what is intended, i.e., verifying whether everything occurs in conformity with the plan adopted, the instructions issued, and the principles established.19

During discussions, it was revealed that though there prevailed an atmosphere of free and frank discussion between the officers at the head office and field offices, but, the irony is that no follow up takes place on the minutes of such meetings. It is suggested that remedial measures are taken by the head office. Besides, the powers to the field officers may be sufficiently decentralised.

Fourthly, head office controls over the field officers through internal audit. The audit parties visit the field and locate financial irregularities, carelessness, errors, as also unauthorised expenditure. The reports are thereafter pursued by the head office, responsibility for lapses fixed, and action taken against the delinquent officials/officers. Most of the employees were satisfied with the performance of the internal audit because they were not merely

fault-finding in nature, but also suggested improvements for making proper use and attaining perfection in the functioning of organisational systems, methods, and procedures.

Fifthly, the District offices are controlled through budgetary limitations upon the magnitude of operations. They are termed as independent units and have to justify their performance both in qualitative and quantitative terms.

Sixthly, all the affairs of personnel are being regulated by the head office which also helps to supervise and control the affairs of the field offices. During the discussions, the field officers suggested that they may be delegated with sufficient powers in matters of personnel as well to enable them to exercise effective control.

From the above discussion, we find that there is neither a complete decentralisation of administration nor there is an effective and cordial relationship between the headquarters and field offices. The headquarters' control over the District offices can be effective and fruitful if there is a continuous monitoring of the various activities. The term 'monitoring' implies that management may lay down standards for the various activities to be achieved in a particular period. The measurement of performance and comparing them with the standards laid
down will help to know to what extent the targets are being achieved or not. Such standards would act as a barometer in locating the 'insignificant exceptions' where the management may immediately concentrate and launch remedial action. For this, charts may be prepared and displayed in the rooms of the Chief Executives/other functional heads. Such charts would help in planning, scheduling, and controlling the efficient progress of various activities of the federation. In this connection, the Draft Five Year Plan (1978-83) has also stated that inadequate attention to inter-linkages, the lack of a system approach, and poor monitoring and evaluation/feedback system, are some of the factors which result in a serious gap between planning and implementation. There is an urgent need that management of Hafed may devise an effective planning, implementing, monitoring and evaluation machinery for optimum performance and efficiency.