CHAPTER VI
MANAGEMENT STRUCTURE OF JUTE INDUSTRY

The structural framework of management which varies from enterprise to enterprise and industry to industry has considerable bearing on its collective bargaining system.¹ Hence the present chapter attempts to study the management structure of the Bangladesh jute industry and also the extent to which power and authority are either concentrated or diffused and delegated among different levels of management. Such an attempt could provide the background for an analysis of collective bargaining relationships between management and workers' representatives. It would also help in identifying and determining the flaws, if any, which interfere with the effective functioning of collective bargaining.

The nature of management of jute industry is almost similar to that of other nationalised industries of Bangladesh.² Though the Minister-in-Charge has been referred to as the first

¹John T. Dunlop and James J. Healy, op.cit.,pp.34-35.
tier of management body, in fact it is he who mainly supervises and controls the functioning of the corporations, each of which is in the charge of an independent Board of Directors.  

The jute industry, whose management was first placed under the control of the Nationalised Industries Division of the Ministry of Industries, has been working under the supervision and control of the Ministry of Jute. This Ministry was set up by the government in 1974 for the overall development in the production and marketing of raw jute and manufactured jute goods. Figure 6.1 shows the organisation-cum-functional chart of the Ministry of Jute. The chart reveals that, over and above its own establishment, the Ministry of Jute has some other important organisations under its direct control and Bangladesh Jute

3"The Board shall be subject to the superintendence and control of the Government and shall be guided, in the discharge of its functions, by such general or special instructions as may, from time to time, be given to it by the Government." Government of the People's Republic of Bangladesh, The Bangladesh Industrial Enterprises (Nationalisation) Order No. 27, 1972, Article 11(2).

4"These corporations have been created as government bodies for 'control, co-ordination and supervision' of enterprises respectively placed under them, and to exercise such powers of the government as the government may delegate." Zari Khaliquzzaman Ahmad, op.cit., p. 669, quoted from Article 17(a) as amended by P.O. No. 131 and 17(c) of the Nationalisation Order (President's Order No. 27).

5"The general direction and administration of the affairs and business of a corporation shall vest in a Board of Directors which may exercise all powers and do all acts and things which may be exercised or done by the corporation." Govt. of the People's Republic of Bangladesh, The Bangladesh Industrial Enterprises (Nationalisation) Order No. 27, 1972, Article 11(1).
FIGURE 6.1
Organisation-cum-Functional Chart (1979-80), Ministry of Jute

Source: Ministry of Jute.
Mills Corporation (BJMC)\(^6\) is one of these. The Minister-in-Charge, as Figure 6.1 indicates, is the principal government authority and he acts as the proprietor of the industry on behalf of the people. He is responsible to the Parliament for the working of the industry, and through it, to the people.\(^7\) The Ministry of Jute, being the highest government body, performs a number of valuable functions in connection with the overall working of BJMC. The important services rendered by the Ministry are mainly related to the formulation of broad policies, appointment of Chairman and Directors, procurement and supplies, technical, engineering, commercial, legal matters, etc.\(^8\)

**Levels of Management**

It seems that as per Article 11(I) of the Bangladesh Industrial Enterprises (Nationalisation) Order No. 27 of 1972, BJMC is the supreme management organ of the jute industry. Next to this, there are some zonal offices of BJMC which have been established for operational effectiveness and for looking after

\(^6\)"Bangladesh Jute Mills Corporation, which shall have and exercise all the powers of a corporation in respect of the industrial enterprises engaged in the jute manufacturing." Govt. of the People's Republic of Bangladesh, The Bangladesh Industrial Enterprises (Nationalisation) Order No. 27, 1972, Article 10(a).

\(^7\)Qazi Khaliquzzaman Ahmad, *op.cit.*, p. 687.

\(^8\)For details see Table 6.2 of this chapter.
the various mills situated in each zone, and also for apprising
the corporation management about the same. This indicates that
there are three levels of management, namely, the BJMC, the
zonal offices of BJMC and the individual enterprise management.
Figure 6.2 provides a clear idea about these levels of management.

![Diagram of Management Structure]

**Figure 6.2**
Management Structure of Jute Industry

Figure 6.2 reveals that BJMC is at the top of the manage-
ment pyramid and is supervised and controlled by the Ministry
of Jute, the zonal offices of BJMC represent the middle level
management and at the bottom there is the enterprise management.
BJMC, its zonal offices, and the management at the enterprise
level constitute a three tier management set-up whose apex is
the BJMC. A detailed structural description of the various
levels of management is given in the subsequent discussions.
Bangladesh Jute Mills Corporation

BJMC, like other public sector corporations, is a corporate body with power, as delegated by the government, to acquire, hold or dispose of property, both movable and immovable, and by its name sue or be sued. In this context, the position of BJMC is very prominent in the overall management of the jute industry. As a principal commercial unit it acts as the guardian of all assets of the total enterprises placed under its supervision and control.

