CHAPTER-V
### TABLE 5.1 TABLE INDICATING THE COMPARISON IS SCORES OF COMPLEXITY, FORMALIZATION AND CENTRALIZATION IN COMPANIES UNDER STUDY IN PHASE-II

<table>
<thead>
<tr>
<th>HERO MOTORS</th>
<th>PUNWIRE TELECOMMUNICATION</th>
<th>HENKEL TEROSON</th>
<th>JCT ELECTRONICS</th>
</tr>
</thead>
<tbody>
<tr>
<td>MECHANICAL</td>
<td>MODERATE FORMALISATION</td>
<td>LOW FORMALISATION</td>
<td>MODERATE FORMALISATION</td>
</tr>
<tr>
<td>SCORE: 23.5</td>
<td>SCORE: 18.95</td>
<td>SCORE: 14</td>
<td>SCORE 19</td>
</tr>
<tr>
<td>MODERATE COMPLEXITY</td>
<td>HIGH</td>
<td>LOW COMPLEXITY</td>
<td>HIGH COMPLEXITY</td>
</tr>
<tr>
<td>SCORE: 21</td>
<td>SCORE: 24.3</td>
<td>SCORE: 18.6</td>
<td>SCORE 23.06</td>
</tr>
<tr>
<td>MODERATE CENTRALISATION</td>
<td>HIGH CENTRALISATION</td>
<td>HIGH CENTRALISATION</td>
<td>MODERATE CENTRALISATION</td>
</tr>
<tr>
<td>SCORE: 29.66</td>
<td>SCORE : 35.7</td>
<td>SCORE: 32.2</td>
<td>SCORE 29.93</td>
</tr>
</tbody>
</table>

**ANALYSIS:**

The table shows that the level of formalization is moderate in mechanical, telecommunication and electronics sector. This shows that
the larger the size of the organization, more the formalization. Without
the written rules and regulations it would be difficult to integrate the
departments and bring coordination in such organizations.

In the chemical company, which is small in size, the level of
formalization is low, as the COO (Chief Operating Officer) is able to
interact with almost each and every person directly. The management
layers are 3-5, and many a times 2 only, hence communication is much
faster.

The level of complexity is high in Punwire and JCT electronics because
of greater vertical and horizontal differentiation and spatial dispersion.
But in Hero Motors it is moderate as Hero Motors has tried to effectively
reduce the unnecessary layers after the restructuring and reduce the
number of departments. Hence, level of complexity is moderate in Hero
Motors.

In Henkel Teroson, the complexity is low as the number of departments
is low and the organization size is small in terms of manpower.

The level of centralization is moderate in Hero Motors and in JCT
Electronics. This indicates that these companies have tried to
decentralize and empower their personnel.

In Punwire the level of centralization is comparatively high. This may be
attributed to the leadership style of the top management who is at the
helm of affairs in Punwire. In Henkel Teroson the level of centralization
is high because the level of formalization is low.
The level of automation is moderate in Hero Motors, JCT Electronics and Punwire. There factories are not fully automatic but still efforts have been made to modernize and use automation wherever feasible. In Henkel Teroson since the product does not require full automation, the level of automation is low to moderate. It is seen that the companies under study have batch production technology.

The above shows that the level of Automation is moderate in all the companies under study. This may indicate that in Indian Scenario investment in full automation is still considered costlier as against paying men i.e. the wage rate is still cheaper than those countries where men are costly assets and hence step towards automation by the industry.

<table>
<thead>
<tr>
<th>Hero Motors</th>
<th>Punwire</th>
<th>Henkel Teroson</th>
<th>JCT Electronics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of Automation</td>
<td>Level of Automation</td>
<td>Level of Automation</td>
<td>Level of Automation</td>
</tr>
<tr>
<td>Moderate</td>
<td>Moderate</td>
<td>Low to Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Large Batch</td>
<td>Large Batch</td>
<td>Small Batch</td>
<td>Large Batch</td>
</tr>
</tbody>
</table>
Inspire of the removal of trade barriers and the walls of protection which surround Indian Industry, the environment is considered as of moderately low perceived uncertainty by most of the big companies. This may be because protectionism regime is still not completely over. The political scenario in the country is not letting any of the economic policies stay long.

In case of the similar company the environment is perceived as of moderately high-perceived uncertainty as the customers are limited but the competitors of international standard are increasing who are laying for the same market share. So the problem facing them is how to retain the original market share than to increase the market share.

CONCLUSION:

The analysis as above shows that each of these companies is faced with a different set of environmental needs and the strategy of top management and the technology is varying. Hence the level of formalization, centralization and complexity is varying. As a
consequences the organization structures of these companies is varying. Still the functional structure dominance remains.

Inspite of the dissimilarities in the industry type, these companies show some signs of similarities to. For example, it is seen that larger organizations have more decentralization, higher complexity and more formations. In the smaller organizations the level of complexity is less, formalization is less but centralization is more.