Broadly speaking, BJMC discharges the responsibilities to co-ordinate, supervise and control the operations of the enterprises within its purview, within the policy framework provided by the Ministry of Jute. Similarly, the task of recruiting, placing, developing and transferring top level managers, heads of departments and other officers and staff of the corporation as well as its zonal offices and plants is performed by it. It has to ensure that the policies and programmes of the various enterprises conform to the corporation's policies and programmes. BJMC keeps close watch on the activities of the individual mills and directly regulates its affairs keeping in

9Govt. of the People's Republic of Bangladesh, The Bangladesh Industrial Enterprises (Nationalisation) Order No. 27, Article 10(2).
view the broad national goals of the government's nationalisation policy.  

The head office of BJMC is situated at Dacca. The corporation has a big staff of 960 persons out of whom 356 are officers and 604 others. An idea of the organisational structure of BJMC can be had from Figure 6.3.

10 The reasons that had been stated by the government for bringing industries under government ownership and control were: (i) attaining more equitable distribution of wealth by reducing the concentration of wealth in the hands of a few individuals; (ii) ensuring planned growth of economy in keeping with national needs and interests; (iii) helping rapid economic growth that would improve the standard of living of people.

11 Bangladesh Jute Mills Corporation (Head Office), Period 1979-80.
### Chairman
- Director (Purchasing)
- Financial Adviser
- Chief Accountant
- General Manager (Insurance)

#### Dy. Gen. Manager
- Sr. Dy. Chief Finance
- Chief Accountant (Cost and Budget)
- Sr. Dy. Chief Accountant (Project)
- Sr. Dy. Chief Accountant (Head Office)

#### Manager
- Manager
- Manager
- Manager

### Director (Technical)
- Chief (Plan and Import Division)
- General Manager (Spare Parts Division)
- General Manager (Import Clearance Division)

#### Dy. Chief
- Dy. Chief
- Sr. Dy. Chief (Statistics)
- Asst. Chief (Elect.)
- Asst. Chief (Mech.)
- Financial/System Analyst

### Director (Marketing)
- General Manager (Quality Control Division)
- General Manager (Production Division)
- General Manager (Spare Parts Division)

#### Manager
- Manager
- Manager
- Manager
- Manager

### Director (Research and Quality Control)
- General Manager
- Manager (Quality Control Branch)
- Manager (Research and Product Development Branch)

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**FIGURE 6.3**

Organisation Chart of Top Management of Bangladesh Jute Mills Corporation, 1979-80 (Head Office)

Source: Bangladesh Jute Mills Corporation.

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Distinctive Features of the Board of BJMC.

The general direction and administration of the affairs and business of BJMC, as indicated, is vested in a Board of Directors who may exercise all powers and do all acts and things which may be exercised or done by the corporation. The Board in the discharge of its function strictly follows the general or special instructions issued to it from time to time by the Ministry of Jute or the Government.

Figure 6.4 shows the composition and position of the Board of Directors of BJMC. The distinctive features of the composition of the BJMC Board since its inception have been as follows:

i) The Board consists of a Chairman and six Directors. The Chairman is the chief executive officer of the corporation.

ii) The Chairman and the Directors are appointed by the Government. The period of their service, including terms and conditions for the same, is determined by the Government.

iii) The various portfolios of the Directors are:

   a) Director (Finance)
   b) Director (Production Planning)
   c) Director (Jute Purchase)
   d) Director (Technical)
   e) Director (Marketing)
   f) Director (Research and Quality Control)

iv) There is no Director (Personnel).

v) The Chairman and the Directors are full-time officials. The members of the Board include both professionals and
FIGURE 6.1
Organisation Chart of Board of Directors (1979-80),
Bangladesh Jute Mills Corporation.

Source: Bangladesh Jute Mills Corporation.
generalists from the civil service. Members recruited from the civil service are transferable either to other corporations or back to the Government.

vi) The Chairman or any other Director may, at any time, resign. But such resignation is considered effective only if and when it is accepted by the Ministry or the Government.

vii) The Board possesses the power to appoint such committee or committees as it thinks fit to assist it in the efficient discharge of its functions.

viii) The Board exercises such powers, performs such functions and discharges such duties as are prescribed by the Ministry of Jute or the Government from time to time.

ix) The Board preserves to itself the right to delegate its power to the Chairman for the purpose of efficient functioning of the corporation.

x) The Chairman, who is the administrative chief of the corporation, is assisted in his functions by the chiefs of divisions. There are seven divisions at the head office:

a) Establishment and Common Service Division
b) Employees Relations Division
c) Public Relations Division
d) Inspection Division
e) Law Division
f) Medical Division
g) Audit Division
The total mills placed under BJMC are grouped into five zones, namely, (i) Dacca Zone - I; (ii) Dacca Zone - II; (iii) Chittagong Zone; (iv) Khulna Zone; and (v) Adamjee Zone. For effective management and smooth running of all the units situated in different zones, the corporation has established four zonal offices, there being no such office for the Adamjee Zone. The zonal offices of BJMC represent the middle level management of the jute industry. Figure 6.5 shows the organisation chart of the four zonal offices of BJMC.

**FIGURE 6.5**

Organisation Chart of Top Management of Zonal Offices, Bangladesh Jute Mills Corporation (1979-80)

Source: Bangladesh Jute Mills Corporation.

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Adamjee zone comprises two jute mills, viz., Adamjee Jute Mills Ltd. and Associated Bagging Co. Ltd. The General Manager of Adamjee Jute Mills Ltd. is in charge of the zone and he enjoys the power and status of a Zonal General Manager.
It appears from Figure 6.5 that organisationally there is no difference between the various zonal offices of BJMC. The General Manager is the overall in charge of the zone and he is directly responsible to the Chairman of the corporation for smooth and speedy functioning of the enterprises placed under his charge. The other departmental heads, except the Manager (Administration), maintain liaison with the Director of their particular department of the corporation. Usually the zonal management performs such functions as are delegated to it by the top management of BJMC. In a nutshell, it is a co-ordinating body between the head office of BJMC and the enterprise management of each zone. Table 6.1 gives an idea of the nature of functions performed by the zonal management.

**TABLE 6.1**

Functions of Zonal Offices of BJMC

| The important functional areas of each of the zonal offices of BJMC are shown hereunder: |
| 1. Review of production performance of the mills under the zone and proper monthly and quarterly reports thereof. |
| 2. Follow up activity of the plants and quality control programme of the jute mills under the zone. |
| 3. Inspection and co-ordination of jute purchase of the different jute mills under the control of the zonal office. |
| 4. General administration and administration of labour relation matters of the mills under the zone. |
| 5. Maintenance of the plant, machinery and workshops of the mills under the zone. |
| 6. Maintenance of books of accounts, preparation of budgets and financial statements of all the mills under the zone as well as the zonal office. |

Source: Bangladesh Jute Mills Corporation.
Individual Enterprise of BJMC

The position of individual enterprise, as shown in Figure 6.2, is at the bottom of the structural level. The management of each jute mill represents the lower level management of the jute industry. An enterprise is a place of production where workers and management are in close contact and work together.

Figure 6.6, 6.7, 6.8 and 6.9 show the organisation charts of the sample jute mills. It is obvious from these charts that the management structure of these mills varies from unit to unit. This variation exists mainly due to differences in the size of the mills. There is no hard and fast rule imposed by the BJMC for maintaining a uniform organisational structure in various mills under its control. Rather the existing set-up of an individual mill has determined its management structure.

The chief of each enterprise management is designated as Manager or Deputy General Manager or General Manager. The status of the chief of the mill, as it appears from the organisation charts, varies from unit to unit. Such variation occurs mostly on account of differences in the efficiency and service experience of the executives. In some cases it is due to variation in the size of the enterprise.

The enterprise chief is solely responsible to the corporation for the overall management of the mills. He has to ensure that the mill management correctly implements the plans and policies and also keeps the corporation informed, either directly or through the zonal office of BJMC, about the progress of the
Deputy General Manager

Organisation Chart of Top Management (1979-80), Latif Bawani Jute Mills Ltd.

Source: Latif Bawani Jute Mills Ltd.

FIGURE 4.6
FIGURE 6.7
Organisation Chart of Top Management (1979-80), Misha Jute Mills Ltd.
Source: Misha Jute Mills Ltd.
Deputy General Manager

Senior Accounts Officer

Export Purchase Officer

Senior Assistant

Labour Officer

Medical Officer

Store Officer

Senior Supervisor (Prod./Elec./Mech./Civil)

Shift-in-Charge/Supervisor

Asstt. Accounts Officer

Asstt. Accounts Officer

FIGURE 6.8

Organisation Chart of Top Management (1979-80), Moqbular Rahman Jute Mills Ltd.

Source: Moqbular Rahman Jute Mills Ltd.
FIGURE 6.9
Organisation Chart of Top Management (1980-81), Jessore Jute Industries Ltd.
Source: Jessore Jute Industries Ltd.
enterprise. The head of the mill is assisted in his functions by a number of officers such as Production Manager or Senior Assistant, Manager (Administration) or Administrative Officer, Deputy Chief Accountant or Senior Accounts Officer, Jute Purchase Officer, Sales and Export Officer, Deputy Chief Engineer, etc. All of them are directly responsible to the plant chief for their work.

In every enterprise, there is an "Enterprise Board". This Board, the highest body of management at the plant level, is entrusted with the task of overall management of the mill. It consists of the chief executive of the enterprise, the corporation's nominee/nominees, nominee/nominees of the government, and a nominee of the financial institution/bank. The Chairman of the Board is a nominee of the corporation. There is a Secretary to maintain all records relating to the Board's meetings in proper manner and he must be an officer of the enterprise.13 All members, except the Chairman and Secretary, are designated as Directors of the Board.

The "Enterprise Board" formulates policies and plans in accordance with the framework outlined by the corporation and implements those policies and plans so as to attain the enterprise goal. It chalks out such plans and programmes as improve enterprise performance and produce desired results.

The enterprise chief, being the executive head of the mill, exercises his powers and performs his functions in accordance with the plans and programmes chalked out by the "Enterprise Board".

To help the attainment of maximum efficiency at the enterprise level, the Board has been given various powers regarding purchase of raw jute, spare parts, sales, minor project development, personnel management and legal matters. The Board also possesses absolute power and authority to deal with recruitment, appointments, promotions, and disciplinary action except in the case of chief of the enterprise, departmental heads and some other officers of grade VI (National Pay Scale). These cases, as mentioned, are dealt with by the corporation. An important feature in this connection is that the "Enterprise Board" has no power to fix the wages and salaries of the workers, staff and officers without instructions from the corporation from time to time.

Control System in Jute Industry

There is a three tier control mechanism in the jute industry. The constituents of the control system are: (i) the Ministry of Jute, (ii) the BJMC, and (iii) the Individual Enterprise of BJMC. Figure 6.10 gives a clear idea of the controlling levels of the jute industry.
FIGURE 6.10

Control Structure in Jute Industry

The Ministry of Jute, as revealed by Figure 6.10, is the supreme controlling authority and exerts direct control over the BJMC and indirect control over the jute mills. BJMC represents the middle tier controlling body, and it acts as a link between the Ministry of Jute and an individual mill. The enterprise management (Enterprise Board), on the other hand, controls its own activities as per the guidelines given to it by the higher authorities. It stands at the bottom in the control structure of the jute industry. The important characteristics of the control system is that the zonal offices of BJMC, whose creation is mainly meant for maintenance of liaison between BJMC and mill management, lack the power of direct control. Table 6.2 shows the mechanisms of control relationships among the various authorities of jute industry.¹

¹(a) Govt. of the People's Republic of Bangladesh, Guidelines regarding the relationship between Government and Autonomous Bodies/Corporations and Enterprises under them, Dacca, May 15, 1976.

(b) Bangladesh Jute Mills Corporation, The Bangladesh Jute Mills (Enterprise Board) Regulation 1977, Article 14 and 15.
Control Relationships Among the Three Tiers in Jute Industry

<table>
<thead>
<tr>
<th>SL No.</th>
<th>Subjects</th>
<th>Ministry of Jute</th>
<th>Bangladesh Jute Mills Corporation</th>
<th>Individual Enterprise of BJMC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Sources of Controlling Power</strong></td>
<td>It obtains power of control from the President, Parliament, Council of Ministers and other Government Bodies.</td>
<td>It obtains power of control from the Ministry of Jute.</td>
<td>It obtains power of control from the BJMC.</td>
</tr>
<tr>
<td></td>
<td><strong>Flow of Control</strong></td>
<td>It controls BJMC.</td>
<td>It controls the various jute mills placed under it.</td>
<td>It controls its own activities at the plant level.</td>
</tr>
<tr>
<td></td>
<td><strong>Basic Responsibilities</strong></td>
<td>It formulates broad objectives and policies for BJMC.</td>
<td>It guides and co-ordinates the mills to attain the broad objectives and policies provided by the Ministry of Jute.</td>
<td>It endeavours to achieve maximum efficiency and effectiveness in managing its own activities.</td>
</tr>
<tr>
<td></td>
<td><strong>Administrative Appointments</strong></td>
<td>It makes arrangement for the appointment of Chairman, Directors of the Board of BJMC and also formulates rules for appointment to other posts.</td>
<td>It appoints the chief executive, heads of departments of the units working under it and also prepares rules for the recruitment of other employees by the individual mills.</td>
<td>It can recruit all persons to meet its own needs except chief executive, departmental heads and some other officers of grade VI (BPS).</td>
</tr>
<tr>
<td>No.</td>
<td>Department</td>
<td>Tasks and Responsibilities</td>
<td></td>
<td></td>
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<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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<tr>
<td>5.</td>
<td>Budgetary Control</td>
<td>It accords approval to the budgets submitted by the BJMC. It approves the budget of individual mills, zonal offices of BJMC and prepares its own budgets. It prepares its budgets, and when approved by the BJMC, tries to implement them.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Procurement and Supplies</td>
<td>It determines the procurement price and forecasts demands. It performs the tasks of invoice control and invoice payment. It usually undertakes small purchases and also deals with the purchase of low value items.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Sales</td>
<td>It provides market intelligence to the corporation with the aid of overseas embassies and foreign contacts. It undertakes the responsibility for sales, invoicing and debt collection of all items except those sold by the BJMC.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Sales Promotions and Market Research</td>
<td>It formulates broad policies dealing with the issues and demands reference from the BJMC when foreign contracts are to be made. Sales promotion and market research for the industry as a whole is its responsibility.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Project Planning and Development</td>
<td>All projects of BJMC needs the approval of the Ministry of Jute. It directly handles the projects where assistance is essential. It initiates project development, feasibility studies and schemes on major projects and is responsible for their implementation. It carries out the responsibility for initiating and implementing minor projects associated with the expansion or modernisation of its own plant.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TABLE 6.2 (Contd.)**
<table>
<thead>
<tr>
<th>10. Communication</th>
<th>All communications of BJMC except routine follow up with foreign missions and agencies need to be made through the Ministry.</th>
<th>All communications with outside parties by mill management that involve policy matters should be channelised through the corporation.</th>
<th>On operational and urgent matters individual enterprise is free to communicate with outside parties.</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. Legal Matters</td>
<td>It handles legal matters of the corporation that don't come within the corporation's own commercial, promotional and regulatory operations.</td>
<td>It deals with its own normal commercial, promotional, legal matters and also those which don't come within the purview of regular commercial and promotional affairs of the individual mill.</td>
<td>It is authorised to handle external or internal legal matters falling within its normal commercial and promotional purview.</td>
</tr>
<tr>
<td>12. Manpower Development</td>
<td>Prior approval of the Ministry is needed for providing overseas training to any executive of BJMC as well as plant management.</td>
<td>Manpower development for the various mills is the sole responsibility of the personnel department of the corporation.</td>
<td>It formulates manpower development plans for covering all types of staff and have them approved by the corporation.</td>
</tr>
<tr>
<td>13. Review of Performance</td>
<td>It appraises the audited performance reports of the corporation and suggests corrective action when necessary.</td>
<td>It reviews the audited annual accounts and other periodic reports of the various mills and suggests remedies if necessity arises.</td>
<td>It regularly evaluates the performance of its various departments and initiates measures in the light of appraisal.</td>
</tr>
</tbody>
</table>
Table 6.2 distinctly points out the existing relationships among the various controlling units of jute industry. Centralisation of excessive power in the hands of BJMC is a notable feature of this control mechanism. BJMC exercises full control in almost all the activities of the individual mill either directly or through its zonal offices. The "Budgetary Control" technique is the principal means by which control is exercised. Both the corporation and the individual mill must operate within the approved budget limits and must do their best to produce desired performance in conformity with the budgets. For unsatisfactory performance both the organisations are accountable to their respective higher authorities.

Another important feature of the control system is that it lays great emphasis on yearly evaluation. This is, however, not the case in many other countries. For instance, in U.K. nationalised enterprises are given an opportunity to attain break-even over a period of five years which means that surpluses on revenue account should at least be sufficient to cover deficits on revenue account over a 5 year period. The most laudable aspect of the control system of jute industry, like other nationalised industries of Bangladesh, is that there is a clear division of power and authority among the different controlling bodies. It seems that this may go a long way in

reducing misunderstandings among the different control tiers which cropped up from time to time during the early years of nationalisation.  

**Personnel Department**

Manpower management in the jute industry is the joint responsibility of BJMC and its enterprise management. There is a great deal of division in the nature of personnel functions performed by them. An attempt will be made now to describe the position of personnel organisation both in BJMC and its controlling units and the nature of personnel services rendered by them.

**Bangladesh Jute Mills Corporation**

The organisation chart of BJMC, as shown in Figure 6.3, indicates the position of the personnel department in the overall organisational hierarchy of BJMC. The chart reveals that there are two divisions, namely, Establishment and Common Service Division (hereafter to be referred as ECSD)

16"How the individual nationalised industrial unit will be managed and what amount of autonomy would be given to the unit are yet to be known. It has been observed from the study of a few industries that they have been allowed to work in the same framework as before excepting a few directives from various quarters and some top level appointments. This has caused innumerable management problems. Many of them may now follow a policy of their own choice, which has been possible owing to the lack of clarity of goal of each enterprise. Another aspect of the management problem is that decisions come from different quarters at a peace-meal basis without any co-ordination. The fact that decisions from innumerable sources without co-ordination cause lower productivity and simply over burden the chief executive with too many conflicting issues." Durgadas Bhattacharjee, "Management of Nationalised Industries of Bangladesh: A few Aspects", The Business Review, Vol. 1, No. 1, Dacca, Dec., 1972, pp. 90-97.
and Employees Relations Division (hereinafter to be referred as ERD). These two divisions have been jointly entrusted with the task of manpower management. Figure 6.11 shows the organisation chart of the personnel department of BJMC.

![Organisation Chart of Personnel Department (1979-80), Bangladesh Jute Mills Corporation](image)

FIGURE 6.11

Organisation Chart of Personnel Department (1979-80), Bangladesh Jute Mills Corporation

Source: Bangladesh Jute Mills Corporation.

It appears from Figure 6.11 that the ECSD is headed by a Secretary and the ERD by a General Manager. Both the Secretary and the General Manager are functional executives and are directly responsible to the Chairman of BJMC. The Secretary, like the Chairman of BJMC, is a government Cadre.
Officer. Besides his normal functions, occasionally, he looks into the affairs of the ERD, especially when the General Manager remains away from office. For the approval of the Chairman, most of the files of the ERD pass through the Secretary. He also exercises delegated power of the Chairman in matters of employees relations.

As regards the functioning of these two divisions, it has been observed that the ECSD exclusively deals with matters, inter alia, salaries, fringe benefits, recruitment, training, promotion, transfer, etc. of the officers of the BJMC head office, zonal offices and the enterprises. Besides, it looks into the above affairs of the staff working both in the BJMC head office and the zonal offices. The ERD, on the other hand, deals with a number of activities involving conditions of service of workers and staff working in the enterprises. But it is significant to point out here that the ERD does not exclusively perform those functions which cover the interests of enterprise workers and staff. Sometimes, it also looks into the affairs of the staff working in the BJMC head office and the zonal offices. By the same token, the ECSD, too, looks into the issues of workers and staff working in the jute mills. Specifically, the ERD deals with disputes relating to wages, salaries, fringe benefits, promotion, suspension, discharge, dismissal, etc. of the staff working in the BJMC head office, zonal offices and the workers and staff in the enterprises. Table 6.3 gives a comprehensive
idea of the functions discharged by the ERD.  

**TABLE 6.3**

Functions of Employees Relations Division

The important functions of the Employees Relations Division are mentioned below:

1. To provide suggestions, clarifications to the mill managements on dispute matters relating to wages, salaries, fringe benefits (house rent allowance, medical benefits, conveyance allowance), leave, holidays, promotions, discharge, dismissal, overtime, etc. of workers and staff.

2. To decide any complaint received from the plant managements on issues relating to terms of employment, working conditions, suspension, discharge, dismissal, reinstatement, etc. of workers and staff and communicate decisions to the mill managements.

3. To receive grievances in the form of charter of demands submitted by the workers' and staffs' federations, communicate the matters to the higher authorities and arrange collective bargaining sessions.

4. To examine the rationale for acceptance of workers' grievances through on the spot study and apprise the Board of Directors of BJMC as well as the Ministry of Jute before signing any memorandum of agreement with the representatives of workers and staff.

5. To represent BJMC at the collective bargaining sessions and sign memorandum of agreement if authorised to do so by the top management.

6. To issue circular and communicate terms of the new decisions taken or approved or terms of the agreement signed by the corporation to the plant managements and other concerned bodies.

7. To follow up labour situations of the jute mills following the agreement signed and implementation of the same.

8. To take care of the notice of strike or disputes that are likely to occur or have occurred in the jute mills and apprise the higher authorities about the same.

9. To arrange for periodic inspection for conducting welfare activities at the plants and improving conditions of labour thereof.

10. To ensure the enforcement of government labour policy and labour laws and rules and regulations thereof by the mills.

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17Based on discussions with the senior officers of
Personnel Department in the Enterprises

The organisation charts of the sample jute mills, as shown earlier, have made it clear that, like BJMC, there is no independent personnel department or division in any of the sample jute mills. In fact manpower management at the enterprise level is a task of mill management. It renders all important personnel functions covering recruitment, selection, payment of wages and salaries and other financial benefits, overtime, suspension, discharge, dismissal, workers' welfare, etc. of workers, staff and junior officers. While discharging some personnel functions like recruitment and selection of junior officers and staff, wages and salary administration, etc., the plant management strictly follows the broad guidelines of the corporation and exercises such power as it is empowered to. Table 6.4 explains the nature of personnel functions discharged by an enterprise management.18

<table>
<thead>
<tr>
<th>Personnel Functions of Enterprise Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>The important personnel functions of an enterprise management include:</td>
</tr>
<tr>
<td>1. Recruitment, selection, promotion, leave, holidays, gaining sessions and negotiations with the CBA union</td>
</tr>
<tr>
<td>5. Arrangement of collective bar, overtime, maintenance of</td>
</tr>
</tbody>
</table>

f.m. 17 (Contd.) the Employees Relations Division, Establishment and Common Service Division and the sample jute mills.

18Based on discussions with the senior officers of the sample jute mills, Employees Relations Division and Establishment and Common Service Division.
personnel records and confidential reports, suspension, discharge, dismissal, etc. of the workers, staff and junior officers.

2. Payment of wages, salaries and other benefits to the workers, staff and officers in accordance with the rules of wages and salaries prescribed or approved by the corporation.

3. Time to time contacts with the corporation management for clarification, suggestions on matters relating to terms and conditions of employment, discharge, dismissal, reinstatement, welfare measures, etc. of workers, staff and officers.

4. Taking care of the notice of strike or any other dispute likely to occur in the plant.

5. Following the submission of charter of demands by the same or as per instruction of BJMC.

6. Handling grievances of workers and staff on different issues concerning terms of employment, working conditions, etc.

7. Periodical submission of reports regarding enterprise labour situation to the corporation as well as the zonal office.

8. Participation in the various committees, such as participation committee, joint management council, etc. and also in the conciliation sessions.

9. Proper arrangement and supervision of various labour welfare activities such as canteen, medical treatment, provident fund, etc.

10. Defending management before courts, in case, management files a case or cases against a worker or a group of workers or union and vice-versa.

As is clear from their organisation charts, in all the sample jute mills, there are posts of Managers (Administration)/Administrative Officers just next to the plant chief. These officers are the functional executives and are actively involved in matters pertaining to the management of personnel. It would seem from the charts that the designation of the officers who look directly after personnel matters varies from mill to mill. This variation occurs mostly due to differences in service experience, status of the officers as well as the size of the
enterprises. Again, in one of the sample jute mills, Manager (Administration) is directly assisted in his functions by a Senior Administrative Officer and, in another, by an Asstt. Manager (Administration). The status of the officer as well as the big size of the mill contribute to this arrangement, and such a practice is uncommon in the case of small and many medium size jute mills.

The Manager (Administration)/Administrative Officer who exclusively deals with issues regarding staff also discharges many other functions (See Figure 6.6, 6.7, 6.8 and 6.9) including workers' service conditions. This denotes that they work normally on the pattern of a government establishment rather than on the pattern of an industrial or commercial enterprise.

Besides the posts of Manager (Administration)/Administrative Officer, in every jute mill there is a Senior Labour Officer/Labour Officer who generally deals with matters relating to workers. Here, too, the variation in designation exists owing to the differences in service experience, status of the officers and the size of the mills. Organisationally, the Senior Labour Officer/Labour Officer is a close subordinate of the Manager (Administration)/Administrative Officer. In practice, he assists both the Manager (Administration)/Administrative Officer and the enterprise chief in discharging their personnel functions. It is significant to mention here that although the Manager (Administration)/Administrative Officer deals with staff matters and the Senior Labour Officer/Labour Officer with workers, in fact for each and every decision on workers and staff issues they have
to seek advice, guidance and direction from the chief of enterprise. However, occasionally, the Manager (Administration)/Administrative Officer exercises the delegated power of the plant chief on personnel matters.

In all jute mills the usual practice is that for many decisions on labour matters, the head of the Labour Department, that is, the Senior Labour Officer/Labour Officer, goes to the enterprise chief through the Manager (Administration)/Administrative Officer. Many of the Senior Labour Officers/Labour Officers, while interviewed, expressed their deep concern over this issue. According to them, it disturbs them very badly in discharging their regular functions, and as such there should be a policy that they should be allowed to take up the workers' matters directly to the plant chief and the Labour Department should be upgraded for the cause of better management of workers as well as increased productivity. In addition, in many cases, the functions of Administrative Officer and Labour Officer are not properly defined and demarcated and hence a 'cold-war' goes on between these two officers with regard to their jobs, pay, status and other benefits. Perhaps, that is why, A Momin Chowdhury has remarked that "the present structure of jute mills is such that it breeds constant conflict between the Administrative Officer and the Labour Officer, especially where both of them work under the Mill Manager and belong to its personnel department".¹⁹ Further, when contacted, most of the Managers,

Managers (Administration)/Administrative Officers and officers of the Labour Department expressed the view that the organising of personnel functions for effective manpower management was virtually absent in all enterprises in the true sense of the term. But in the management process of decision-making involving the planning, procurement and deployment of men, materials and money for the attainment of definite objectives, the most vital aspect of the whole process is the management of men. And it is in the management (or mismanagement) of men that the greatest profits and losses, waste and economies lie. In this context, a vast majority of respondents of all categories had similar views. Data relating to the attitude of the respondents are shown in Table 6.5.

**TABLE 6.5**

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>16</td>
<td>-</td>
<td>14</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>(53.33)</td>
<td></td>
<td>(46.67)</td>
<td>(100.00)</td>
</tr>
<tr>
<td>Union Leaders</td>
<td>30</td>
<td>-</td>
<td>-</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>(100.00)</td>
<td></td>
<td></td>
<td>(100.00)</td>
</tr>
<tr>
<td>Workers</td>
<td>90</td>
<td>6</td>
<td>19</td>
<td>115</td>
</tr>
<tr>
<td></td>
<td>(78.26)</td>
<td>(5.22)</td>
<td>(16.52)</td>
<td>(100.00)</td>
</tr>
<tr>
<td>Total</td>
<td>136</td>
<td>6</td>
<td>33</td>
<td>175</td>
</tr>
<tr>
<td></td>
<td>(77.71)</td>
<td>(3.43)</td>
<td>(18.86)</td>
<td>(100.00)</td>
</tr>
</tbody>
</table>

Figures in brackets denote percentages.

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An analysis of the data shown in Table 6.5 reveals that 77.71% respondents of all groups expressed their agreements with the statement and only 18.86% disagreed. An inter-group comparison shows that hundred per cent union leaders showed their agreement, and in the case of workers and managers the percentage response was 78.26% and 53.33% respectively. Although the majority of managers agreed with the statement, their number in the "disagreed" category was higher (46.67%) than that of workers (16.52%).

Delegation of Power and Authority

The division of the management set-up of jute industry into different echelons and the clear-cut definition of power and functional areas of management at each level provides a clear idea as to the nature of decentralisation and delegation of power and authority. Under the present system of decentralised power and delegation of authority, the shape and structure of collective bargaining has been moulded into two levels. These are: (i) grass root or enterprise level and (ii) industry or corporation level. Detailed discussion has already been made as to the power and functions of the management at these levels. It is observed that both the enterprise and corporation management can exercise a host of functions pertaining to personnel management and industrial relations within their budgeted limits. But they lack certain powers particularly in matters relating to the fixation and enhancement of wages, salaries and allowances of workers, staff and officers. The sole decision
making power on these financial issues rests with the highest controlling body i.e. the government. Hence, in the situation of collective negotiations the management at both the levels cannot concede the workers’ demands on financial issues on their own discretion even if they find them genuine. During attitude survey it was observed that most of the respondents of all categories were well aware of this. Data relating to it are shown in Table 6.6.

TABLE 6.6
Actors’ Response to the Statement: In Public Sector, Management Lacks Power of Bargaining Especially on Financial Issues

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>30 (100.00)</td>
<td>-</td>
<td>-</td>
<td>30 (100.00)</td>
</tr>
<tr>
<td>Union Leaders</td>
<td>20 (66.67)</td>
<td>1 (3.33)</td>
<td>9 (30.00)</td>
<td>30 (100.00)</td>
</tr>
<tr>
<td>Workers</td>
<td>91 (79.13)</td>
<td>5 (4.35)</td>
<td>19 (16.52)</td>
<td>115 (100.00)</td>
</tr>
<tr>
<td>Total</td>
<td>141 (80.57)</td>
<td>6 (3.43)</td>
<td>28 (16.00)</td>
<td>175 (100.00)</td>
</tr>
</tbody>
</table>

Figures in brackets denote percentages.

It appears from Table 6.6 that 80.57% respondents of all groups agreed and only 16.00% disagreed with the statement. Analysing the responses group-wise, it seems that hundred percent managers agreed, and in the case of workers and union
leaders, the percentage response was 79.13% and 66.67% respectively. In the disagreed case 30.00% were union leaders and next to them came workers (16.52%).

Finance being a highly centralised function of the government, all types of demands for increase of wages, salaries and allowances of the employees of all categories ultimately get transmitted to the government through the corporation. Even so no decision can be taken easily as it involves a number of ministries, namely, Ministry of Finance, Ministry of Labour, Ministry of Industries, in addition to the Ministry of Jute. This is a clear case of lengthy processes involving costly delays and bottlenecks. Thus this complex system causes delays in making prompt solutions of the workers' grievances on the one hand. On the other hand, it tends to make the management evasive in its attitude and sense of responsibility. This also gives an opportunity to workers' unions, or federation of unions, to exert pressure on management and helps in arousing discontentment among workers against the authorities.

Summing up, management working at different levels has only limited powers to deal with workers' grievances concerning the fixation and enhancement of wages and salaries and other financial benefits of the employees of all categories. This state of affairs has a strong bearing on the collective bargaining practices in the jute industry.

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